

Highways Agency Business Plan 2010-11



Highways Agency Strategic Road Network



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Foreword



Graham Dalton

Looking back on last year, the Highways Agency has a lot to be proud of. We delivered a large investment plan, including a £400 million fiscal stimulus package which allowed the acceleration of key schemes and raised the overall condition of the network. The House of Commons Public Accounts Committee recognised that we are following best practice in contract management, securing value for money and improving the level of certainty in delivering to budget and timescales. We were also very successful in keeping the network running during the most sustained adverse winter conditions for over 30 years. This could not have been achieved without the sound planning and commitment of our staff and suppliers.

To outline our plans for the future, we have published a strategic plan setting out our five key goals for 2010-15. This year's business plan represents the first step towards realising these goals.

We will be concentrating on the things which really matter - providing a high quality service to our customers, delivering financial efficiency and displaying real professionalism in what we do. In doing so, we will ensure that the strategic road network operates safely, efficiently and effectively, and is capable of meeting the demands placed upon it in an increasingly sustainable manner.

We will focus on the performance of the network as a priority, maintaining and renewing ageing parts of the physical asset. We will address capacity on specific sections of the network through implementing the managed motorways programme and we will deliver other major schemes scheduled for completion, such as the A3 tunnels at Hindhead which will be completed in 2011.

We will renew our efforts on the efficient and effective administration of the business necessary to support this work, and we are increasing our efforts to protect the health, safety and welfare of all our staff, road workers and road users.

The year ahead brings fresh challenges, none more immediate than the financial constraints facing the public sector at large. We will meet the pressure of having reduced funds by delivering real value for money as we operate this vital national asset. Although this is an unprecedented challenge for the Highways Agency, I am confident in our ability to deliver improved customer service, additional capacity, asset resilience and targeted traffic information in these tougher times.

Graham Dalton
Chief Executive



Introduction

The Highways Agency is an executive agency of the Department for Transport and is responsible for operating, maintaining and improving the nation's 7000km of strategic road network, which comprises the majority of England's motorways and major 'A' roads.

This nationally strategic asset is valued at over £88 billion and plays a pivotal role in the functioning of the economy, carrying two-thirds of all heavy goods vehicle traffic and a third of all road traffic in England. In total, our network handles traffic volumes of nearly 140 billion vehicle kilometres a year. Through our operations we facilitate the national movement of people and goods, and provide access to international gateways.

On-road operations are delivered by our Traffic Officer Service, which is responsible for managing traffic on our network. About 1700 traffic officers and control room staff work on the network from seven regional control centres (RCCs) and 31 outstations, providing a continuous service 24 hours a day, 7 days a week. We provide the main source of information about how England's motorway and trunk road network is performing. We collate data which is used for our own operations and passed on to network users and other service providers to inform travellers both before they travel and during their journeys.

In the year ahead we will continue to employ initiatives that make the best use of the network by providing additional capacity and improving the use of existing road space to reduce congestion whilst maintaining the highest standards of safety. We will ensure that we are limiting the negative impact that the network has on the environment and surrounding communities, and that the solutions we deliver are consistent with the Department for Transport's goals for a sustainable transport system.

Our key performance deliverables and business plan targets for 2010-11 are shown in **Annex A**.



In support of a five year strategy

Vision and Goals

Our Strategic Plan covers a five year horizon up to 2015 and sets a bold vision for the organisation to be:

The world's leading road operator

This aspiration is essential to drive business improvement over the coming years and strengthen our contribution to a sustainable transport system.

There are five goals supporting the vision:

- **We provide a service that our customers can trust**
- **Our network is a dynamic and resilient asset**
- **Our roads are the safest in the world**
- **We deliver sustainable solutions**
- **We set the standard for delivery**

Strength in Delivery

The ongoing improvement in our capability to deliver efficiently and effectively will be achieved by raising standards of performance through effective people and contract management, with managers setting the highest standards to get the very best from their staff and the supply chain.

Alongside staff development we believe it is important to provide the right environment for dynamic and flexible working. This year more than half of the Highways Agency's office based staff will directly benefit from two major office moves, in Birmingham and Manchester.

Five key qualities have been identified that will be priorities for us in building business-wide capability:

- 1. Greater innovation**
- 2. Enhanced leadership, engaged teams**
- 3. Improved professionalism**
- 4. Clearer communication**
- 5. Smarter collaboration**



1. We provide a service that our customers can trust

Improving the Journey

Delivering reliable journeys is one of the Highways Agency's prime objectives. This role is central to the economic prosperity of the nation and is important to all road users. Whether travelling for leisure or business, road users rightly expect their journey time to be predictable.

We lead the field in road operation and are finding even more effective ways of targeting our resources to the right locations and at the right times. Rigorous data analysis enables intelligence-based decision making and the investigation of better ways of understanding the demands placed on the network. Performance has been very encouraging, and last year delays on the strategic road network fell to their lowest level since monitoring began in 2005. During this year we will continue to enhance this capability by developing a new reliability performance measure.

The improvements in capacity and reliability through 'managed motorways' provide an important element of the Government's long term strategy to deliver a sustainable transport system. This programme incorporates hard shoulder running, variable speed limits, ramp metering, the deployment of new technology and the provision of improved information services.

Better Outcomes for the Customer

Over the course of the year, further stretches of hard shoulder will be converted for use during the busiest periods. Alongside this, we will continue to implement a programme of small scale infrastructure improvements offering significant local benefits of reduced congestion, improved safety, greater accessibility, an enhanced environment and improved integration with other transport modes. To limit disruption, we will continue to trial the concept of actively managing speed limits through roadworks, permitting speed limits to be set according to the conditions that drivers face.

We are furthering our commitment to provide more accurate travel information and faster incident response times through enhanced CCTV. Our phased trial of CCTV cameras with automatic incident detection systems will automatically monitor and alert operators to events on our road network. Ultimately, this sophisticated initiative will help both to improve safety and reduce delays.

Incidents involving heavy goods vehicles (HGVs) have a disproportionate impact on safety and delay on the network. We will focus on providing better information to foreign-registered HGVs entering the country and we will assist the Vehicle and Operator Services Agency in their enforcement of laws relating to driving hours and overweight vehicles. New technology will support more intelligent targeting of dangerous HGVs including a pilot of infrared thermal imaging cameras to identify overheating tyres and brakes.



Traffic Management

Traffic officers attend on average 26,500 incidents a month and aim to arrive to at least 80% of incidents on heavily trafficked routes within 20 minutes and, where lanes are blocked, get traffic moving by promptly re-opening all live lanes on 80% of occasions within 30 minutes. In clearing incidents quickly, traffic officers reduce the impact of incident-related congestion and lessen the risk of secondary incidents. In addition, operators in our control centres keep road users informed directly through the prompt and accurate setting of signs and signals warning of hazards ahead.

This year our traffic officers will continue to play a key role in supporting the delivery of managed motorways and managing the operation of the hard shoulder as a dynamic running lane. Further developments will be made to the Traffic Officer Service, enhancing its efficiency through consistent control room operating processes, the embedment of RCC co-location with other responders such as the police and service providers, and improving the interface with our Incident Support Units through a common communications platform "Airwave". Opportunities will also be identified to increase Traffic Officer Service influence on key trunk roads.

Informed Use of the Network

Our customers have wide ranging needs for information about our network. Our ability to provide real-time traffic information, both directly and through other service providers enables all road users to make better journey planning decisions. Quality information is also needed for our own operational requirements, especially to help our traffic officers quickly attend and clear incidents. We will be confident in the accuracy of the information services we provide and clear about our customers' responsibilities towards the network.

National Traffic Information Service

The contract for the operation of the National Traffic Control Centre (NTCC) comes to an end in 2011, and preparations for a new service are well on track. By establishing a new National Traffic Information Service (NTIS), we have an opportunity to specify and procure a service that builds upon the current NTCC service and delivers even smarter technology and traffic information at the heart of our business and our customer services. Through a contract approach that encourages and manages innovation during the whole life of the contract, we are seeking a supplier who can deliver greater benefits through providing innovation, flexibility and improved value for money. The new supplier will commence delivery of NTIS with effect from 1 September 2011.

The optimal contract period, between five and ten years, will be determined through the ongoing procurement process.

Customer Engagement

The Highways Agency is committed to listening and responding to its customers. Results from the national and area Road Users' Satisfaction Surveys are being used by teams across the business to improve our customer services. Action plans have been developed to address issues that have been raised and we have a network of "customer beacons" helping to deliver these improvements. Focus groups have also been held with road users to assess how successful our communications and traffic management measures have been.

This feedback is being used in a range of different ways to improve the way we communicate and carry out works. For example, customers told us that they want to see more variable message signs (VMS) to keep them informed. We are now deploying mobile VMS in appropriate locations to target known issues. We also know that it can be frustrating for road users when they drive through road works and see no work being carried out. Consequently we are displaying new information signs to explain the purpose of road works and to advise when they are being carried out.

Where customers complain about vegetation and litter, we are mapping complaints to identify problem sites, and these areas are targeted and inspected as part of the monthly Environmental Amenity Surveys. In addition, analysis of responses from mature drivers is helping to improve our understanding of their needs and informing driver information programmes.

We have also used a customer panel to evaluate and provide feedback on existing services and validate customer needs for new or emerging services. This provides an understanding and insight of our information services and marketing tools from the customer point of view. This contributes to our understanding of how our services are used and perceived by customers and has the potential to influence the development and production of both current and future services and products.

The Highways Agency also supports the Department's Service Transformation Agreement, covering information requests. The common service standards for the agreement can be found at **Annex B**.



2. Our network is a dynamic and resilient asset

Our asset is vast and varied, including road pavements, footways, streetlights, cycle ways, earthworks, signs, drains, road markings, structures, verges and our national and regional control centres. Beyond the visible asset, we also have a large telecommunications network comprising cables, sensors and displays. Managing the asset effectively by improving and maintaining it in a safe and serviceable condition is vital.

Maintaining the Asset

We will maintain the network through:

- Routine maintenance, covering a diverse range of activities, including making safe hazardous defects, clearing drains, controlling vegetation, treating ice and snow and servicing lighting columns
- Roads renewals, including the provision of new surfaces and non-carriageway roadworks, such as the renewal of footways, cycle tracks, safety fences, earthworks, street lights and drains

- Structures renewals, covering work such as the repair of bridges, underpasses, tunnels, gantries, masts and supports for large signs
- Technology renewals, including the repair of variable message signs (VMS), equipment in control centres, cameras, and communications equipment

Managing the Asset

A number of key elements of our Integrated Asset Management programme will be delivered this year, enabling a long-term strategic approach to managing and monitoring asset performance. This programme will improve the level and quality of our asset data, informing decisions on future works required to optimise the life of the network. We are also using technology to help us make best use of our existing asset, through managing traffic flows and reducing congestion whilst seeking sustainable methods of building, improving and maintaining the asset.

Improving the Asset

Dynamic Use of the Network

Innovative communications play a crucial role in making the strategic road network a dynamic asset. VMS, CCTV, and motorway incident detection and signalling systems (MIDAS) all contribute directly to the improved reliability of journey times. We continue to achieve efficiencies in their delivery, and this year will see a further expansion of their deployment, including:

- The completion of the innovative A14 technology project by the end of August 2010, incorporating 72 message signs, 49 CCTV cameras and queue protection on the approach to strategic junctions
- Variable mandatory speed limits on the M1 Junctions 6a-10

- The A42 (Junction 11 to M1) technology upgrade, including 20 VMS signs, 17 CCTV cameras and 10 Km of MIDAS
- Managed motorways on the M6 (Junction 8-10) and M1 (Junction 10-13)
- A further 14 strategic message signs on the south west motorway network
- Five message signs, and up to five CCTV cameras on the A1(M) and A19 in the Newcastle area

We will capture further efficiencies through technology procurement and installation, saving up to 6% each year through procurement, and 5% in installation. The new national distribution centre at Telford will also give us an enhanced logistics capability when delivering technology equipment.



Construction of A3 Hindhead, Surrey

Managed Motorways

We are adopting a new collaborative approach to deliver managed motorways and will be publishing new national operating guidance. A “convergence programme” will modernise operational management technology, increasing efficiency and reducing maintenance overheads. Over time this will lead to enhanced performance through service-based contracts together with increased resilience and reliability of the network.

We have also established the managed motorways delivery office to secure savings and efficiencies through incentives across the supply chain. The delivery office will provide:

- Improved programme management and risk allocation
- Standardisation and consistency of process, approach and design
- Improved collaboration and knowledge sharing across the Highways Agency
- Centrally managed communications, risk control and value management

The managed motorways delivery office is working with our procurement division and “lean improvement” team to deliver, over time, up to 20% in additional savings, over and above the original savings compared with traditional road widening schemes. We will achieve this through “lean” initiatives, value engineering, collective buying power, standardised designs and the market leverage gained through category management. Lean improvement is covered further in section 5 of the plan.

We will also deliver a strategic Driver Information Programme that will raise awareness of managed motorways, and advise our customers on how to use them safely.

National Framework Contract: Delivery Partners

In February 2010, we awarded a national framework contract valued at up to £2 billion to deliver the initial phase of new managed motorway schemes. The contract brings together companies from across the industry under one framework, giving us the best delivery capability to ensure value for money at a project and programme level. Our delivery partners will be working in partnership to standardise processes and solutions, and maximise economies of scale in procurement throughout the year. Procurement for the remaining managed motorways schemes announced last year is expected to be under a similar framework contract.

National and Regional Projects

We will progress a number of major national and regional schemes through construction this year. These are listed below:

- A3 Hindhead improvement
- A46 Newark - Widmerpool improvement
- A1 Dishforth to Leeming improvement (A1 Dishforth to Barton)
- A421 Bedford to M1 Junction 13
- M40 Junction 15 (Longbridge roundabout)
- M1 Junctions 21-30 (phase 1)
- M25 Junctions 16-23 widening (section 1)
- M25 Junctions 27-30 widening (section 4)
- M1 Junctions 10-13 hard shoulder running
- M6 Junctions 8-10a hard shoulder running

Infrastructure Planning Commission

The Infrastructure Planning Commission (IPC) is the independent body established by the Planning Act 2008 that now deals with applications for nationally significant infrastructure projects. Broadly speaking, all schemes publishing draft Orders or an Environmental Statement since 1 March 2010 are subject to the IPC application process. Schemes which published Draft Orders or an Environmental Statement before 1 March 2010 will continue to proceed within the previous system.



3. Our roads are the safest in the world

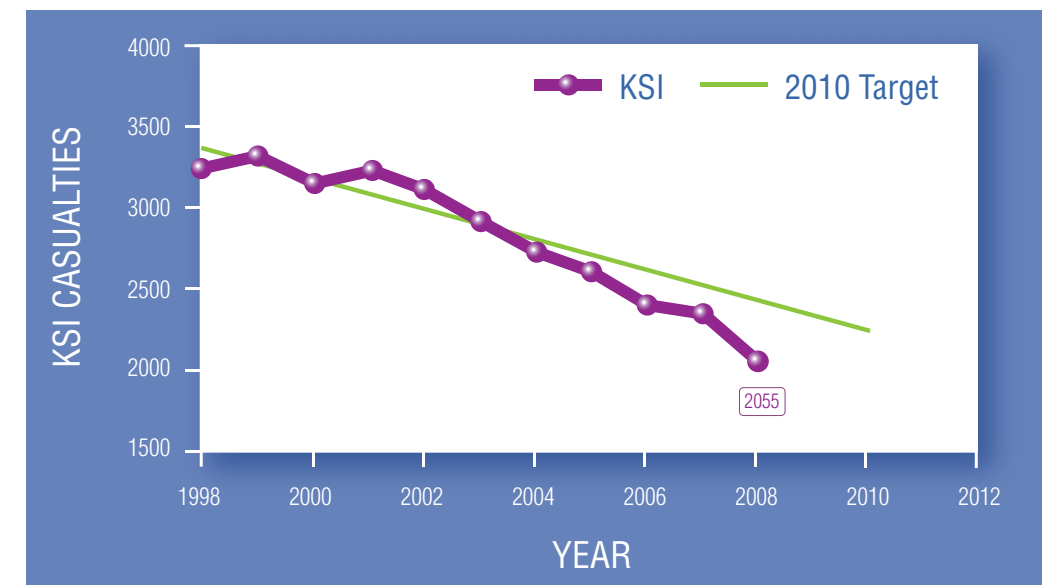
The Challenge

Britain's roads are among the safest in the world. Over the last five years the number of people who have been killed or seriously injured has fallen by 23%. However, 2500 people died on Britain's roads in 2008 including around 300 on our network. DfT's April 2009 document 'A Safer Way: Consultation on Making Britain's Roads the Safest in the World' identified the following key challenges facing road safety across Britain:

- Reducing the number of road deaths, which have fallen at a slower rate than serious injuries
- Protecting children, particularly in deprived areas, and young people, who are greatly over represented in the casualty statistics
- Protecting motorcyclists, who represent 20 per cent of road fatalities but just 1% of traffic
- Safety on rural roads: 62% of all road fatalities in 2007 occurred on rural roads, which carry only 42% of traffic
- Variations in safety from area to area and road to road
- Poor road user behaviour amongst a minority, where drink driving and failure to wear a seatbelt remain a problem
- Illegal and inappropriate speed: excessive speed was recorded as a contributory factor in 26% of road fatalities in 2007
- Pedestrian and cyclist casualties in our towns and cities - particularly in deprived communities

This year sees the end of the current national targets for road safety, and we are on track to exceed our contribution to those targets with a 39% casualty reduction to date. Our programmes of engineering improvements, education and engagement have all contributed to the reduction. Performance to date can be seen in the graph below.

We expect new targets to be announced this year, and we will continue to work in partnership with our Department and other roads authorities to achieve them and make Britain's roads the safest in the world.



Killed or Seriously Injured (KSI) casualty target



Future safety performance

We will continue to target locations on the strategic road network with the right package of safety measures and place greater emphasis on changing the behaviour of road users. The delivery of Driver Information Programmes (DIPs) with our safety partners will encourage responsible road use including targeting the causes of specific incidents. This year we will be looking to deliver DIPs on tyre safety and managed motorways and will be supporting a child car-seat campaign to be undertaken locally across all regions.

We will seek new ways to ensure compliance with speed limits, particularly on stretches of controlled motorway and through roadworks, and we will support improvements in vehicle technology that deliver safety benefits.

Managed motorways is a clear example of how we are not only delivering additional capacity to the network but also providing positive safety benefits. The pilot scheme on the M42 delivered a reduction in accident rates from more than five a month to less than two a month resulting in a significant reduction in personal injury and delay.

Roadworker Safety

Working in close proximity to moving traffic raises the risk of injury to our staff, construction workers, vehicle recovery operators, emergency services personnel, and those who undertake maintenance work. Despite significant achievements in recent years, working on our roads continues to be a high risk occupation.

As an employer we are dedicated to the health and safety of our workforce and of our partners who work on our roads. We will be implementing a Road Worker Safety Strategy for the coming year aiming to eliminate fatalities amongst our on road work force. We will work with industry, our consultants and contractors to find new ways of reducing risks and improving safety. As part of the 'Aiming for Zero' approach to health and safety, 'Exposure Zero' aims to manage down risks by removing the need for road workers to be on foot on live carriageways.

Local targets to improve road worker safety will be included in each of our Area teams' 'Area Action Plans', detailing the tools and techniques which can be used to meet our aims.

One of the ways that we can make a positive impact on the health and safety of road workers is by raising awareness amongst road users to influence driver behaviour. An example is the 'Respect our Road Workers' film which will be shown at cinemas in areas where poor driving standards have been observed through road works. This will be supported by a poster campaign at motorway service areas to promote responsible driving.



4. We deliver sustainable solutions

Sustainability concerns the formulation of lasting economic, social and environmental benefits. Our challenge is to ensure that sustainability is recognised not just as an environmental consideration, but as an ethos that brings together economic efficiency and environmental protection while meeting social and corporate objectives across the whole organisation.

A Regional Perspective

Our regional teams participate at all stages of the planning process to support national and regional economic performance. Involvement is shown in the table below:

Regional Strategies	We work with regional stakeholders in the development of Regional Spatial and Economic Strategies and are engaged in the development of the new Single Regional Strategies that will provide the framework for the future growth and prosperity of regions.
Regional Funding Advice	We will continue to promote and deliver improvements to the strategic road network that support wider spatial, economic and environmental priorities.
Local Development Frameworks	We are a statutory consultee and will continue to engage with local planning authorities in supporting development that does not adversely impact on the safe and efficient operation of the strategic road network.
Planning Applications	We will continue to exercise the Secretary of State's statutory responsibilities for providing substantive responses to planning applications that impact on the strategic road network.
Infrastructure Planning Commission	This new body will require our regional planning teams to fulfil the Secretary of State's responsibilities as a statutory consultee on nationally significant infrastructure projects that impact on the strategic road network.

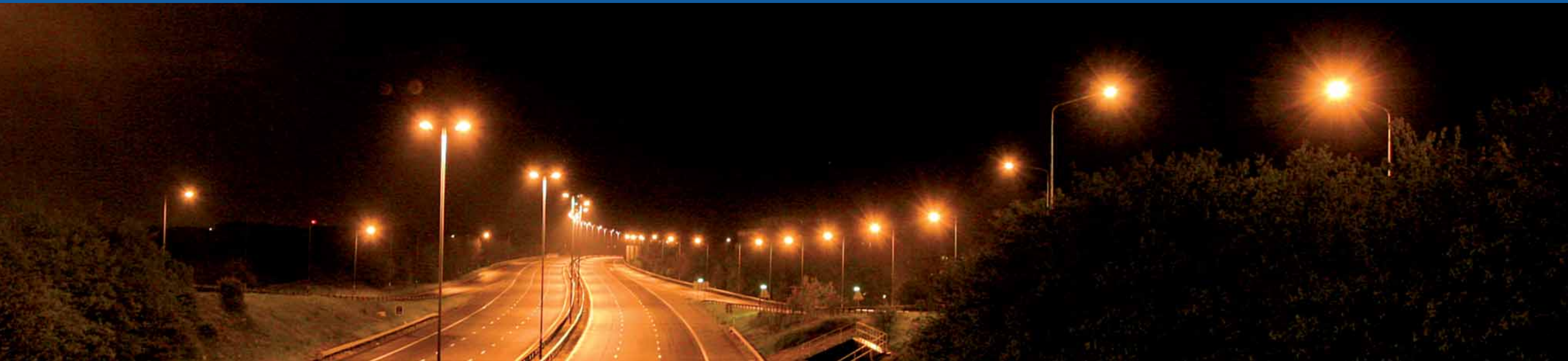
Research Collaboration

Our research collaborations are wide-ranging and include partnerships within the UK, the rest of Europe and further afield. Through the World Road Association and the Conference of European Directors of Roads (CEDR) we are able to join with other national road administrations to share best practice, innovation and showcase our achievements. We shall continue to foster and develop our relationships with the wider research community.

Collaborative investment offers us significant value for money. We have participated in a number of EC-funded research projects and programmes, for example, on climate change, road safety and effective asset management. Other successful collaborations include a CEDR initiated project to benchmark road maintenance costs and the EU-led EASYWAY project that is developing intelligent transport systems. We shall continue to invest in collaboration and realise its benefits.

2012 Olympics

The Highways Agency is one of the partners involved in transport planning for the Olympic Games. Members of the 'Games Family' (athletes, officials and others) will travel to and from their events on an Olympic Route Network (ORN). We have been involved in the preparation for the Games since the bid was awarded and will continue our role in partnership with stakeholders including the Olympic Delivery Authority, local highway authorities, Transport for London and the Department for Transport. During the Games, the Highways Agency's National Traffic Information Service and regional control centres will contribute to the successful operation of the ORN working closely with the Transport Coordination Centre for London 2012.



Climate Change

One of the Highways Agency's key responsibilities is to play its part in delivering the Government's carbon reduction strategy for transport. We are recognised as a leader in our approach to this challenge and are addressing the growing threat of climate change; in terms of how we need to adapt to the changes, and to reduce our own emissions.

A prime example of how we have grasped the initiative can be seen in the development of our carbon footprint which was published in our 2008-09 Annual Report. We are using this as a basis for driving future reductions in our greenhouse gas emissions. This year we have again included carbon reduction targets in our Business Plan, but with a wider scope than those included in 2009-10.

Our efforts will ensure that we can continue to provide an effective strategic road network in the context of a changing climate.

Our newly developed Climate Change Adaptation Strategy will provide a platform for our managers to examine their individual business areas, including standards, specifications, maintenance, and the development and operation of the strategic road network. It provides a systematic process to identify the activities that will be affected by a changing climate, determine associated risks, and identify preferred options to address and manage them.

The Supply Chain

We will continue to build on development work with our supply chain on their carbon emissions. Our suppliers contribute a significant proportion to our carbon footprint and it is therefore important that we tackle the challenge to reduce their carbon emissions. During this year we will continue to explore data provided by our suppliers through a carbon calculation tool that covers four key areas of their activities: energy, waste, transport, and materials - to investigate and build an understanding of the opportunities for reductions.

Energy

With an increase in the provision of roadside technology, accelerated through the expansion of the managed motorways programme, and a concentrated Government focus on energy consumption, we have commissioned a programme of work targeting energy supply to roadside equipment.

The programme starts this year and is being designed to deliver:

- Reduced cost of electricity supply
- Reduced energy consumption
- Compliance with the legislative requirements of carbon equivalent emissions savings and reporting
- Reduced greenhouse gas emissions from energy supply and use
- Improved energy efficiency
- Improved resilience of power supplies

As part of this programme we will take advantage of emerging technology to switch off road lighting according to conditions, whilst maintaining safety.

The Environment

This business plan sees us reinstating targets covering the environment. Our new environmental strategy for the period 2010-2015 will ensure that protecting and enhancing the environment is embedded into our business decision making process. We will ensure the best practicable environmental outcomes are achieved across all our activities, working in balance with other sustainable development priorities. We will seek opportunities to conserve and enhance the environment across the network and to contribute to improved human well-being and a better quality of life through environmental enhancement.



Prize Winners
You Make It Happen Awards 2010

5. We set the standard for delivery

We recognise that to achieve our vision of being the “World’s Leading Road Operator”, we need to continue to develop our ability to deliver. This is being taken forward in a number of areas.

Focusing on leadership development and strong people management will drive efficiency through the organisation by setting clear expectations that raise standards of performance and get the very best from our people. This will be supported by a performance management programme for key management roles. We will also introduce new tools to bring consistency of standards across the Agency that allow us to deploy and use our people and resources more effectively.

We will develop our skills in priority areas by launching a new commercial management programme and continuing to build excellence in programme and project management. We will also continue to offer a variety of relevant learning opportunities for all of our people, to help them to develop and apply the skills needed in their roles.

Enhanced delivery through re-organisation

To better achieve our goals, we have restructured our directorates for 2010 to focus on what really matters and enable us to:

- Deliver a world class traffic management service to all our customers, through traffic information, active management of traffic flows, and incident response
- Achieve recognition as a world class asset management business, managing supply contracts intelligently, effectively and efficiently while holding a clear vision of the future development of the network
- Equip ourselves with the tools we need to do our job, whilst engaging with wider government efficiency initiatives

Commercial Stewardship

We take pride in the delivery of our work. This year we aim to build on our successes and become a true beacon for public service delivery. Our reputation depends on our suppliers understanding and delivering against our customers’ expectations. We will continue to select the most capable and best performing suppliers on the basis of evidence, choosing those who provide value for money through a competitive and effective commercial procurement process. Our suppliers will be expected to behave collaboratively - a behaviour that, where appropriate, will be assessed at the bidding stage of contracts to ensure we get the correct cultural fit with our delivery agents.

We are on course to becoming truly proficient in our commercial management. Our project managers are gaining a greater degree of control over how end-value is calculated, and are tasking the supply chain with responding in a way that delivers the best outcomes for the Agency.

Procurement

The Highways Agency has an overriding obligation to provide value for money. We spend about 95% of our annual budget with contractors and service providers. The range of our needs is large: from projects associated with network operations and development, through to keeping our staff and buildings properly supported. There are costs not only in procuring these works, goods and services, but also through subsequent maintenance, management and disposal activities. Time and quality are other critical factors in determining value. Our new procurement strategy positions us to deliver a first class and consistent approach to procurement. Based on the three key themes of value for money, delivery and sustainability, we will work with our supply chain to use a ‘category management’ approach to harness buying power and generate increased value through greater efficiencies and lower unit costs.



Lean Improvement

The Highways Agency has embarked on an ambitious programme to apply “lean improvement” techniques in the supply chain. This will not only enable us to make significant savings on our construction and maintenance schemes through greater efficiency and faster delivery, but will also drive ourselves and our supply chain to continuously improve our working practices.

Lean techniques have been used on the A46 to improve earthworks efficiency on site. By measuring and analysing the movement of earthworks plant on site, productivity was maximised so that £2 million was saved, with savings expected to multiply as improvement practices are implemented across other highway construction projects.

Other projects include: finding ways of providing gantries more efficiently to support our Managed Motorways programme, looking at the way highway design is managed and improving the application of road resurfacing.

This represents ground-breaking work in the field of highways construction and the application of lean processes will be investigated across other parts of the business in the future.

Performance

A summary of the areas in which we measure our performance are highlighted below and the associated targets are shown in **Annex A**

Reliability

Implement a programme of delivery actions that tackle unreliable journeys on the strategic road network

Major Projects

Deliver to time and budget the programme of major schemes on the strategic road network

Safety

Deliver the Highways Agency’s agreed proportion of the national road casualty reduction target

Maintenance

Maintain the strategic road network in a safe and reliable condition, and deliver value for money

Carbon

Contribute to national and international goals for a reduction in carbon dioxide emissions by lowering the Highways Agency’s emissions

Environment

Improve quality of life for transport users and non-transport users, and promote a healthy natural environment

Customer Satisfaction

Deliver a high level of road user satisfaction

Efficiency

Deliver the Highways Agency’s contribution to the Department for Transport’s efficiency target

Funding

Our budget can be broken down into five programmes of activity. A summarised table showing how our funds are distributed to these programmes can be found at **Annex C**

Traffic Management (including Programme Pay)

The cost of our Traffic Officer Service and other traffic management interventions

Major Improvements

The funding for the national & regional roads programme, and Private Finance Initiative schemes

Technology Improvements

The provision of technology applications on the network

Maintenance

Expenditure to maintain the asset to minimum whole life costs

Smaller Schemes, R&D and ICT

Funds covering local network schemes, research and information technology

Our organisational structure can be found in **Annex D**

Annex A – Key Performance Measures

Key Performance Deliverables	Business Plan Targets for 2010-11
Reliability: Implement a programme of delivery actions that tackle unreliable journeys on the strategic road network	Reliability: The Highways Agency will deliver the 2010-11 components and impacts of the Reliability Delivery Plan as agreed by the Secretary of State
Major Projects: Deliver to time and budget the programme of major schemes on the strategic road network	Major Projects: For the programme of national schemes in the construction phase, maintain a programme level of 1.0* against the cost performance index (CPI) and the schedule performance index (SPI) *A programme-level variance of +0.1 or -0.05 against the CPI and the SPI would mean that the target would be deemed to be met
	Major Projects: For the programme of regional schemes in the construction phase, maintain a programme level of 1.0* against the cost performance index (CPI) and the schedule performance index (SPI) *A programme-level variance of +0.1 or -0.05 against the CPI and the SPI would mean that the target would be deemed to be met
	Major Projects: For the programme of national schemes in the development phase, achieve a milestone achievement index of 1.0
Safety: Deliver the Highways Agency's agreed proportion of the national road casualty reduction target	Road Safety: By the end of 2010 reduce by a third (i.e. to 2244*) the number of people killed or seriously injured on the core network compared with the 1994-98 average of 3366 *To allow for expected year-on-year fluctuations in casualty levels, the Highways Agency will be deemed to have met the target if the reduction achieved is no more than 5% above the milestone target figures
Maintenance: Maintain the strategic road network in a safe and reliable condition, and deliver value for money	Maintenance (Condition Index): Maintain a road surface condition index of 100 ±1 within the renewal of roads budget
	Maintenance (Cost & Efficiency): Deliver selected maintenance renewals* costs at an average level below inflation by the end of 2010-11 when compared with 2009-10 *Excluding technology maintenance

Annex A – Key Performance Measures

Key Performance Deliverables	Business Plan Targets for 2010-11
Carbon: Contribute to national and international goals for a reduction in carbon dioxide emissions by lowering the Highways Agency's emissions	Carbon: By the end of 2010-11, achieve a 3% reduction in our carbon* emissions from our direct energy and fuel usage, our network energy, and our business travel, when compared with 2008-09, in line with the UK carbon reduction target *Carbon Dioxide (CO2) equivalent
Environment: Improve quality of life for transport users and non-transport users, and promote a healthy natural environment	Environment: Deliver the following in-year actions contained in the 2010-11 Environmental Action Plan <ul style="list-style-type: none"> • Air Quality: To complete studies examining a representative selection of air quality exceedences on the strategic road network, and to develop options for mitigating these problems • Noise: Review and validation of First Priority Locations as shown in the Defra Noise Action Plans enabling the development of prioritised improvement actions for 2011-12 and beyond • Water Environment: Deliver six effective interventions at priority outfalls, priority soakaways and flooding hotspots and culverts • Nature Conservation: Deliver ten interventions to support protected species and enhance habitats in accordance with the Highways Agency Biodiversity Action Plan
Customer Satisfaction: Deliver a high level of road user satisfaction	Customer Satisfaction: Improve road user satisfaction by at least 0.2 percentage points compared with the level achieved in 2009-10. Develop and agree a new customer satisfaction measure and target to be implemented for 2011-12
Efficiency: Deliver the Highways Agency's contribution to the Department for Transport's efficiency target	Efficiency (Programme): Deliver cumulative efficiency improvements of £144m by the end of 2010-11
	Efficiency (Administration): Deliver our programme within the allocated administration budget over the CSR07 period, which requires cumulative efficiency savings of 17.2% in real terms by the end of 2010-11

Annex B – Service Transformation Agreement

Service Transformation is about designing services around the needs of citizens and businesses, providing modern efficient services, and ensuring that we have the capability to deliver.

Customer Service Standards

- We will provide a full response to enquiries quickly
- We will provide a full response to complaints quickly
- We will respond to telephone calls promptly and endeavour to resolve all enquiries at the first call
- We will use reliable and accurate methods to measure customer satisfaction on a regular basis
- We provide our customers with information that is clear, accurate and complete. If we do not have all the information required, we will advise customers when they will receive the information they requested
- Our staff are polite and friendly to customers at all times and understand our customer needs
- We make information about the full range of services we provide available to our customers and potential customers, including how and when people can contact us, how our services are run and who is in charge
- We make particular efforts to identify hard-to-reach and disadvantaged groups and individuals and have developed our services in response to their specific needs. We have policies and procedures that support the right of all customers to expect excellent levels of service

Annex C – Indicative Budgets

£m
DEL and AME Voted Expenditure
Programme - Operating England's Strategic Road Network
Programme Pay & Allowances
Major Improvements to the Network
Traffic Management
Technology Improvements
Maintaining the Network
Smaller Local Schemes and Research and Development
Total Programme
Associated Costs of programme investment in the network (including new provisions)
Administration - Operating our Agency
Staff and other administration costs (includes capital costs to be transferred to programme)
Investment in technology and assets to help us improve (administration capital)
Total Administration
Associated Costs of improving through investment in the network (including new provisions)
Total Programme
Total Administration
Grand Total Voted Budget

Other DEL Budget - Non Voted Expenditure
Utilisation of Provision Programme
Utilisation of Provision Administration
Release of Provisions Programme
Release of Provisions Administration
Programme Non Voted Income
Grand Total Non Voted Budget

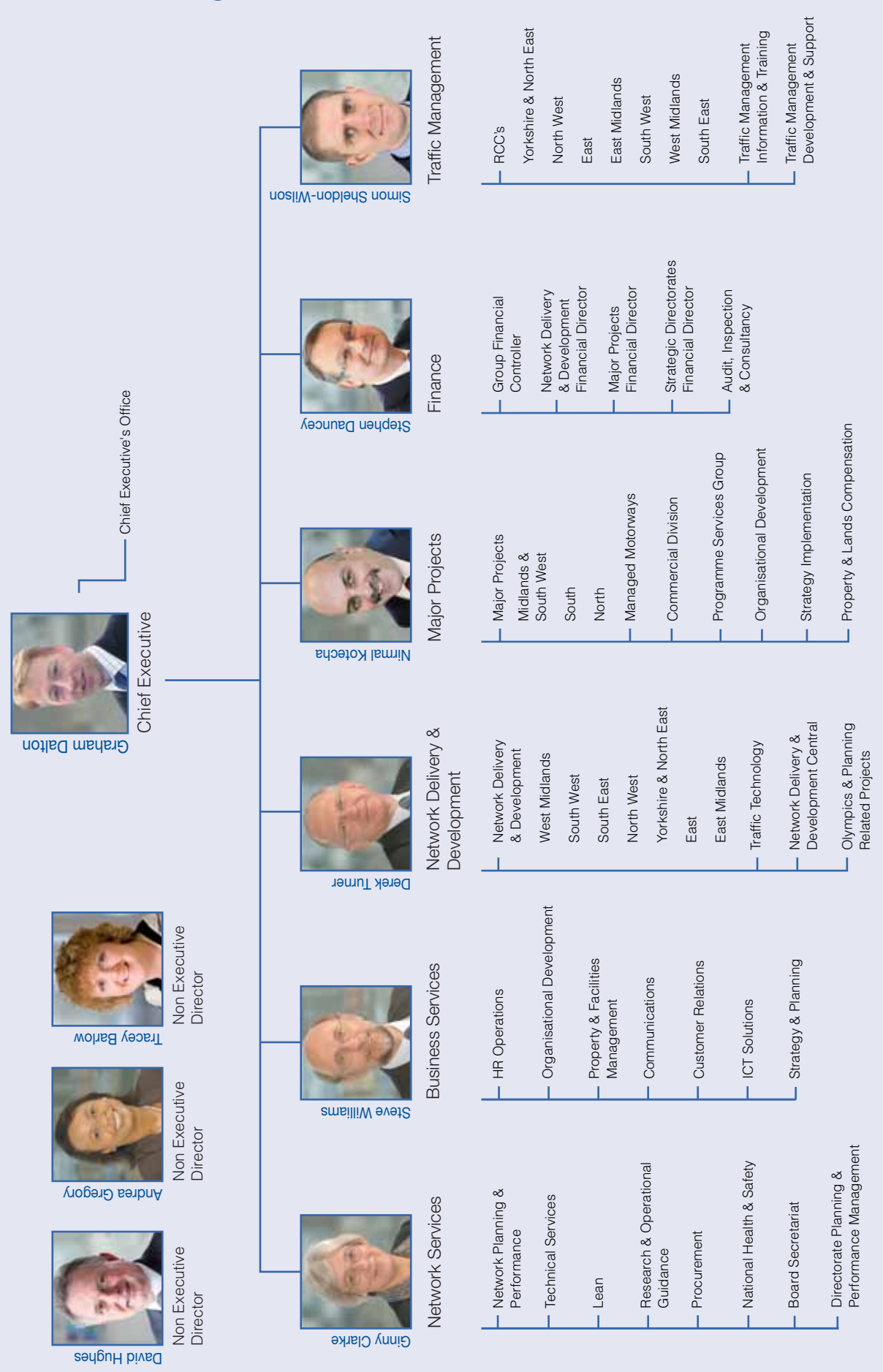
Notes
1. Figures are net (i.e. include allowable receipts) and indicative and split likely to change in-year
2. The staff costs for Managing Traffic are included in Programme Pay & Allowances
3. Some figures do not sum correctly due to rounding
4. Indicative Budgets were set using current government wide accounting International Financial Reporting Standards (IFRS) assumptions

2010-11			
Total	DEL		AME
	Capital	Resource	Resource
83	-	83	-
1,348	1,016	332	-
103	20	82	-
222	144	78	-
748	341	407	-
195	93	101	-
2,699	1,614	1,085	-
2,037	-	773	1,264
97	21	76	-
3	3	-	-
100	23	76	-
4	-	2	2
4,736	1,614	1,858	1,264
103	23	78	2
4,839	1,637	1,936	1,266

155	104	51	-
2	-	2	-
(155)	(104)	-	(51)
(2)	-	-	(2)
-	-	-	-
-	-	53	(53)

Glossary	
DEL	Departmental Expenditure Limit
AME	Annually Managed Expenditure
Resource	Maintaining the status quo
Capital	Improving through investment

Annex D – Organisational Structure



Highways Agency Offices

- 1. Corporate Centre**
5th Floor
123 Buckingham Palace Road
London SW1W 9HA
 - 2. Federated House**
London Road
Dorking RH4 1SZ
 - 3. Woodlands**
Manton Lane
Manton Industrial Estate
Bedford MK41 7LW
 - 4. Ash House**
Falcon Road
Sowton Industrial Estate
Exeter EX2 7LB
 - 5. Lateral**
8 City Walk
Leeds LS11 9AT
 - 6. City Tower***
Piccadilly Plaza
Manchester M1 4BE
 - 7. Temple Quay House**
2 The Square
Temple Quay
Bristol BS1 6HA
 - 8. Broadway***
5 Broadway
Broad Street
Birmingham B15 1BL
- *Birmingham and Manchester offices will change addresses in 2010:**
199 Wharfside Street
Birmingham West Midlands B1 1RN
Piccadilly Gate
Store Street
Manchester M1 2RP



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