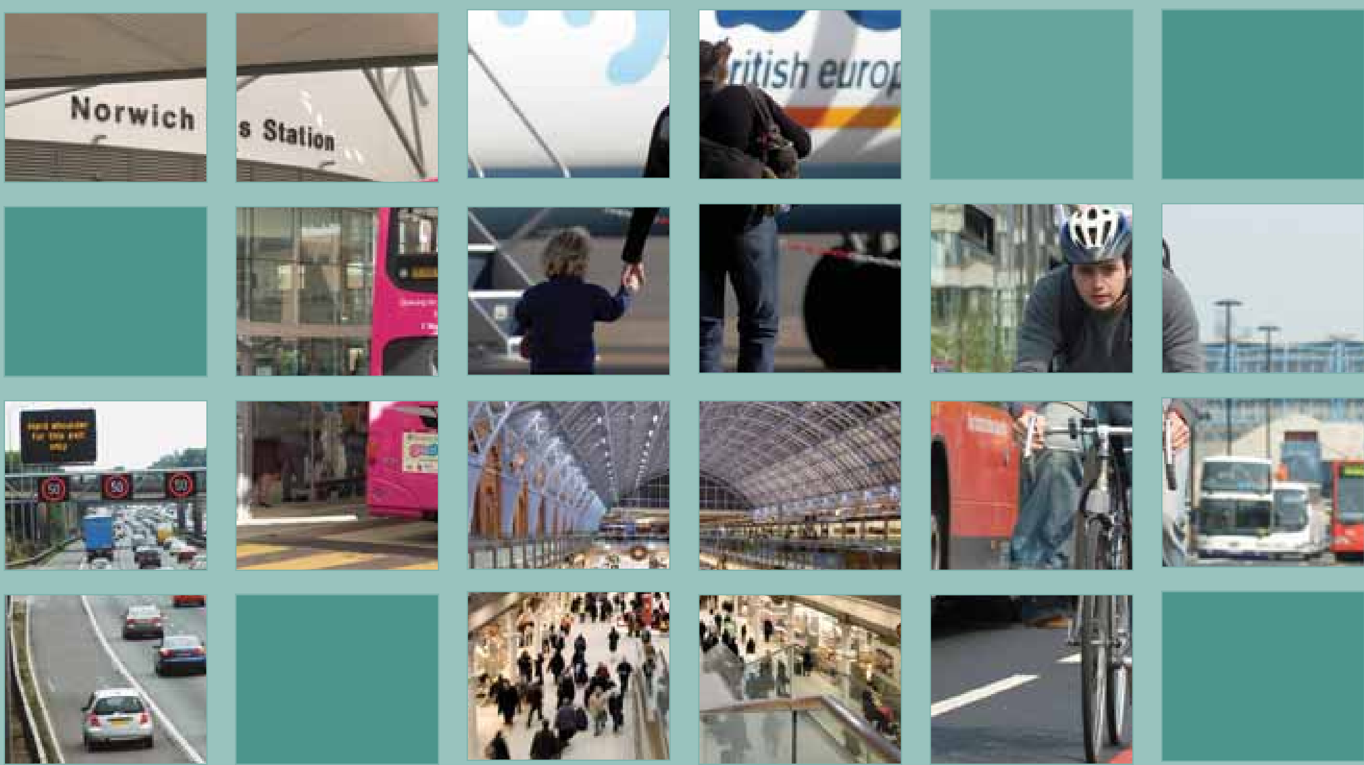
Department for Transport

Autumn Performance Report 2009



Department for Transport

Autumn Performance Report 2009

Presented to Parliament
by the Secretary of State for Transport
by Command of Her Majesty
December 2009

Cm 7737 £14.35

ISBN: 9780101773720

Printed in the UK for The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID 2335287 12/09

Printed on paper containing 75% recycled fibre content minimum.

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Chapter 1
Introduction

This is the Autumn Performance Report for the Department for Transport. It provides Parliament with a progress report on performance against the Department's Public Service Agreements and Departmental Strategic Objectives, using data available up to November 2009.

Transport affects everyone and is essential for a strong economy and society, providing access to jobs, services and leisure activities. However, there are costs attached to transport, from noise pollution to greenhouse gas emissions. Improving transport is a major government priority. Our aim is 'Transport that works for everyone'. We hope to achieve it by promoting the benefits of transport and making them available to all, while, at the same time, limiting the negative effects.

Our Departmental Strategic Objectives

To support this aim, the Department has five strategic objectives which focus on the core areas of its business:

- to support national economic competitiveness and growth, by delivering reliable and efficient transport networks;
- to reduce transport's emissions of carbon dioxide and other greenhouse gases, with the desired outcome of tackling climate change;
- to contribute to better safety, security and health, and longer life expectancy, by reducing the risk of death, injury or illness arising from transport, and by promoting travel modes that are beneficial to health;
- to promote greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society; and
- to improve quality of life for transport users and non-transport users, and to promote a healthy natural environment.

To achieve our objectives, we provide leadership across the transport sector, working with regional, local and private sector partners who deliver many of our services. Our work is focussed around the following key tasks:

- improving the current operation and capacity of transport networks and services, and providing better information for travellers;
- shaping the future pattern of demand for transport, including through land-use planning and appropriate pricing;
- tackling the environmental impacts of transport through pricing, regulation, technology, consumer information and promoting efficient use of resources;
- planning and managing investment programmes for the longer term;

- regulating and licensing certain transport services and operators; and
- managing information and delivering services to support wider government objectives.

Our Public Service Agreements

CSR07

In October 2007, as part of the Comprehensive Spending Review, the Government published 30 Public Service Agreements (PSAs) which set out its key priorities for the period from April 2008 to March 2011.

PSA 5: Deliver reliable and efficient transport networks that support economic growth

DfT leads on this PSA. For full details of our delivery agreement, see the HM Treasury website at www.hm-treasury.gov.uk.

Progress against this PSA is measured through the four key indicators which underpin delivery. This is discussed in detail in Chapter 2.

DfT contributions to other departments' PSAs

The transport PSA focusses on supporting sustainable economic growth but it does not cover the full range of the Department's responsibilities. We also contribute to other PSAs spanning health, crime reduction, equality of opportunity, housing, building communities, security, the environment and climate change. In particular we formally share responsibility for and report on in this document the following PSAs:

PSA 26: Reduce the risk to the UK and its interests overseas from international terrorism
(lead: Home Office)

Our work to protect passengers, staff and transport assets makes a significant contribution to this PSA.

PSA 27: Lead the global effort to avoid dangerous climate change
(lead: Department of Energy and Climate Change)

Our work to reduce carbon emissions from transport will make a substantial contribution to the Government's climate change goals.

PSA 28: Secure a healthy natural environment for today and the future
(lead: Department for the Environment, Food and Rural Affairs)

Our work, particularly on improving vehicle emission standards, is a key contributor to meeting the objectives of the UK Air Quality Strategy.

Legacy PSAs

This report also discusses progress against our legacy PSAs from Spending Review 2004, where a final report has not yet been published:

SR04: Bus and light rail

SR04: Road safety

Service Transformation Agreement

The Department contributes to the two government-wide Service Transformation Agreement performance measures. These are, by 31 March 2011, to:

- close 95 per cent of government websites (migrating the content to Directgov, Business Link or the relevant departmental website); and
- halve the numbers of avoidable contacts received (instances where people have to phone contact centres for further information or to chase progress).

To date we have shut down over half the DfT websites identified for closure and have achieved almost 45 per cent of the target to reduce avoidable contacts.

What the report shows

We continue to make good progress against the local congestion targets in 10 urban areas. All are currently on track to exceed their target, suggesting the Department will meet its national urban congestion target for 2010-11.

On inter-urban routes, the Highways Agency has made strong progress with the Reliability Delivery Plan and many interventions are already contributing to reduced delays. Delays for the slowest 10 per cent of journeys are lower than when reliability performance was first reported on in July 2005. Given the similar levels of traffic now and in 2005, these lower delays are attributed mainly to the full impact of measures from the SR04 delivery plan and the early impact from those in the current Reliability Delivery Plan.

Rail performance in England and Wales is now at its best level since the measure began in 2001. Progress has been good in the twelve months to September 2009 and the industry continues to work to secure further improvement in performance.

The Department is working with train operating companies to deliver extra capacity for rail passengers. The Government's High Level Output Specification programme for the railway is introducing a significant number of extra carriages onto the network in England and Wales by 2014. The proposals on rail electrification, announced by the Government in July, radically affect the requirements for rolling stock over the next decade. A new rolling stock plan will be published in due course, taking account of the changed circumstances and focussing on the steps needed to deliver the additional capacity in the period up to 2014.

We have halted the long-term decline in bus use and there are more bus services across the country. Bus patronage continues to increase year on year, reversing the trend that dated back to the 1950s. In the eight years to 2009, public transport usage (bus and light rail) in England increased by 23 per cent against a target of 12 per cent (provisional estimate). The Department has launched a new £30 million fund to encourage the purchase of low-carbon buses in England. Bus operators and councils have already bid for money to use towards the additional up-front cost of buying these buses.

Our roads are becoming safer. The Department has this year achieved its target of a 40 per cent reduction in reported road deaths and serious injuries. This reduction was achieved two years early, in 2008. Between 1998 and 2003 fatal casualties fell less rapidly than serious injuries but have since fallen more rapidly and, in 2008, were 29 per cent lower than baseline.

We published our carbon reduction strategy, *Low Carbon Transport: A Greener Future*, in July of this year. It sets out the measures we propose to take to deliver a projected 14 per cent reduction in domestic transport emissions on 2008 levels by 2020. We have established a new cross-Whitehall Office for Low Emission Vehicles which will take forward policies to accelerate the uptake and delivery of ultra-low-carbon vehicles into the UK transport mix. The interim results from the three Sustainable Travel Demonstration Towns have shown a reported seven to nine per cent reduction in car trips and considerable increases in walking, cycling and bus use. In February 2009 the EU directive including aviation in the EU Emissions Trading System from 2012 came into force. We are now working with DECC for the inclusion of emissions from international aviation and shipping in the UN talks in Copenhagen in December 2009.

On accessibility we have brought in new measures to improve journeys for disabled air travellers. Up to 15 million disabled people and those with limited mobility now have new rights when travelling through European airports. In England and Wales a total of 523 stations will be upgraded thanks to £37 million funding, including £6.1 million from the Department's Access for All fund. This will help pay for ramps, lifts, disabled access toilets and parking, as well as better customer information screens and public announcement systems. We have also extended concessionary travel so that older and eligible disabled people can now travel on off-peak local buses, free of charge, throughout England. This has increased social mobility and boosted bus patronage.

Overview of progress on PSAs and DSOs

The table below shows our PSAs from the current and previous spending reviews and our Departmental Strategic Objectives, with an indication of the current status of progress overall. The progress is reported in more detail in Chapter 2 and Chapter 3.

Public Service Agreements	
DfT's PSA	**Status**
CSR07 PSA 5 Deliver reliable and efficient transport networks that support economic growth: ■ Minimise journey times on main roads into urban areas. ■ Minimise increases in delays for the slowest 10 per cent of journeys on the strategic road network. ■ Increase the level of capacity and minimise crowding on the rail network. ■ Maintain value for money in the Department's spending over the CSR07 period.	Strong progress
DfT contribution to other departments' PSAs	
PSA 26 Reduce the risk to the UK and its interests overseas from international terrorism.	Classified information
PSA 27/SR04 Climate change	PSA led by DECC
PSA 28/SR04 Air quality	PSA led by Defra
Legacy PSAs	
SR04 Road safety	On course
SR04 Increase bus and light rail usage	On course

Departmental Strategic Objectives	
DSO	**Status**
DSO 1 Support national economic competitiveness and growth, by delivering reliable and efficient transport networks: ■ Minimise journey times on main roads into urban areas. ■ Achieve 1.7 million vehicle hour delay savings on the strategic road network by March 2011. ■ Increase the level of capacity and minimise crowding on the rail network. ■ Maintain value for money in the Department's spending over the CSR07 period. ■ Achieve reliability on the railway.	Strong progress

DSO	Status
DSO 2 Reduce transport's emissions of carbon dioxide and other greenhouse gases, with the desired outcome of tackling climate change: ■ Develop carbon reduction strategy for transport. ■ Introduce agreements with car manufacturers on new car CO_2. ■ Improve EU Emissions Trading System. ■ Introduce Renewable Transport Fuel Obligation.	Strong progress
DSO 3 Contribute to better safety, security and health, and longer life expectancy, by reducing the risk of death, injury or illness arising from transport, and by promoting travel modes that are beneficial to health: ■ Reduce number of children killed or seriously injured in road accidents. ■ Reduce overall number of people killed or seriously injured in road accidents. ■ Deliver contribution to PSA 26. ■ Contribute to Air Quality Strategy.	Some progress
DSO 4 Promote greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society: ■ Increase the number of Secure Stations. ■ Ensure compliance of bus fleet by 2017. ■ Ensure compliance of heavy rail by 2020. ■ Improve access to services and facilities by public transport, walking and cycling.	Strong progress
DSO 5 Improve quality of life for transport users and non-transport users, and promote a healthy natural environment: ■ Meet critical milestones for delivery of relevant transport infrastructure for 2012 Olympics. ■ Open High Speed One services at Stratford International in line with agreed timetable. ■ Ensure rail industry produces Noise Action Plans and delivers in line with these.	Some progress

Chapter 2
Public Service Agreements (PSAs)

CSR07 PSA 5: Deliver reliable and efficient transport networks that support economic growth

The Department is solely responsible for this PSA.

Overall summary

Strong progress

Improvement in three out of four indicators
Indicator 4 not yet assessed

Indicator 1: Journey time on main roads into urban areas

By 2010-11 the ten largest urban areas[1] will meet the congestion targets set in their local transport plans relating to movement on main roads into city centres. The target will be deemed to have been met if, on the target routes in these areas, an average increase in travel of 4.4 per cent is accommodated within an average increase of 3.6 per cent in person journey time per mile.

Progress nationally
The Department published the latest performance data on 5 November 2009.[2] This included provisional performance data up to the end of July 2009 for the urban congestion target.

This data showed that the average person journey time across all the target routes had fallen by four per cent between the baseline (2004-05 and 2005-06) and 2008-09. This is against a trajectory which showed an expected increase in personal journey time of 2.6 per cent for this period. This means that it was originally anticipated that a typical 30-minute commute on the target routes in the baseline period would take 30 minutes and 46 seconds in 2008-09. However, the provisional data shows that in 2008-09 such a journey took only 28 minutes and 47 seconds. The average level of travel has risen in 2008-09 by 0.3 per cent across all the target routes since the baseline period, against an anticipated increase of 2.6 per cent.

Progress across the ten areas
Performance across the majority of the ten urban areas followed the same pattern as the national indicator. Nine showed decreases in person journey times and one showed no change. All were performing better than their predicted trajectories.

1 These are London, Manchester, West Midlands, West Yorkshire, South Yorkshire, Tyne and Wear, Merseyside, West of England (Bristol), Nottingham and Leicester.
2 Transport Statistics Bulletin: Road Traffic and Congestion in Great Britain Q3 2009, SB (09) 07.

Seven areas showed a reduction in travel levels and three an increase, as measured by person miles. Two had increases in travel volume greater than that anticipated in their predicted trajectory. This included London with an 8.6 per cent increase, which accounts for 41 per cent of the national figure.

Performance

The performance data for 2008-09 shows an improvement in person journey times, the third year in succession. This is likely to be a consequence of the lower than expected rise in the level of travel, linked to the recession and the interventions undertaken by the relevant highway authorities and other external factors, such as road works and land use changes.

The following chart shows the performance data for 2006-07, 2007-08 and 2008-09 (provisional) against the national trajectories. We intend to publish final data for 2008-09 in February 2010.

Urban congestion: performance against trajectory

* Baseline uses a mixture of 2004-05 and 2005-06 data

Indicator 2: Journey time reliability on the strategic road network

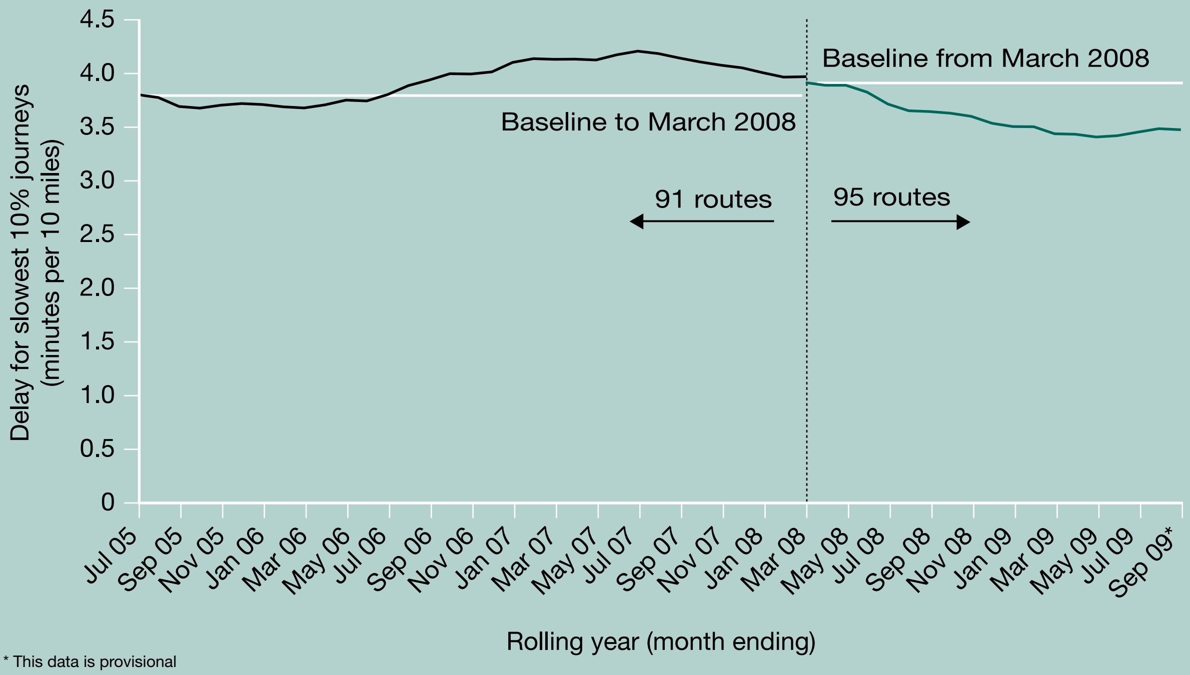
The SR04 PSA – Make journey times more reliable on the strategic network – has been subsumed into this indicator.

Minimise increases in delays between years ending March 2008 and March 2011 for the slowest 10 per cent of journeys in the context of traffic growing by 1-2 per cent a year.

Journey time reliability is monitored by the average vehicle delays for the slowest 10 per cent of journeys. This is the best current indicator to reflect the experience of road users. Delay is the difference between an observed journey time and a reference journey time (the time that could theoretically be achieved when the traffic is free flowing).

Provisional figures for the year ending September 2009 show that, across the strategic road network, average vehicle delay on the slowest 10 per cent of journeys across the measured routes fell from 3.90 minutes per 10 miles in the baseline period (April 2007 to March 2008) to 3.46 minutes per 10 miles. This is equivalent to a saving of 26 seconds per 10 miles, or the average speed on these routes rising from 44.3 mph to 45.7 mph for the slowest 10 per cent of journeys.

Monthly trend in the journey time reliability measure



* This data is provisional

The improvement in delay performance is monitored in the context of a fall in traffic on the strategic road network, estimated to be around 2.4 per cent between the years ending March 2008 and September 2009.

Success for this indicator is judged by the delivery of a programme of interventions to achieve an estimated annual saving of 1.7 million vehicle hours delay by March 2011. This is equivalent to 10 seconds per 10 miles for the slowest 10 per cent of journeys.

Traffic levels are now similar to those of July 2005 when reliability was first measured and delays were higher. This suggests that the reliability delivery plan interventions are having a beneficial impact by helping to drive down the level of delay.

Data quality

Data for this indicator is constructed from traffic data from four different sources and complies with the National Statistics Code of Practice.

Indicator 3: Level of capacity and crowding on the rail network – overview

By 2013-14 increase rail capacity to accommodate an expected increase of 14.5 per cent in rail passenger kilometres from 2008-09 while achieving the train-load factors specified in the Government's High Level Output Specification (HLOS) for the railway.

The outcome will be an increase in the rail passenger-carrying capacity at times and places on the rail network where current capacity is insufficient to meet forecast demand. This extra capacity will be delivered in the major urban areas to cater for weekday morning commuter peaks. The extra capacity will primarily come from train lengthening but in some places it may also be cost-effective to run extra trains and/or rescheduled trains. Stations, tracks and other rail infrastructure will be modified as necessary to enable enhanced passenger train services to operate.

Indicator 3 is generally on programme to achieve the outcomes in 2013-14. Negotiations have started with train operating companies to deliver additional carriages. To date 550 new rail vehicles have been ordered. By 2013-14 capacity will have been enhanced to accommodate an expected increase of 14.5 per cent in rail passenger kilometres from the 2008-09 base, while achieving the train load factors specified in the Government's High Level Output Specification (HLOS) for the railway.

The Rail Electrification announcement on 23 July 2009 proposes the electrification of the Manchester to Liverpool route late in rail industry Control Period 4 (2009-14) and the Great Western Main Line in Control Period 5 (2014-19). Electrification brings several significant benefits for both intercity and regional services. These include:

- making best use of existing electric rolling stock (that would otherwise potentially become redundant), resulting in lower CO_2 emissions by the rail industry;
- improving train reliability;
- offering through-service opportunities; and
- allowing the redeployment of diesel units to strengthen currently overcrowded routes.

DfT has also made progress in understanding current capacity and plans to undertake further work.

Coverage
This PSA is specifically focussed on the contribution that transport makes to economic growth. Indicator 3 aims to address the issues around the level of capacity and crowding on the rail network. This target is linked to the Government's HLOS for the rail network, which details the passenger demand to be accommodated on 23 strategic routes and the load factors forecast to be achieved on routes across the country and into key stations.

Indicator 4: Value for money of the Department's spending over the CSR07 period

There is no national target for this indicator. However, the Department's aim is to maintain the same proportion of spend in the High Value for Money category as achieved over the SR04 period. Success will be judged over the three-year CSR07 period.

Progress

Success will be judged over the three-year CSR07 period so it cannot be assessed until the end of the spending review period (after March 2011). However, progress to date is on track. From April 2008 to end of August 2009, 98 per cent of approved spending was in the High Value for Money category, compared with the average in SR04 of 95 per cent.

Performance indicator

This indicator reports the amount of DfT spending approved over the CSR07 period that is subject to the Department's Value for Money (VfM) process and the proportion in each VfM category (High/Medium/Low/Poor).

Projects count in the indicator in the financial year that final approval from ministers is given. The indicator includes information from each VfM assessment presented to ministers at the point that final spending decisions are sought (ie at the last approval before work commences or contracts are let).

Value for money of Department for Transport spending

VfM Category	Baseline (SR04 period) £m		CSR07 to date (Apr 08 to Aug 09) £m	
High	5,532	(95%)	6,456	(98%)
Medium	206	(4%)	113	(2%)
Low	63	(1%)	21	(0%)
Poor	0	(0%)	0	(0%)
Total 'approved spending'	5,801	(100%)	6,589	(100%)
Number of 'approved schemes'	81		28	

Notes:
The table includes only spending decisions that are subject to the Department's VfM process.
'Approved spending' and 'approved schemes' refer to spending decisions and schemes that ministers have given final approval to within the period indicated. For example, ministers gave final approval to 81 schemes in the SR04 period covered by the Department's VfM process, though these projects may be delivered after that time.
Spending figures in this table refer to the 'cost to the Department' used in submissions seeking final approval by ministers. In some cases the cost to the Department does not represent the full cost of the scheme or intervention under consideration. Part of the cost might be covered by other public sector or private sector contributions. The cost represents the spending over the life of the project which, in many cases, extends beyond the spending review period.
Costs and/or benefits may change (from those presented to ministers for final approval) but remain within delegated limits. If they move beyond delegated limits, schemes are resubmitted to ministers. Secondly, precise costs and benefits can change when the Department negotiates delivery of projects with external delivery partners.
VfM categories are as follows: High: benefits are at least double the costs; Medium: benefits are 1.5 to 2 times the costs; Low: benefits are 1 to 1.5 times cost; Poor: benefits are less than costs. These categories are described in terms of the present value of benefits compared to the present value of costs. In April 2009 we changed this categorisation. A new Very High category is now used if a scheme's VfM benefits are estimated to be greater than four times the costs. 'High' is now used if a scheme's VfM benefit cost ratio is between 2 and 4. However, for the purposes of reporting progress on this indicator, we will continue to use the original four VfM categories throughout the CSR07 period.

Data quality
The indicator reports the VfM ratings presented to ministers when spending decisions are made, using the Department's VfM process. It also uses the estimate of cost to the Department of those decisions.

DfT's value for money process
The Department's VfM process,[3] built on previous systems, was introduced in 2004 to assess the fuller impact of transport proposals consistently and present appraisal details coherently to ministers. The VfM assessment measures the expected benefits to each pound of spending covered by the process.

Coverage
The VfM process covers all major schemes that are subject to ministerial approval, including:

- Highways Agency major schemes;
- local authority major schemes;
- major rail projects the Department is contributing to the costs of; and
- rail franchise support (changes in rail services provided through the renewal or alteration of train operating franchises).

DfT contribution to other departments' PSAs

PSA 26: Reduce the risk to the UK and its interests overseas from international terrorism

The Home Office is the lead department for this PSA.

The Department for Transport contributes to the PROTECT outcome of this PSA. The indicator relates to mitigating certain risks to transport services from terrorist incidents. For security reasons performance against PSA 26 will not be published.

By its nature, it contains information about the UK counter-terrorism effort that could potentially be useful to those who threaten the country and its interests and it is, therefore, classified.

In April and September 2009 we contributed to the second and third of six classified biannual reports on PSA 26 and its data has been independently validated. It is currently the subject of a classified National Audit Office examination of the PSA data as a whole. An inter-Departmental Transport Security Programme Board ensures governance.

The Office for Security and Counter Terrorism intends, insofar as is possible and consistent with national security, that scrutiny arrangements for this PSA, including Parliamentary scrutiny, will mirror those in place for other PSAs, with progress reports made public during the CSR period. As and when these reports are made, they will be reflected in the Department for Transport's annual and autumn performance reports.

3 See Value for Money guidance at www.dft.gov.uk/about/howthedftworks/vfm for further information.

PSA 27: Lead the global effort to avoid dangerous climate change

This PSA has subsumed the original SR04 PSA: Climate change.

Reduce greenhouse gas emissions to 12.5 per cent below 1990 levels in line with our Kyoto commitment and move towards a 20 per cent reduction in carbon dioxide emissions below 1990 levels by 2010, through measures including energy efficiency and renewables.

This is a joint target with DECC, Defra and BIS.

DECC is the lead Department for this PSA and the full indicator data is to be found in its report.

Current trends in transport emissions
Emissions from domestic transport have increased by around 12.5 per cent since 1990 to over 131 million tonnes (Mt) CO_2 in 2007. The growth in CO_2 emissions is expected to slow down as fuel efficiency continues to improve, and lower-carbon fuels – such as biofuels – increase their market share.

In 2008 latest figures for the UK indicate that the average fuel efficiency of new cars was 158.2g CO_2/km. This is on average four per cent more fuel efficient than new cars sold in 2007 and 11 per cent more efficient than new cars sold in 2001.

Key progress on transport
In July we published *Low Carbon Transport: A Greener Future* (July 2009),[4] the Department's carbon reduction strategy, setting out measures that will make a major contribution to this PSA. Measures in the strategy are expected to save an additional 85 Mt CO_2 in the period 2018-2022. Taken together, our actions will deliver a projected 14 per cent reduction in emissions on 2008 levels by 2020.

There are three central themes to the carbon reduction strategy:

- supporting a shift to new technologies and fuels;
- promoting lower-carbon choices; and
- using market mechanisms to encourage a shift to lower-carbon transport.

In the strategy we also committed to publishing an implementation plan in spring 2010. It will set out the details of our delivery milestones and the mechanisms through which we will monitor progress.

In addition to the progress noted under DSO 2 (see pages 27-29), the Government has already committed around £400 million support to encourage development and uptake of ultra-low-emission vehicles. This includes around £230 million funding from 2011 onwards to support consumer purchase of electric and plug-in hybrid electric cars, which will be used to provide consumer support worth in the region of £2,000-£5,000 per car. Up to £30 million will be made available to support the electric vehicle (EV) charging infrastructure development in lead cities and regions.

4 www.dft.gov.uk/pgr/sustainable/carbonreduction/

Over £140 million of the £400 million support has been allocated to low-carbon vehicle research, development and demonstration. This includes the DfT investment of up to £10 million in the Ultra-Low Carbon Car Demonstrator Programme which will see over 340 electric and plug-in hybrid vehicles on the UK's roads within the next 18 months. Up to £20 million has been allocated to the Low Carbon Vehicle Public Procurement Programme which will see over 150 electric and low-carbon vans under trial in a number of high-profile, public-sector fleets. The new cross-Whitehall Office for Low Emission Vehicles will take forward these policies, with the aim of making the UK a leading place to develop, demonstrate, manufacture and use ultra-low-carbon vehicles (including electric and plug-in hybrid options).

Interim results from the three Sustainable Travel Demonstration Towns (Darlington, Peterborough and Worcester) have shown a reported seven to nine per cent reduction in car trips and considerable increases in walking, cycling and bus use between 2004 and 2009.

We have reformed bus subsidy to include a fuel-efficiency incentive and an incentive on the use of low-carbon buses. We are funding a £1 million Safe and Fuel Efficient Driving demonstration project for bus and coach drivers and have launched a £30 million competition to support the introduction of hundreds of new low-carbon buses in England over the next year and a half.

The ACT ON CO_2 consumer campaign promoted fuel saving, smarter driving and more messages about buying fuel-efficient cars. A new campaign was launched in November 2009 to raise awareness of the fact that personal car travel is the single biggest contributor to household CO_2 emissions. The Department funds the Energy Saving Trust to advise customers and businesses on cutting emissions. The Department has worked with the Low Carbon Vehicle Partnership and in November 2009 introduced a colour-coded fuel-economy label for used cars. Together with existing fuel-economy labels for new cars now used by over 90 per cent of dealers, these labels help consumers make informed decisions when buying cars.

In collaboration with DECC, the Department has been pushing for the inclusion of emissions from international aviation and international shipping in the UN talks in Copenhagen in December 2009.

The UK's Regulations transposing the first stage of the EU Directive to include aviation in the EU Emissions Trading System (EU ETS) into UK law are now in force. These require all aircraft operators in the EU ETS allocated to the UK for regulation to have applied to the UK Regulator for an emissions plan by 12 November, and monitor their emissions from 1 January 2010. All flights departing from and arriving at EU airports will be included in the EU ETS from 2012.

PSA 28: Secure a healthy natural environment for today and the future

This PSA has subsumed the original SR04 PSA: Air quality.

Meet the Air Quality Strategy objectives for eight air pollutants as illustrated by trends in measurements of two of the more important pollutants which affect public health: particulate matter and nitrogen dioxide (these are two of the eight pollutants measured under the UK Air Quality Strategy).

This is a shared target with Defra.

The UK is currently meeting its national Air Quality Strategy targets for six of eight pollutants. However, in spite of significant improvements over time (eg through implementation of demanding Euro standards for new vehicles, an area where DfT takes the lead) the UK is still in exceedence for two key pollutants, particulate matter (PM_{10}) and nitrogen dioxide (NO_2). Road transport is a key source of both pollutants at many roadside locations in the UK.

Performance is assessed annually by means of data from the national air quality monitoring network.[5]

A general assessment of progress in improving air quality is also published each year against two air quality headline indicators for sustainable development.[6]

Coverage
England

Key progress
We are working with our European partners to develop even tighter standards for new vehicles and fuels. Such Euro standards are a key lever for improving national air quality and the Department leads for the UK on EU negotiations. We are continuing to explore opportunities to incentivise early uptake of Euro 6 standards for passenger cars and Euro VI standards for heavy-duty vehicles.

A new EU air quality Directive was adopted in June 2008 and is due to be transposed in 2010. The directive recognises the challenge facing Member States in meeting pollutant targets, particularly those for PM_{10} and NO_2 and allows them to apply for an extension of the limit value deadline. The UK has applied for a time extension for PM_{10} and is working towards a similar application for NO_2. This will potentially extend the deadlines to 2011 and 2015 respectively.

DfT continues to work with Defra and other stakeholders on the issue of meeting air quality targets and reducing the impact of road transport on the environment. Emissions of air quality pollutants from road transport have fallen by 50 per cent since 1990, despite traffic increasing by a fifth and the number of licensed vehicles increasing by 77 per cent between 1980 and 2007, from 19.2 to 34 million.

5 www.airquality.co.uk/archive/networks_home.php
6 www.defra.gov.uk/sustainable/government/progress/national/29.htm

Data quality
Data is assembled using Defra's national network of continuous air quality monitoring stations. The data is quality checked according to strict standards set out in EU legislation, covering both the measurement methods used and the data-capture rates. The main limitation of this data set is the potential for the network to be unrepresentative of the general air quality situation, although strict 'siting' criteria is used in the set-up of the network.

The level of data accuracy sought by Defra is to meet mandatory monitoring requirements in European air quality directives which have been transposed into UK regulations. These provide uncertainties for measured individual data points of between less than 15 per cent to less than 25 per cent, depending on the pollutant. The most recent calculations for gaseous pollutants recorded at sites in the UK national monitoring network gave an accuracy range of between 8 to 14 per cent. Data uncertainties will be recalculated in 2009, following the installation of European Standards Institute type-approved equipment into the UK monitoring network.

Future projections are, however, far less certain, although the Department has recently published research with recommendations for improving the quality of future road transport emissions projections. Whilst long-term trends in air quality are closely aligned with changes in emissions, variation between years is far more dependent on the weather.

Information on concentrations of other air pollutants can be found in Defra's 2009 Departmental Report.[7]

Legacy PSAs

SR04: Bus and light rail use

By 2010, increase the use of public transport (bus and light rail) by more than 12 per cent in England compared with 2000 levels, with growth in every region.

The target was revised to include a commitment to growth in every region. Improvements to punctuality, reliability, and vehicle accessibility, though no longer mentioned in the target, remain as part of an overarching objective. Given the difficulty of achieving growth in all regions during the SR2004 period (April 2005 – March 2008), we decided to aim for year-on-year growth in every region during the final three years of the PSA target period (April 2008 – March 2011).

This PSA has subsumed SR02 PSA: By 2010 increase the use of public transport (bus and light rail) by more than 12 per cent in England compared with 2000 levels, with growth in every region.

Status
On course

7 www.defra.gov.uk/corporate/about/how/deprep/docs/2009-deptreport.pdf

Progress
With patronage 19.6 per cent above baseline, well in excess of target, we are on course to achieve the national patronage target as well as the associated improvements to reliability and disabled access. The target for growth in patronage in every region remains challenging.

Bus service reliability has risen from a baseline of 98.2 per cent to 99 per cent. Although this is still short of the target agreed with the industry of 99.5 per cent, this represents significant progress. Reliability is not currently considered to be an area of concern with regard to light rail.

Sixty-two per cent of buses are now low-floor accessible, compared with a baseline figure of 21.3 per cent in 2000-01, and we are well in excess of the target agreed with industry of 50 per cent by 2010-11. This figure is expected to rise further by the target year.

Patronage
Patronage in England outside London rose significantly in 2008-09, largely as a result of the free national concessionary fare scheme which came into force on 1 April 2008. Some local authority areas outside London are delivering increases in patronage over and above those generated by the free concessionary fare scheme. A total of 4,594 million bus passenger journeys were made in 2008-09, up 1.6 per cent on the 2007-08 total of 4,522 million. Bus patronage is 19.6 per cent above the 2000-01 baseline of 3,842 million after eight years.

Patronage on the modern light rail and tramway systems in England increased slightly in 2008-09 to 189 million passenger journeys, compared with the previous year.

Combined bus and light rail patronage has increased by over 20 per cent over the first eight years of the period to which the 12 per cent target relates.

Combined bus and light rail fell in many English regions during 2007-08. This followed large increases in most regions in 2006-07 associated with the introduction of free local concessionary fares. In London, patronage increased by 4.9 per cent.

Provisional figures indicate a significant rise in patronage in regions across England in 2008-09, largely due to the introduction of the free national concessionary fares scheme in April 2008.

Regional figures for 2008-09 are not yet available and will be published in the New Year.

Bus and light rail patronage 1985-86 to 2008-09 – passenger numbers in millions					
	London buses	**Met buses**	**Non-met buses**	**Light rail**	**England**
2000-01	1,347	1,203	1,292	124	3,966
2001-02	1,422	1,196	1,263	132	4,013
2002-03	1,527	1,182	1,255	141	4,105
2003-04	1,692	1,162	1,233	147	4,233
2004-05	1,802	1,128	1,210	159	4,299
2005-06	1,881	1,111	1,204	163	4,360
2006-07	1,993	1,141	1,336	179	4,648
2007-08	2,089	1,104	1,328	186	4,708
2008-09 (provisional)	2,149	1,111	1,335	189	4,783

SR04: Road safety

Reduce the number of people killed or seriously injured in Great Britain in road accidents reported to the police by 40 per cent and the number of children killed or seriously injured by 50 per cent by 2010 compared with the average for 1994-98, tackling the significantly higher incidence in disadvantaged communities.

Status
On course

Performance indicator

Total number of people killed or seriously injured in road accidents
Baseline: Average annual number of all killed or seriously injured in the period 1994-98 – 47,656 (measured through casualties reported to the police)

Total number of children killed or seriously injured in road accidents
Baseline: Average annual number of children (under 16) killed or seriously injured in the period 1994-98 – 6,860 (measured through casualties reported to the police)

Percentage reduction in the number of road deaths and injuries for the 88 local councils that are eligible to receive Neighbourhood Renewal Funding (NRF), compared to that for England as a whole
Baseline: Average for the period 1999-01 in 88 NRF – 118,345

Coverage
The 40 per cent and 50 per cent targets apply to Great Britain but the focus on disadvantaged communities applies to England only. The disadvantage element of the target was to be achieved by 2005 but the Department continues to monitor this indicator.

Progress
The number of people reported killed or seriously injured in 2008 was 40 per cent below the 1994-98 average (reported figures: 28,572 in 2008, compared with 30,720 in 2007 and an average of 47,656 per year in the baseline period 1994-98).

The number of children reported killed or seriously injured in 2008 was 59 per cent below the 1994-98 average (reported figures: 2,807 in 2008 compared with 3,090 in 2007 and an average of 6,860 per year in the baseline period 1994-98).

At 2,538, the number of deaths in 2008 was 29 percent below the baseline and 14 per cent lower than in 2007.

Provisional estimates for the year ending June 2009 suggest a continuation of this trend, with the number reported killed or seriously injured 42 per cent below the baseline and 60 per cent for children.

The percentage drop in total casualties in districts in the 88 NRF areas for 2005 compared to the annual average for 1999-2001 was greater than the overall percentage drop for England, so this element of the target was met. However, the Department continues to monitor this element. The percentage drop in total casualties in districts in the 88 NRF areas for 2008 compared to the annual average for 1999-2001 was greater than the overall percentage drop for England (casualties fell by 31 per cent and 28 per cent respectively).

Further information, including the latest provisional casualty data, is on the Department's website.[8]

Data quality
Performance is measured using police data on reported road accidents that involve human injury. Responsibilities and quality assurance procedures are well established. The Department applies considerable effort to ensure all police forces submit returns. It also clearly specifies the information required from the police forces and mitigates the risk of errors arising in data collation/aggregation through a series of monitoring and validation checks, with clearly defined error tolerance levels and procedures for follow-up. This data is produced in compliance with the National Statistics Code of Practice.

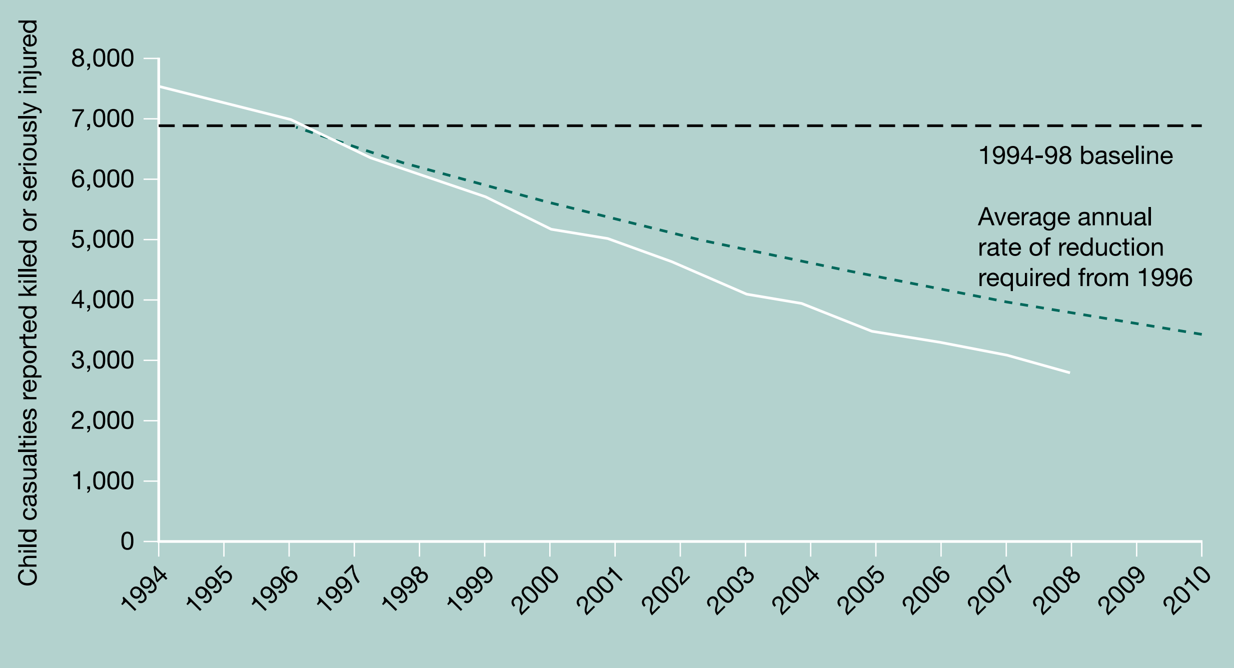
Very few, if any, fatal accidents do not become known to the police. However, research conducted on behalf of the Department in the 1990s showed that a significant proportion of non-fatal injury accidents are not reported to the police.

8 www.dft.gov.uk/pgr/statistics/datatablespublications/accidents/

Some casualties reported to the police are not recorded and the severity of injury tends to be underestimated. Comparisons with hospital admissions data raised questions about possible changes in levels of reporting. However, the hospital admissions data has been affected by administrative and other changes so need to be used with care for trend analysis, although since 2005-06 police and hospital data shows similar trends.

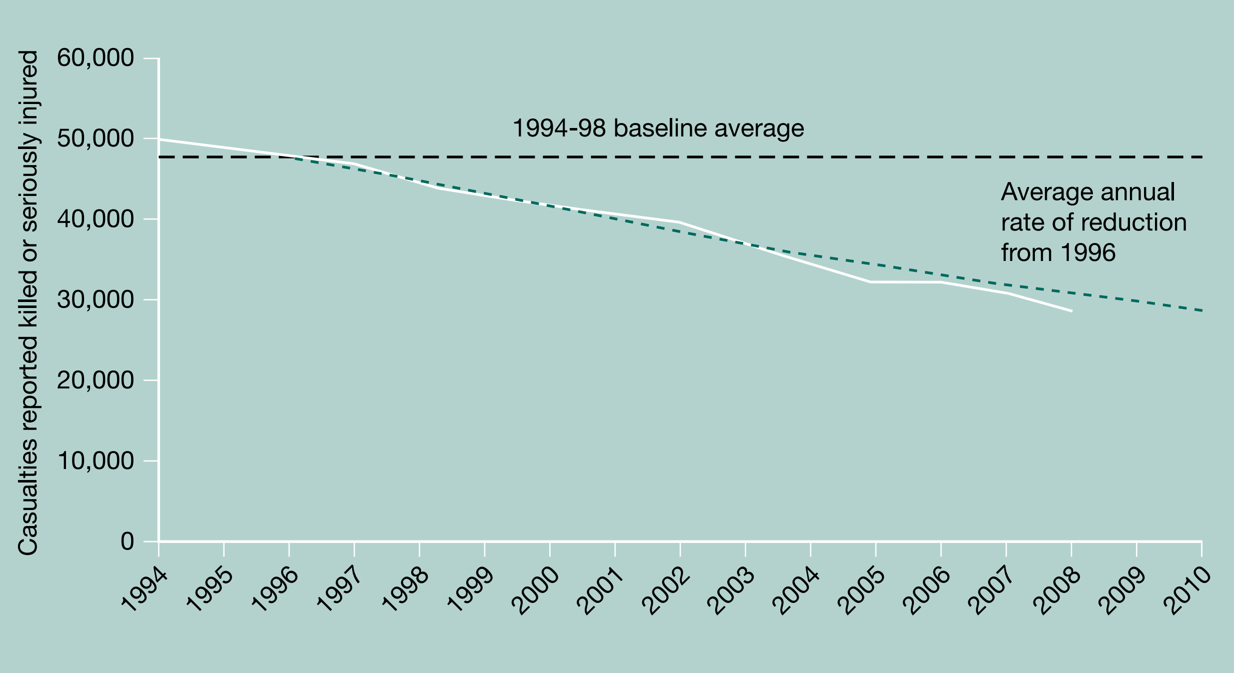
The Department is continuing to undertake research to give further insight into levels of reporting in police road accident data. The most recent analysis, including an overall estimate of the total number of road casualties, can be found in an article published in *Reported Road Casualties Great Britain: 2008 – Annual Report* (pages 58-79) which is on our website.[9] The police data, whilst not perfect, remains the most detailed, complete and reliable single source of information on road casualties, in particular for monitoring trends over time.

Killed or seriously injured child (age 0-15) casualties in accidents reported to the police: 1994-2008



9 www.dft.gov.uk/pgr/statistics/datatablespublications/accidents/casualtiesgbar/

Killed or seriously injured casualties in accidents reported to the police: 1994 2008



Chapter 3
CSR07: Departmental Strategic Objectives

The Department's wider transport aims for the CSR period are reflected in its five Strategic Objectives, which were introduced in January 2009. Each of these is underpinned by key performance indicators that are used to measure progress and success and these are set out below.

DSO 1: To support national economic competitiveness and growth, by delivering reliable and efficient transport networks

Overall summary

Strong progress
Improvement in four out of five indicators
Indicator 4 not yet assessed

Indicator 1

By 2010-11 minimise increases in journey time into the 10 largest urban areas in the morning peak time, accommodating an average increase in travel of 4.4 per cent within an average increase of 3.6 per cent in person journey times per mile.

The performance data for 2008-09 shows an improvement in person journey times, the third year in succession under the indicator. This is likely to be a consequence of the lower than expected rise in traffic volumes linked to the recession, the interventions implemented by the local authorities and other factors such as road works.

For more details, see PSA 5 Indicator 1, page 11.

Indicator 2

Over the three years to 31 March 2011 achieve 1.7 million vehicle hour delay savings from new interventions on the strategic road network implemented over the same period.

Progress against this target is firmly on track. At the end of March 2009, the Highways Agency had delivered a total estimated annual saving of over 0.6 million hours of delay across the strategic road network. This was achieved by implementing the 31 interventions in the Agency's 2008-09 Reliability Delivery Plan. An updated Delivery Plan has been developed for 2009-10, which forecasts a further saving of almost 0.7 million hours of delay by the end of March 2010.

For further information on reliability performance, see PSA 5 Indicator 2, page 12.

Indicator 3

By 2013-14 increase rail capacity to accommodate an expected increase of 14.5 per cent in rail passenger kilometres from 2008-09 while achieving the train load factors specified in the Government's High Level Output Specification (HLOS) for the railway.

An announcement in July 2009 proposed the electrification of the Manchester to Liverpool and the Great Western Main Line routes.

For the benefits of this and further discussion of progress, see PSA 5 Indicator 3, page 14.

Indicator 4

Over the CSR07 period maintain the same proportion of spend in the High Value for Money category as achieved over the SR04 period.

There is no national target for this indicator but the Department's aim is to maintain the same proportion of spend outlined in the description above. Success will be judged at the end of the spending review (ie after March 2011). However, progress to date is on track. From April 2008 to end of August 2009, 98 per cent of approved spending was in the High Value for Money category, compared with the average in SR04 of 95 per cent.

For more details, see PSA 5 Indicator 4, page 15.

Indicator 5

By March 2014 achieve reliability on the railway as measured by the Public Performance Measure Moving Annual Average (PPM MAA) of 92.6 per cent.

Rail performance in England and Wales is now at its best level since the measure began in 2001. Rail reliability in all sectors has continued to improve, having achieved the March 2009 target of 90.6 per cent PPM MAA. The industry continues to work to secure further performance improvement in the new regulatory control period (Control Period 4: April 2009-March 2014). Progress has been good and, in the twelve months to October 2009, the punctuality of franchised passenger services increased to 91.4 per cent.

DSO 2: To reduce transport's emissions of carbon dioxide and other greenhouse gases, with the desired outcome of avoiding dangerous climate change

See also PSA 27: Lead the global effort to avoid dangerous climate change, page 17.

Overall summary

Strong progress
Improvement in all four indicators

Indicator 1

Develop a carbon reduction strategy for transport.

In July the Department published *Low Carbon Transport: A Greener Future*, which set out how transport will make a major contribution to reducing greenhouse gas emissions across the UK economy.

There are three central themes to the carbon reduction strategy:

- supporting a shift to new technologies and fuels;
- promoting lower-carbon choices; and
- using market mechanisms to encourage a shift to lower-carbon transport.

The Department is now developing the delivery plan for the actions outlined in the strategy for publication in spring 2010.

Indicator 2

Introduce successor arrangements to the Voluntary Agreements with car manufacturers on new car carbon dioxide.

In April 2009 the EU adopted a New Car CO_2 Regulation. This sets EU-wide, sales-weighted CO_2 emission targets for manufacturers selling cars in Europe, as a successor to the Voluntary Agreements. It sets targets of 130g CO_2/km for 2012, with full compliance by 2015, and a long-term target of 95g CO_2/km by 2020. The UK was instrumental in lobbying for a 2020 target for CO_2 reduction.

We are playing an active part in the comitology[10] process through which many of the working details of the regulation will be resolved. We are also supporting the European Commission's proposal to bring forward a regulation for new van CO_2 similar to the car regulation. We are engaging with the European Commission as they develop their proposals and impact assessment.

Indicator 3

Agree an improved EU Emissions Trading System for the post-2012 period that includes aviation.

In October 2008 the Council of the European Union adopted a Directive to include aviation in the EU Emissions Trading System (EU ETS).[11] This was published in *The Official Journal of the European Union* on 13 January 2009 and came into force on 2 February 2009.

10 Process by which the European Commission, when implementing EU law, has to consult special advisory committees made up of experts from the EU countries.
11 Directive 2008/101/EC, 19 November 2008, incorporating aviation into the EU Emissions Trading Scheme, came into force 20 days after publication, with a transposition deadline of 2 February 2010, after being published in the Official Journal, L8/3, 13 January 2009.

The Secretary of State for Transport announced the appointment of the Environment Agency as regulator of the System in England and Wales in March 2009, with specialist input from the Civil Aviation Authority. Following consultation, the Aviation Greenhouse Gas Emissions Trading Scheme Regulations 2009 were laid before Parliament in August 2009 and came into force on 17 September 2009. All aircraft operators in the EU ETS and allocated to the UK for regulation were required to apply to the UK Regulator for an emissions plan by 12 November 2009. All flights departing from and arriving at EU airports will be included in the EU ETS from 2012, and operators will be required to monitor emissions from 1 January 2010.

Indicator 4

Introduce the Renewable Transport Fuel Obligation – requiring five per cent of all UK fuel sold on UK forecourts to come from a renewable source by 2010.

The Renewable Transport Fuel Obligation (RTFO) came into force on 1 April 2008 and the Renewable Fuels Agency (RFA) was created to administer the scheme.

The 2008 Gallagher review found there was a risk that the production of certain biofuels could lead to a net increase in greenhouse gas emissions through displacement of existing agricultural production.

We have, therefore, slowed down the rate of increase of the RTFO while we work towards fully understanding the indirect impacts of biofuels. The RTFO (Amendment) Order came into effect on 15 April 2009 and means that we now aim to reach a five per cent level in 2013-14, rather than 2010-11. The 2009-10 biofuels obligation level is 3.25 per cent of total road transport fuel.

Current data from the RFA on the first year of the RTFO shows that in 2008-09, 2.6 per cent of total road transport fuel came from renewable sources, exceeding the 2.5 per cent obligation. Of the reports received, average greenhouse gas savings of 47 per cent were achieved on this fuel, against an indicative government target of 40 per cent.

DSO 3: To contribute to better safety, security and health and longer life-expectancy through reducing the risk of death, injury or illness arising from transport, and promoting travel modes that are beneficial to health

Overall summary

Some progress
Improvement in two out of four indicators
Indicator 3 classified information
Indicator 4 not yet assessed

Indicator 1

Reduce the number of children killed or seriously injured in road accidents by 50 per cent by 2010 compared with the average for 1994-98, tackling the significantly higher incidence in disadvantaged communities.

In 2008 the number of children killed or seriously injured in accidents reported to the police had reduced by 59 per cent from the baseline and the target for child casualty reduction exceeded. Provisional estimates for the year to end June 2009 suggest a continuation of this trend, with the number of children reported killed or seriously injured 60 per cent below the baseline.

Disadvantage has been measured by the percentage drop in total reported casualties in districts in the 88 Neighbourhood Renewal Fund (NRF) areas compared with the annual average for 1999-2001 which was to be greater than the overall percentage drop for England. This target was set for 2005 and was met. However, the Department continues to monitor this element. The percentage drop in reported child casualties in districts in the 88 NRF areas for 2008 compared to the annual average for 1999-2001 was greater than the overall percentage drop for England (casualties fell by 47 per cent and 45 per cent respectively).

For more details and a statement on data quality, see SR04 PSA: Road safety, page 22.

Indicator 2

Reduce the overall number of people killed or seriously injured in Great Britain in road accidents by 40 per cent by 2010 compared with the average for 1994-98, tackling the significantly higher incidence in disadvantaged communities.

In 2008 the number of people killed or seriously injured in accidents reported to the police had reduced by 40 per cent from the baseline, meeting the target for the first time. Provisional estimates for the year ending June 2009 suggest a continuation of this trend, with the numbers reported killed or seriously injured 42 per cent below the baseline.

Disadvantage has been measured by the percentage drop in total casualties in districts in the 88 Neighbourhood Renewal Fund (NRF) areas compared to the annual average for 1999-2001 which was to be greater than the overall percentage drop for England. This target was set for 2005 and was met. However, the Department continues to monitor this element. The percentage drop in total casualties in districts in the 88 NRF areas for 2008 compared to the annual average for 1999-2001 was greater than the overall percentage drop for England (casualties fell by 31 per cent and 28 per cent respectively).

For more details and a statement on data quality, see SR04 PSA: Road safety, page 22.

Indicator 3

Deliver Transport's contribution to PSA 26: Reduce the risk to the UK and its interests overseas from international terrorism.

As PSA 26 contains information about the UK counter-terrorism effort and is, therefore, classified, it is not possible to report on the status of this objective.

For more details, see PSA 26, page 16.

Indicator 4

Contribute to meeting the Air Quality Strategy objectives for eight air pollutants as illustrated by trends in measurements of two of the more important pollutants which affect public health: particulate matter (PM_{10}) and nitrogen dioxide (NO_2).

Air quality continues to be good across most of the UK and we are meeting targets for six out of eight pollutants. However, in spite of significant improvements over time (eg through implementation of demanding Euro standards for new vehicles, an area where DfT takes the lead) the UK is still in exceedence for two key pollutants, particulate matter (PM_{10}) and nitrogen dioxide (NO_2). Road transport is a key source of both pollutants at many roadside locations in the UK.

In April 2009 the Government applied to the EU to extend the deadline for meeting our targets on PM_{10} until 2011. A response to this application is expected by the end of 2009. A similar application for NO_2 is expected to be submitted in 2010, which would extend the deadline for meeting these limit values to 2015.

See also PSA 28: Secure a healthy natural environment for today and the future, page 19.

DSO 4: To promote greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society

Overall summary

Strong progress
Improvement in three out of four indicators
Indicator 4 not yet assessed

Indicator 1

Increase the number of stations re/accredited under the Secure Stations Scheme from 610 to 700 by March 2009.

We exceeded our business plan target of achieving 700 accreditations by March 2009 by 28 per cent with 898 accredited stations. There are currently 947 accreditations and we have now also exceeded our March 2010 target of 950 accreditations.

Indicator 2

Ensure full compliance with Vehicle Accessibility Regulations for the bus fleet by 2017.

All new vehicles registered since 31 December 2000 must meet the provisions of the Public Service Vehicles Accessibility Regulations. These regulations set out technical requirements that will make travelling on buses easier for disabled people. Lead-in times have been built into the regulations to allow for fleet renewals based on the working life of public service vehicles. The Department publishes guidance so that manufacturers and operators understand what is expected in order to comply with the regulations.

Around 62 per cent of the bus fleet is currently accessible to disabled people and meets the low-floor requirements. This number is increasing year on year, as the end dates for compliance come closer.

Indicator 3

Ensure full compliance with Vehicle Accessibility Regulations for the heavy rail fleet by 2020.

As new train fleets have been introduced, the proportion of heavy rail vehicles (trains) built in compliance with modern accessibility standards has risen during the year from 42 to 45 per cent of the national heavy rail fleet. This does not include older trains, many of which were refurbished to very high levels of compliance a decade ahead of the 2020 end date. The Department continues to work closely with vehicle owners and operators to ensure that they understand what access improvements will be required by 2020, so that these can be programmed into maintenance schedules. The recently let South Central rail franchise required bidders to consider facilitating the delivery of the 2020 end date during the lifetime of that franchise. This will apply to future franchises from now on.

During the year, the Department consulted on setting an identical 2020 end date for non-heavy rail (trams, underground) and this is expected to come into force at the end of 2009. We shall update this indicator to reflect the wider scope.

In October 2009, across all rail vehicles, 35 per cent complied with modern accessibility requirements.

Indicator 4

Improve access to services and facilities by public transport, walking and cycling.

All local authorities are working to improve access to services and facilities by public transport, walking and cycling through the two accessibility national indicators (NI 175 and NI 176). Fifty-four of the 152 local authorities have chosen to set targets against either of these objectives in their local area agreement with central government. NI 175 is the most popular transport national indicator and one of the more popular indicators from the National Indicator Set. The 2007 and 2008 NI 175 and NI 176 figures have been published on the CLG National Indicator hub.[12]

The Core Accessibility Indicators were published in June 2009. These showed access to seven services for target and 'at risk' population groups by public transport/walking, cycling and by car. In 2008, 97 per cent of the target population were able to access an employment centre within the median travel time (20 minutes). At least 88 per cent of the target population were able to access educational institutions, 77 per cent health care institutions and 95 per cent food stores within the median travel time.

We are unable to assess this indicator in more detail until further data is published next year.

DSO 5: To improve quality of life for transport users and non-transport users, and to promote a healthy natural environment

Overall summary

Some progress
Improvement in one out of three indicators
Indicators 2 and 3 not yet assessed

Indicator 1

Meet critical milestones for relevant transport infrastructure delivery for the 2012 Olympics ensuring delivery stays within approved budgets.

We are overseeing the delivery of a portfolio of projects and activities through the Department for Transport Olympic Programme Board. All our infrastructure project commitments are currently on track for delivery to agreed milestones. Key milestones achieved over the last year are the West Coast Main Line upgrade completed in December 2008 and the designation of the Olympic Route Network in June 2009.

Indicator 2

Open High Speed One services at Stratford International in line with agreed timetable.

Current indications are that Stratford International Station will open to high-speed domestic services from the December 2009 timetable change. There are still some issues and risks to be mitigated. Appropriate contingency measures have either been taken or are being prepared.

12 www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/nationalindicators/

Indicator 3

Ensure the rail industry produces Noise Action Plans, in accordance with the Environmental Noise Directive, and delivers in line with the agreed Plans.

The Environmental Noise Directive sets out a process for mapping and managing noise from transport and industrial sources. The first round of mapping, which has now been completed, required Member States to map noise in 23 major conurbations (agglomerations), airports, major roads and railways. For rail, this required the modelling of noise on routes with more than 60,000 train movements per year and within agglomerations. The noise maps produced are available on Defra's website.[13]

The Department is working with Defra and the rail industry to establish an action plan describing how rail noise will be managed. Defra published a draft action plan in summer 2009 and the consultation on it closes in early November. Relatively little has changed in the interim but remains on schedule. The current target remains for the action plans to be adopted in 2010 and implemented thereafter.

13 services.defra.gov.uk/wps/portal/noise

Chapter 4
Value for Money programme

The Department's CSR07 Value for Money (VfM) programme continues its drive towards consistently achieving best value in public spending across its business areas. The programme is helping to ensure that DfT is well placed to meet the challenges presented by its strategic objectives by making use of often scarce resources, focussing these where they are most needed.

The current programme began on 1 April 2008 and covers the financial years 2008-09, 2009-2010 and 2010-2011. The Department has a target to achieve £1.76 billion in VfM gains, all of which must be cash releasing, by the end of financial year 2010-11. DfT's 2008-09 annual report showed gains of £892 million against the programme target.

The National Audit Office (NAO) has undertaken an audit of the VfM gains claimed by the Department for 2008-09. At the time of writing, the NAO report is yet to be published. Therefore, pending the outcome of the NAO audit, we are not publishing further gains for 2009-10 until we can take account of the NAO's findings on those claimed for the first year of the programme. In our 2009-10 annual report, we will take account of the NAO's findings along with full details of gains achieved for 2009-10.

A systems audit of the VfM programme carried out by internal audit during 2008-09 found that "acceptable programme management, governance and risk management procedures were in place to manage the delivery of the programme", and that "the work streams examined had clear targets and adequate governance arrangements in place".

Railways

The CSR07 VfM programme set the Department a target to secure a total of £700 million in savings in support to passenger rail services in England by 31 March 2011. This saving is before re-investment in infrastructure, rolling stock and service levels required to meet rising demand, as set out in the High Level Output Statement published alongside the white paper, *Delivering a Sustainable Railway* (July 2007). In its annual report for 2008-09, the Department reported VfM gains of £280 million for this work stream.

The Department is responsible for the specification of passenger rail franchises for England and for the procurement of these services from train operating companies (TOCs). DfT seeks to exert its skills and expertise in securing the best deal for the taxpayer at the franchise-letting stage, leaving the successful TOC to determine the detail of how best to deliver on their contractual obligations, both financial and non-financial. Once a franchise has been let, the Department's role shifts to monitoring rather than influencing VfM gains, which are enshrined within the financial obligation of the TOC.

The £280 million VfM gains for 2008-09 were largely achieved through the benefits resulting from franchise negotiations, before the full effects of the wider economic downturn started to have an impact on the rail industry. The downturn in the economy has resulted in lower passenger volumes and this has substantially reduced TOC revenues in 2009-10 and significantly increased the revenue support that the Department is contracted to provide under franchise agreements. As the measurement of this work stream includes both the benefits arising from franchise management and the provision of revenue support, benefits are currently being reduced as a result of the effects of the economic downturn. Consequently there is a risk, which the Department is actively monitoring, that this could impact on the VfM gains achieved for this work stream in 2009-10. If any adjustment to VfM gains should be necessary, these will be made in the Department's 2009-10 annual report, once the performance for financial year 2009-10 is known.

The successful re-letting of the South Central franchise in September 2009 will produce continuing savings and confirms the strength of franchise management, as confirmed by a recent NAO audit, *Letting Rail Franchises 2005-07* (October 2008). This demonstrates that the Department has consistently obtained substantial benefits from the refranchising process and that this is reinforced by DfT's operational management of franchises.

Network Rail owns and operates Britain's rail infrastructure. As a company limited by guarantee, it is a private company operating as a commercial business. Regulated by the Office of Rail Regulation (ORR), Network Rail is a not-for-dividend company funded in part through the network grant paid by the Department for Transport.

ORR's Determination of the Grant payable by DfT to Network Rail from 2009 to 2014 has been finalised, fixing the amounts payable by the Department, subject to indexation. DfT reported gains of £451 million for this work stream in its 2008-09 annual report and it is anticipated that significant further gains will be reported in its 2009-10 report. The Department has a target to achieve gains of £538 million against this work stream by the end of financial year 2010-11.

Highways Agency

The CSR07 settlement assumed that the Highways Agency (HA) would make cashable and sustainable VfM efficiency gains of £144 million by 31 March 2011 on its strategic roads programme spend (resource and capital) through its use of the supply chain and sharing best practice. In DfT's 2008-09 annual report, HA reported gains of £106 million. Following end-of-year adjustments, this figure was revised slightly to £103 million. HA continues to make good progress against their VfM targets and expects to be able to report significant further gains in our 2009-10 report.

In November 2008 the *Pre-Budget Report*, reflecting the findings of the Public Value Programme study into HA, announced that the Agency would seek to double delivery against its original target by identifying additional savings of

£150 million. Most of these savings are expected to be achieved from the roll-out of the Managed Motorways Programme and over-delivery against the original £144 million target.

Following the National Roads Programme announcement in January 2009, the Agency is developing methodologies to capture gains that arise from the roll-out of the Managed Motorways Programme. This programme will reduce congestion by allowing motorists to use the hard shoulder without the Agency incurring the expense of widening motorways. Initial results suggest that these hard-shoulder running schemes can be delivered, on average, around 40 per cent cheaper than equivalent motorway-widening schemes. Efficiencies from the technology aspects of this work are being considered, as well as gains from hard-shoulder strengthening projects and design activities.

In July 2009 the Agency's internal audit team delivered a report on the review of methodologies and data capture systems of gains claimed in 2008-09. The audit opinion was that "sound systems of corporate governance, risk management and internal control had been established and found to be operating effectively with some minor exceptions". Management actions have been agreed to address these by 31 March 2010.

VfM gains are being delivered mainly through a combination of the following:

- maintenance: managing agent contracts (MACs) are all being renewed over the CSR07 period. This provides the opportunity for the HA to realise process efficiencies which can be delivered by the service providers;
- provider and managed works on renewals and improvements, delivered by MACs and framework contractors: any saving between the expected cost of the bundle of schemes and the tendered bundle will be claimed as a VfM gain; and
- the CSR07 value engineering workshops or cost challenge efficiencies in major projects.

Transport for London

Transport for London (TfL) receives income from a range of sources, including the Department, which provides approximately 40 per cent of its funding. On this basis, it was agreed with HM Treasury during negotiation of the CSR07 settlement that 40 per cent of efficiency gains made by TfL can be attributed to the DfT's VfM programme.

TfL's gains are generated through a range of activities, including back-office efficiencies in areas such as procurement, marketing and the Staff and Business Improvement Programme, and operational efficiencies across the travel modes, including negotiating contract arrangements within the bus franchise network and the procurement of road maintenance contracts.

As part of the Department's CSR07 VfM programme, there is a target to deliver VfM gains of £233 million in respect of TfL by the end of financial year 2010-11.

In 2008-09, the Department claimed £28 million in VfM gains in respect of TfL. DfT was careful to score only new savings arising in 2008-09 and excluded any recurring savings from previous years in order to ensure that there was no risk of double counting of gains already scored in the previous spending review period.

TfL's new efficiency programme, the Operating Cost Reduction Programme went live in 2009-10. As such, all savings scored by TfL this year are deemed to be new, as opposed to recurring, savings and so DfT will be able to claim 40 per cent of these efficiencies, provided they meet the CSR07 VfM criteria. Savings in 2009-10 are expected to increase significantly on those scored in 2008-09.

Procurement

There is continued drive across DfT towards delivering VfM gains through procurement. Collaborative procurement is being promoted by taking on board the lessons learned from a series of pilot projects carried out earlier in the year and best practice across government. These are then fed back into the business to achieve an evolving process of continuous improvement. The pilot collaborative procurement projects covered the areas of stationery, legal services and IT desktop procurement and are ongoing. The first collaborative contracts put in place for legal services are expected to deliver savings to the Department. Stakeholders from across DfT meet regularly to ensure change is embedded in a consistent and sustainable manner, and to explore further opportunities for improvement. Two additional collaborative procurement projects have started for facilities management, and contract and interim labour.

The Department's Procurement Transformation Programme will continue to be a key driver for achieving VfM savings going forward. There have been initial problems in establishing a clear measurement system for VfM gains achieved through procurement initiatives. Therefore, although VfM procurement savings are undoubtedly being made, we have not claimed VfM gains at this stage until we are satisfied that there is a clear audit trail that can support all those achieved. One of the ways that we are seeking to do this is that each collaborative procurement project will be subject to a detailed financial and process baseline exercise aimed at ensuring the integrity of reporting.

The role of DfT(C)'s Procurement Directorate in setting procurement policy and providing central guidance for the wider Department continues to be developed. Through the Business Process Review and the Procurement Transformation Programme a consensus approach is being developed across DfT and its agencies to deliver a common framework for procurement activity, where such a framework is in the best interest of the business.

Work continues to ensure that all relevant staff apply commercial awareness when making decisions. This approach is being underwritten by the introduction across DfT of collaborative category management for common commodities and business support services. The inclusion of professional procurement staff in commercial activity and each decision process is being addressed through our move towards shared governance and aligned award procedures. Through collaborative working, the need to adopt common processes, procedures and frameworks will be built up around business need. The Department has a target to achieve £84 million in procurement VfM gains by the end of 2010-11.

Administration

DfT agreed with HM Treasury to reduce its administration budget by five per cent year on year in real terms, compared to the original baseline, over the CSR07 period. The Department plans to make VfM gains of £43 million from this initiative by the end of 2010-11. In 2008-09 this work stream achieved VfM gains of £14 million.

Regular monitoring arrangements are in place to assess progress and identify risks and opportunities. Overseen by the Department's Executive Committee, senior managers are required to decide how best to allocate available resources in their divisions and they must seek to absorb cost increases within their business unit. This ensures wide-spread buy-in to achieving VfM savings.

These VfM gains continue to be pursued through 2009-10. DfT is confident it will be able to report further VfM gains against this work stream in its 2010 annual report.

Motoring and Freight Services Group

The Motoring and Freight Services Group (MFS) is made up of four central directorates:

- Transformation, Licensing, Logistics and Sponsorship Directorate;
- Road and Vehicle Safety and Standards Directorate;
- Information Management Directorate;
- Communication Directorate;

together with five executive agencies, whose functions are as follows:

- **Driver and Vehicle Licensing Agency (DVLA)**: maintain accurate registers of drivers and vehicles, thereby supporting a wide range of government and non-government organisations, and collect and enforce Vehicle Excise Duty;
- **Vehicle and Operator Services Agency (VOSA)**: support the Traffic Commissioners on commercial operator licensing, run in-service vehicle testing and enforcement of commercial operator vehicle standards and drivers hours;
- **Driving Standards Agency (DSA)**: set standards for drivers and trainers, educate and test drivers and supervise trainers;
- **Vehicle Certification Agency (VCA)**: ensure that vehicles, systems and components have been designed and constructed to meet international standards of safety and environmental protection; and
- **Government Car and Despatch Agency (GCDA)**: meet government requirements and customers' needs for the provision of secure cars, drivers and mail services.

As part of the Department's VfM programme, the MFS Group has a target to deliver VfM gains of £20 million over the three CSR07 years for those services funded by the Departmental Expenditure Limit (DEL). The Group has made good progress against this target, achieving £13.4 million savings in 2008-09, with further gains expected in 2009-10, including through the following:

- **DVLA** plans to sustain the £12 million DEL savings achieved in 2008-09 and deliver further efficiencies over the rest of CSR07. Specific planned actions include:

  – further increase in Electronic Vehicle Licensing volumes;

  – achieving greater value for money in IT services provision; and

  – vacation of a property in March 2010.

- **VCA** achieved £0.3 million DEL savings in 2008-09 through continuing to increase the productive utilisation of its staff. This has released procurement and back-office savings and the agency plans to build on these savings and deliver further productivity gains in 2009-10.

- **VOSA** is planning to save £0.8 million in 2009-10 through implementing more effective ways of working, in particular around the implementation of fixed penalties in place of prosecutions, and a better targeted approach to operator audits.

Appendix A
Transport Select Committee recommendations

As the Transport Select Committee only met on 2 December 2009, their recommendations will not be known until after the publication of this report.

We plan to include any recommendations in the next annual report, due for publication summer 2010.

Appendix B
Related documents

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

Department for Transport Annual Report and Resource Accounts 2008-09

July 2009, HC 454

This report tells Parliament how the Department has spent its money and what it plans to do in the future. It describes our policies and programmes and outlines what we propose to fund in 2009-10. The report includes information about progress and performance against our Departmental Strategic Objectives and Public Service Agreement targets.

Low Carbon Transport: A Greener Future

July 2009, Cm 7682

This sets out our carbon reduction strategy for transport, intended to contribute to meeting the requirements of the carbon budgets set under the Climate Change Act 2008.

Summary of Responses to Delivering a Sustainable Transport System: Consultation on Planning for 2014 and Beyond

April 2009, www.dft.gov.uk/consultations

This report summarises the responses to the specific questions asked in the consultation document and sets out the Government's response.

Delivering a Sustainable Transport System: Main Report

November 2008, www.dft.gov.uk/consultations

This sets out the Department's strategic thinking on how to meet its key transport goals of supporting economic growth, tackling climate change, better safety and health, equality of opportunity and quality of life, against a backdrop of uncertain future demand and the current economic situation.

Adapting to Climate Change in England: A framework for action

July 2008. www.defra.gov.uk

This document, published by Defra, sets out the Government's framework for responding to unavoidable climate change.

The Gallagher Review of the indirect effects of biofuels production

July 2008, www.dft.gov.uk/rfa

Meeting the aspirations of the British people: 2007 Pre-Budget Report and Comprehensive Spending Review 2007

October 2007, Cm 7227

This review takes forward the Government's objective of building a strong economy and a fair society in which there is opportunity and security for all. A new set of 30 Public Service Agreement targets covering the period 2008-09 to 2010-11 were published as part of CSR.

Service Transformation Agreement

October 2007, www.hm-treasury.gov.uk/d/pbr_csr07_service.pdf

This explains the Service Transformation Agreement. Its aim is to transform public services so they meet better the needs of people and businesses, rather than the needs of government.

Towards a Sustainable Transport System: Supporting Economic Growth in a Low Carbon World

October 2007, Cm 7226

This is the Department's response to two key studies published in 2006 which form the framework for the Department's strategy:

- *The Eddington Transport Study*, Sir Rod Eddington, (December 2006); and
- *The Economics of Climate Change,* Sir Nicholas Stern, (October, 2006).

Meeting the Energy Challenge: A White Paper on Energy

May 2007, Cm 7214

This white paper, published by the then Department for Trade and Industry (now BIS) sets out the Government's international and domestic energy strategy.

The Future of Transport: a network for 2030

July 2004, Cm 6046

This white paper outlines the Department's long-term strategy and investment for transport. It updates and rolls forward the policies and long-term investment programme published in the 10-Year Plan for transport in July 2000.

List of abbreviations

BIS	Business, Innovation and Skills (Department for)
CSR07	Comprehensive Spending Review 2007
DECC	Department for Energy and Climate Change
Defra	Department for the Environment, Food and Rural Affairs
DfT	Department for Transport
DSA	Driving Standards Agency
DSO	Departmental Strategic Objective
DVLA	Driver and Vehicle Licensing Agency
EU ETS	EU Emissions Trading System
GCDA	Government Car and Despatch Agency
HA	Highways Agency
HLOS	High Level Output Specification
Mt CO_2	million tonne(s) of carbon dioxide
NAO	National Audit Office
NRF	Neighbourhood Renewal Fund
ORR	Office of Rail Regulation
PSA	Public Service Agreement
RFA	Renewable Fuels Agency
RTFO	Renewable Transport Fuel Obligation
STA	Service Transformation Agreement
TfL	Transport for London
TOC	train operating company
VCA	Vehicle Certification Agency
VfM	Value for Money
VOSA	Vehicle and Operator Services Agency

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ISBN 978-0-10-177372-0
9 780101 773720