

Highways Agency Specification 2013-14 – Technical Note

Field	Notes
Short Title	Delivery of Efficiency Savings across Key Business Areas by 2015.
Performance Specification Reference	Output 9 – PS 4.21b
Requirement / Output Details	20% savings in the network operator's traffic management budget supported through the roll out of the future operating model for the Traffic Officer Service by the end of 2013/14.
Technical Definition	The Agency was challenged in the spending review 2010 (SR10) to deliver the core services that motorists expect (traffic information and incident response) and drive down costs on key programme areas such as the Traffic Officer Service. A reduction of more than 20% was built in to the Traffic Management Directorate's SR10 budget. The Agency's traffic management directorate embarked on a programme of efficiency measures supported by an ambitious programme of change, called the 'future operating model'. The objective was to continue to deliver the services and do the things it had been doing to the same or a better standard and for less money. The future operating model change programme closed in 2013/14.
Rationale	It is a measure of operating a safe and serviceable network within the available four year SR10 funding envelope. This programme is achievable because the Highways Agency implemented a comprehensive change programme in 2011, which has supported cost savings whilst maintaining no deterioration in the traffic officer service. The programme closed in June 2013.
Formula	<p>20% savings in the network operator's traffic management budget =</p> <p style="padding-left: 40px;">a) initial estimated total four year cost of the traffic management/officer service pre-efficiency baseline</p> <p style="padding-left: 40px;">minus</p> <p style="padding-left: 40px;">b) the actual four year cost of the traffic management/officer service</p> <p style="padding-left: 40px;">equals</p> <p style="padding-left: 40px;">c) savings achieved against</p> <p style="padding-left: 40px;">divided by</p> <p style="padding-left: 40px;">a) initial estimate total four year cost of the traffic management/officer service pre-efficiency baseline</p> <p style="padding-left: 40px;">multiplied by 100</p>

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	<p><u>Example (illustrative)</u></p> <p>Four year SR10 pre-efficiency baseline total = £600m</p> <p>Four year SR10 actual/forecast total = £480m</p> <p><u>(£600m - £480m) = £120m</u></p> <p style="text-align: center;">£600m</p> <p>*100</p> <p>= 20%</p>
Start Date	Measure established in SR10 publications (2010) – April 2011.
Performance	The percentage should be at least 20% below the SR10 pre-efficiency baseline as outlined in the DfT's "Strategic Road Network Performance Specification 2013-15".
Behavioural Impact	This measure has been in place for several years with a view that by 2014/15 the deliverable elements of the change programme will have been implemented (and completed in 2013/14). This would have realised improvements so that the broad range of operational improvements for the Highways Agency's Traffic Officer Service and other traffic management functions will improve responses to incidents on the network whilst also cutting costs. This has focused behaviours on finding new ways to deliver the programme for less money and change the way that things are done.
Comparability	This is not a recognised standard indicator that can be used to provide a comparison between other countries or road authorities.
Collection Frequency	Forecasts collected monthly.
Clearance Process	Monthly through the TMD (Traffic Management Directorate) Senior Leadership Team and then the Board Director, before release of forecast data for inclusion in monthly management reports.
Time Lag	One month for forecasts. Although this measure cannot be fully reported against until full costs are known. (2014/15).
Data Source	HA accounting system (Oracle).
Type of Data	Management information.
Robustness and Data Limitations	Independent financial audit of HA accounts by National Audit Office annually. Internal validation by Internal Audit of business plan / performance specification indicators.

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Collecting Organisation	Highways Agency.
Return Format	Percentage.
Geographical Coverage	England.
How Indicator can be Broken Down	The indicator is a measure at total programme level so no further breakdown is meaningful.