

PSA Delivery Agreement 5:

Deliver reliable and efficient transport networks that support economic growth

October 2007

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VISION

1.1 The Government wants a transport system that enables sustained economic prosperity and addresses the needs of the travelling public. This PSA will focus government investment in transport on supporting sustainable economic growth, and will set a clear strategic framework to facilitate private sector investment.

1.2 Successful delivery of this PSA will mean, in the context of rising demand for travel, improvements in the reliability and capacity of those parts of the transport system where networks are critical in supporting economic growth, and where there are clear signals that these networks are not performing.

1.3 In the absence of government action, the evidence indicates that increased demand for travel would exacerbate the serious strain experienced in some parts of the network. The Government's ambition over the 2007 Comprehensive Spending Review (CSR07) period is to minimise congestion and other costs, relative to what would otherwise be expected. This ambition extends beyond more efficient application of existing approaches and includes new ideas and concepts which will maximise the benefits delivered.

1.4 The strategy for this PSA is grounded in the Eddington Study of transport's¹ role in sustaining the UK's productivity and competitiveness. The study concluded that a comprehensive and high-performing transport system is crucial for sustained economic prosperity. Transport networks support the productivity and success of urban areas and their catchments, by getting people to work and supporting productive labour markets. Transport corridors are the arteries of trade, and delays and unreliability on the transport network have direct costs to people and businesses. International gateways provide the means to transport goods into and out of the country and provide access to international business centres for business travellers.

1.5 This PSA is specifically focused on the contribution that transport makes to economic growth. Other priorities for the Government's transport policy – in particular in relation to the urgent need for action on climate change – are covered separately in other PSA outcomes to which transport is a significant contributor.²

¹ *The Eddington Transport Study, The case for action: Sir Rod Eddington's advice to government*, Sir Rod Eddington, December 2006.

² Transport is a significant contributor to PSA 20: *Increase long term housing supply and affordability*, PSA 27: *Lead the global effort to avoid dangerous climate change*, PSA 28: *Secure a healthy natural environment for today and the future*.

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MEASUREMENT

2.1 Progress against this PSA will initially be measured through four indicators. The first three indicators cover most types of passenger and road freight journeys made within the UK, including journeys to access ports or airports for onward international trips. They also relate to the priorities for action during this Spending Review period.

2.2 Transport investment often involves significant planning, consultation and construction work. There may often be long time lags between investment decisions and work being completed. Over the course of the Spending Review period the task is both to deliver interventions that can improve reliability and efficiency now, and to plan for the future. The fourth indicator is focused on investment decisions, in order to capture this longer-term dimension.

Indicator 1: Journey time on main roads into urban areas

- This indicator relates to journey times on key routes into the ten largest urban areas in the morning rush hour. It therefore covers the times and locations that experience most congestion and are most important to the economy. By calculating person (rather than vehicle) journey times it takes into account the impact of bus services and car sharing. There will be a national target attached to this indicator for 2010-11.

Indicator 2: Journey time reliability on the strategic road network, as measured by the average delay experienced in the worst 10 per cent of journeys for each monitored route

- The strategic road network enables people and freight to move around the country. The ability to predict when you will arrive is important, so this target focuses on the delay experienced on the worst 10 per cent of journeys (which are significantly slower than typical journeys). By minimising this delay, journeys are made more reliable and people and goods are more likely to arrive on time. Performance will be assessed, in the context of an expected increase in traffic of between 1-2 per cent per year

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

- The rail network caters for journeys into major cities and between major cities. Both are forecast to increase substantially because of the economic growth of the major cities. The rail network is already at or near capacity during peak times and, without the provision of extra capacity, increased train crowding would deter rail usage and constrain city growth. The target is linked to the Government's High Level Output Specification for the rail network, which details the passenger numbers to be accommodated and the load factors to be achieved on routes across the country and into key terminal stations. There will be a national target attached to this indicator for 2013-14.

Indicator 4: Average benefit cost ratio of investments approved over the CSR07 period

- This indicator will relate to the expected level of benefits to be obtained from investments approved in the period. It will help demonstrate how government is implementing recommendations from the Eddington Study to ensure that spending is focused on the projects with the highest returns.

The detailed specification of this indicator will be defined by summer 2008, following discussion with stakeholders about updating the Department for Transport's (DfT) appraisal methodology.

2.3 As work develops in response to the Eddington report, the Government will review whether changes to the indicator set could usefully add to the picture, as regards effective implementation of its advice about sustaining growth and productivity.

3

DELIVERY STRATEGY

3.1 The outcomes that the Government is seeking to achieve through this PSA are supported by the strategies set out in the White Papers *The Future of Air Transport*¹, *The Future of Transport*² and *The Future of Rail*,³ and the 30-year strategy for Rail published alongside the High Level Output Specification in July 2007.⁴

Eddington 3.2 The Eddington Transport Study identified three strategic priorities or ‘priority links’ for transport policy over the next 20 years. These priority links relate to the most heavily used and economically significant points of the network, particularly congested and growing city catchments, the key inter-urban corridors and the key international gateways. The study also highlighted the need to put short-term (5-10 year) planning in the context of medium-term (10-20 year) quantification of goals and a long-term (20-30 year) strategic outlook.

3.3 The Government will respond to the Eddington Transport Study shortly and will set out how it will meet the challenges in relation to all three priority links and the need to improve the process for strategic decision making and delivery.

3.4 This Delivery Agreement sets out the strategy for delivering improvements in the short term Spending Review period in relation to urban areas and their catchments, and inter-urban links. Although there is no specific indicator for international gateways, the actions set out in this Delivery Agreement also make an important contribution to improving surface access to ports and airports.⁵

JOURNEY TIMES ON MAIN ROADS INTO URBAN AREAS

Strategic priorities

3.5 The Eddington Transport Study concluded that transport networks support the productivity and success of urban areas and their catchments by getting people to work, supporting labour markets and allowing businesses within the area to reap the benefits of agglomeration. However, the increased travel demand created by economic growth in these areas puts considerable strain on the road networks with a particularly dense concentration on certain parts of the network at certain times of day, which leads to increased journey times. Given the link between demand and journey time, change in journey time is being monitored alongside changes in travel.

3.6 In line with the Eddington Transport Study conclusions, there is little strategic case for action in all places. The first indicator for this PSA therefore reflects the importance of journey time on main roads into the ten largest urban areas, which are clearly important to supporting economic growth.

¹ *The Future of Air Transport White Paper*, DfT, 2003.

² *The Future of Transport*, DfT, 2004.

³ *The Future of Rail*, DfT, 2004.

⁴ *Delivering a Sustainable Railway - White Paper*, July 2007.

⁵ More detail on the Government’s delivery strategy for ports and airports is set out in the *Ports Policy Review interim report* DfT, July 2007 and the 2003 *Air Transport White Paper* and the subsequent *Progress Report* published in 2006.

Delivery

3.7 The first indicator has been developed by the DfT working with Local Authorities (LAs) in the ten largest urban areas. Each Local Authority area was asked to consult transport users during the production of their local transport plans. Government Offices and the DfT's Regional & Local Delivery Directorate have supported the setting of local targets and routes covered by the target.

Department for Transport

3.8 The DfT sets the legislative framework, secures resources for LAs, provides journey time data to authorities for performance managing the road network, provides guidance and assistance on data, measurement and modelling, and facilitates sharing good practice between local authorities. In addition, DfT has set up a Congestion Performance Fund to encourage authorities to exceed their local targets and therefore aid progress on the indicator.

Local Authorities

3.9 Working in partnership with DfT, LAs in the ten largest urban areas will minimise the impact of increased travel demand on journey times on main roads into town centres. In London, Transport for London is the lead, and in metropolitan areas the Passenger Transport Executives coordinate provision of public transport in the area. Each of these areas has produced a delivery plan for their local target providing detail underpinning the congestion strategies set out in the local transport plans produced in March 2006. These plans incorporate a mix of interventions considered locally appropriate including:

- encouraging greater use of public transport. This includes improved bus priority, newer buses, improved real-time information for bus users, more park and ride sites, and greater promotion of public transport, working in partnership with local bus operators;
- demand management through, for example, parking controls;
- encouraging more sustainable travel patterns, for example through travel planning, where the local authority works with local employers and schools to increase car sharing and bicycle use to reduce the number of vehicles on the road during the rush hour;
- improved enforcement of, for example, parking restrictions on major roads;
- network management, which includes use of improved computer systems to manage traffic lights to help traffic flow more smoothly; and
- integrating transport, land use and parking policies.

3.10 Plans also provide descriptions of milestones and risks for each target route, together with the local governance arrangements in place to monitor and manage the delivery of the target.

3.11 The LAs will also provide performance reports to the DfT twice a year.

RELIABILITY ON THE STRATEGIC ROAD NETWORK

Strategic priorities

3.12 Strategic road links between cities enable people to move around the country, and play a crucial role in the movement of goods supporting business efficiency. The UK transport system supports a staggering 61 billion journeys a year. In broad terms, it

provides the right connections in the right places to support the journeys that matter to economic performance. The UK has a greater proportion of its population connected to the strategic road network than its European competitors and provides connections between cities to facilitate return business trips in a day. Logistics companies can deliver to over 75 per cent of the UK population from their West Midlands warehouse hubs in a half-day truck drive.

3.13 Transport corridors therefore are the arteries of domestic and international trade, boosting the competitiveness of imports and exports. 28 per cent of the UK's national income is traded. Exploring this further, the Eddington study found that delays and unreliability on the network have direct costs to people and businesses, increasing business costs and affecting productivity and innovation.

3.14 The reliability of journeys is important for freight and for both business travellers and commuters. For the most part, it is possible to anticipate how long a journey will take and plan accordingly. However, when journey times are unreliable this becomes harder. This means either that appointments or deliveries are missed, or extra time needs to be allowed for every journey to take account of the occasions when journeys are unusually slow. Both of these impose costs. Indicator two therefore is about journey time reliability on the strategic road network of motorways and major roads. It focuses on the worst 10 per cent of journeys, since improving the worst journeys reduces the likelihood of experiencing a slow journey and so improves reliability overall.

Delivery

3.15 The strategic roads indicator was developed in close consultation with the Highways Agency, HM Treasury (HMT) and the Prime Minister's Delivery Unit (PMDU), as well as a number of interested stakeholders including the Motorists' Forum of the Commission for Integrated Transport. The Highways Agency will continue to consult with users as schemes are developed.

3.16 The Highways Agency will minimise increases in journey time unreliability through implementation of a programme of delivery actions, whose contents and expected impacts will be approved by the Secretary of State for Transport. This programme will be kept under review in order to maximise its impacts within the available funding.

The Highways Agency

3.17 The Highways Agency will make a number of interventions that tackle unreliable journey times on the strategic road network to support the economy and facilitate movement of people and freight. The interventions will improve:

- the management of traffic incidents using the Traffic Officer Service resources rolled out during the previous Delivery Agreement period and better technology-enabled network monitoring capability;
- the capability to restore network operation following infrastructure damage;
- roadworks management by further optimising safety, speed, enforcement, timing and traffic management configuration;
- capacity through the programme of major schemes, optimising the use of conventional widening and technology-enabled capacity increase, and improving junctions;

- the management of traffic flow by building on the introduction of access control and flow management measures, and variable speed limits to reduce flow breakdown; and
- the information used by road users in tailoring their travel plans to reflect the operational state of the network.

Communities and Local Government

3.18 Communities and Local Government (CLG) will work with DfT on both priorities one and two in this PSA to ensure planning guidance at all levels encourages early consideration of transport impacts and costs; to ensure policy development following the Barker Report includes consideration of transport impacts; to encourage strong leadership on transport in city regions; to ensure long-term economic needs are given appropriate priority in Local and Multi Area Agreements; and to develop the role of English Partnerships in forward funding for the provision of infrastructure to support growth.

CAPACITY AND CROWDING ON THE RAIL NETWORK

Strategic priorities

3.19 Rail networks facilitate the success of the biggest cities by conveying large workforces to dense and hugely productive areas of economic activity (agglomerations). Rail links into and between major cities play a key role in the UK's economy, enabling people to move around the country and to access jobs and services in cities. The rail network has experienced more than 40 per cent increase in demand over the last ten years with more passengers now travelling by rail than anytime since 1946. This demand is forecast to continue to increase, both into cities and between cities. However, passenger growth has led to increasing levels of utilisation of existing network capacity and to crowding on some trains, particularly at peak hours.

3.20 Passengers want a railway that is reliable and represents value for money, is comfortable, accessible and easy to use. The public as a whole wants a railway that contributes to economic growth. The railway can only achieve this if it has the capacity to carry passengers who want to use it. Rail has seen record levels of growth so in response the railway is running more services than before, and has provided more trains. But capacity has not kept pace with record demand across the network, and crowding on some of the busiest services has got worse. Evidence suggests this deters journeys and hampers growth. The third indicator for this PSA is focused on rail capacity and crowding reflecting the priority for the Government's rail strategy to increase the number of people travelling by rail with acceptable load factors.

Delivery

3.21 The DfT specifies what the Secretary of State wants to be achieved by railway activities and the public financial resources that are likely to be made available for this purpose. DfT has provided this information to the Office of Rail Regulation (ORR) for Railway Control Period 4, from 2009/10 to 2013/14, through the Railways Act 2005 Statement (which includes the High Level Output Specification (HLOS) and Statement of Funds Available). The Office of Rail Regulation (ORR) is responsible for determining that the requirements set out in the Railways Act 2005 Statement match the Statement of Funds Available.

3.22 The ORR Access Charges Review determines the regulatory outputs and funding requirement in the Control Period, and sets Track Access Charges. ORR requires

Network Rail to develop a Strategic Business Plan setting out the programme of input infrastructure works required to deliver these outputs.

Network Rail 3.23 Network Rail will deliver rail infrastructure enhancements required to support the delivery of rail capacity throughout the network and therefore aid progress towards the rail capacity indicator and target. The ORR will hold Network Rail accountable for delivery of the outputs as defined in their Strategic Business Plan. In doing so, the ORR can levy financial penalties, under Network Rail's Licence conditions, if Network Rail fails to comply.

Train Operating Companies 3.24 Train Operating Companies (TOCs) are responsible for acquiring (leasing) additional rolling stock from rolling stock leasing companies to deliver the increased capacity as may be mandated by the Secretary of State as part of the HLOS.

EXPECTED BENEFITS OF APPROVED INVESTMENTS

Strategic priorities

3.25 A key recommendation of the Eddington Study was the need for a rigorous and systematic policy process for transport spending: defining the problems; considering the full range of options across all modes; and using appraisal techniques that include full costs and benefits to ensure spending is focused on the best policies. In response the Government is developing investment plans for transport focused on supporting sustainable economic growth (and other transport challenges and goals), through robust problem definition and appraisal of options. Alongside this, the Government will continue to facilitate private sector investment to deliver the required outcomes and meet future challenges. The fourth indicator for this PSA will help to measure progress, although due to long lead times in transport planning and delivery, the full impact of the Government's response to the Eddington Study is expected beyond this Spending Review period. The detailed specification of this indicator will be defined by summer 2008 following discussion with stakeholders about updating the DfT's appraisal methodology.

Delivery

3.26 The Department for Transport is responsible for analysing the priority transport problems nationally, for providing a clear strategy setting out the Government's approach, for developing robust appraisal methods and for deciding on investment priorities between interventions of more than local significance. Within the DfT, the Highways Agency is responsible for development of schemes on the Strategic Road Network.

3.27 Regional bodies provide advice on regional investment plans. Local authorities develop and promote local road schemes, contributing to regional advice on priorities.

LINKS TO OTHER PSAS

3.28 A wide range of government policies will influence the PSA indicators set out in this Delivery Agreement. The DfT will work with other government departments, particularly CLG, Department for Environment, Food and Rural Affairs and HMT to ensure that the impact of policies on these indicators, and other indicators across the PSA framework, are considered in the round.

3.29 The Department for Business, Enterprise and Regulatory Reform (BERR) lead on the delivery of the PSA to *Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions* (PSA 7). The delivery strategy for PSA 7 aims to ensure that government policies nationally, regionally and locally maximise the potential for sustainable economic growth, encouraging the private sector in every region, city-region and locality, to deliver innovative and high quality products and services that enable the UK to meet the challenge of competing in world markets.

3.30 CLG lead on the delivery of the PSA to *Increase long-term housing supply and affordability* (PSA 20), which aims to address long-term affordability issues by increasing the supply of housing and providing supporting infrastructure, to ensure well-designed and sustainable communities delivered through responsive spatial planning.

3.31 DfT will contribute to the delivery of both PSAs 7 and 20. In particular, the DfT makes an important input to the statutory planning process and the Highways Agency is also a key player. Full details of the specific contributions made by DfT and the Highways Agency can be found in the respective Delivery Agreements.

3.32 HMT has overall responsibility for national tax policies. Policies regarding Fuel Duty, Vehicle Excise Duty and Airport Passenger Duty can have a strong impact on the overall level of transport demand. The DfT will work with HMT to ensure that the desired PSA outcomes are taken into account in decisions in these areas.

3.33 The way in which transport is delivered is very important for the achievement of the Government's overall environmental objectives. DfT is therefore a key delivery partner in both PSAs, led by Defra.⁶ The development of policy reflects the need to balance these PSA objectives in achieving the Government's overall goals.

REAL-TIME DATA

3.34 The DfT already uses the provision of regular service performance data to help drive improvements on the rail network. DfT is looking to make better use of real time and archived data to inform the development, delivery and monitoring of transport policy. Developments in ICT are not only resulting in new data sources, but also providing the communication, storage, analysis and visualisation technologies to allow more effective exploitation of data and information. Current projects include:

- 'Transport Direct' offers real-time information for all modes (where available) through the website and also selected services via mobile phones (train and bus departures and travel news);
- funding for 19 Local Authority schemes to pump-prime the provision of real-time bus information. This programme has been completed and many of the schemes have been expanded by partnerships between LAs and bus companies. The coverage of the national fleet is now approaching 50 per cent;
- SMS Text Services, a text-based service is now available over much of the country where one can text to a single number the unique bus stop code and the return text will give either the next three real-time departures from that

⁶ PSA 27, *Lead the global effort to avoid dangerous climate change* and PSA 28, *Secure a healthy natural environment for today and the future.*

stop or, in the absence of a real-time system, the next three planned departures;

- The Highways Agency, in conjunction with DfT, Transport for London, the Scottish Executive and the Welsh Assembly Government are planning to launch Traffic Radio later in 2007, an always on radio service giving the latest traffic news information in your area; and
- improved use of Variable Message Signs, for example the Highways Agency piloting providing journey time estimates for major strategic junctions, and estimates of delays when congestion occurs.

ACCOUNTABILITY AND GOVERNANCE

3.35 The Secretary of State for Transport will be the lead minister for this PSA. The DfT Board, chaired by the Permanent Secretary, who will be the Senior Responsible Officer for the PSA, will monitor progress against achieving the PSA and the associated targets. The relevant Cabinet Committee/s will drive performance by regularly monitoring progress, holding departments and programmes to account and resolving inter-departmental disputes where they arise.

3.36 Performance monitoring arrangements for the indicators and targets will be the responsibility of the respective Directors General (DG) within DfT. Each DG will be responsible for reporting to the DfT Board on progress and key issues and risks. Delivery partners named in the Delivery Agreement will also be involved in the oversight of the PSA. In particular, where appropriate the responsible Director General will engage with relevant delivery partners to contribute to progress updates.

3.37 In addition to these arrangements, the Highways Agency Board will continue to receive monthly reports from the National Operations Group (NOG). This group, chaired by the Director of Traffic Operations, brings together chairs of the four Regional Operations Boards and the Directors of relevant workstreams within the agency – namely Network Strategy, Major Projects, Information and Safety Standards and Research. The NOG will:

- oversee delivery and directs corrective action as appropriate;
- address issues that are escalated from the Programme Director to drive the delivery of the target, facilitate cross directorate cohesion and target delivery and risk management; and
- report to the Highways Agency Board on progress.

A

MEASUREMENT ANNEX

Indicator I	Journey time on main roads into urban areas
National Target	By 2010-11 minimise increases in journey 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.
Baseline	3.76 minutes per person mile.
Data provider	<p>The data used to monitor these indicators come from a number of sources. DfT provides information on (non-bus) vehicle journey times. Each of the ten areas collects information on bus journey times, vehicle occupancy and traffic flow for different types of vehicles on a specified set of main roads into city centres, as set out in the local transport plan.</p> <p>Data comes both from centrally purchased DfT sources and from LA surveys. Vehicle journey times in most cases are derived from GPS sources in vehicles, purchased by and processed for DfT. Survey data – for occupancy, vehicle flow and bus journey times – are collected by LAs according to guidance issued by DfT.</p>
Data set used	The target and indicator baselines were published in July 2006. Vehicle journey times mostly relate to September 2004 to August 2005. Survey data mostly relate to autumn 2005 to spring 2006. In future years, data periods for performance monitoring will be brought together.
Frequency of reporting	Twice yearly (in the Departmental Annual Report and Autumn Performance Report). However, data are collected from LAs on a rolling basis, so reports contain only a partial update of the survey data and the vehicle journey times. Surveys (for example for occupancy) may not be carried out by every authority every year (although DfT is encouraging LAs to do so). Where surveys are not carried out, vehicle journey times will still be updated, meaning that the indicator will at least be partially updated every year. In addition, vehicle journey time (not weighted by occupancy) can be calculated as a proxy every year.
95 per cent confidence interval at last outturn	A 90 per cent confidence interval is being used to assess performance. See below under minimum movement required for performance assessment.
Data Quality Officer	Head of statistics, roads division, DfT.

Minimum movement required for performance assessment	At a national level it is currently calculated that the minimum movement required to show a statistically significant change is 0.5 per cent. (For individual urban areas the changes are around 1 per cent.)
	This means that, based on current calculations, a difference in person journey time of around 1.1 seconds is significant.

DEFINITION OF KEY TERMS

- *Person journey time:*

Person journey time is the average time it takes a person to travel a mile, measured in minutes per mile on a set of monitored routes in the ten largest urban areas in England. This is averaged for different types of vehicles, taking into account the number of people in different vehicles. This means the measure is more sophisticated than ones based on vehicle journey time, which is the time it takes for a vehicle to travel one mile. Vehicle journey time does not take account of the number of people in each vehicle, which is particularly important in urban areas where buses play a significant role.

Person journey time is monitored in the context of the change in the amount of travel that is occurring on the monitored routes. It is, broadly speaking, a measure of the number of people travelling on the routes. More precisely, it is the number of miles travelled by people on the routes.

National target

A.1 The target will be achieved if the increase in average person journey time per person mile for the ten largest urban areas is no more than 3.6 per cent by the end of the financial year 2010-11.

A.2 The indicator is measured for the ten largest urban areas, as these are the most important for the economy, and this captures the majority of urban congestion in the UK. It relates to a selection of the most important roads into these urban centres. This approach also ensures that the measurement process is proportionate. The indicator relates to the morning peak and, for most routes, relates to inbound journeys into the urban centres.

A.3 Given the different challenges faced by each individual city – in terms of existing transport infrastructure, travel patterns, and forecast growth – local targets set against these indicators necessarily differ, and take account of local circumstances and priorities. The national indicators are the weighted average of the local ones.

A.4 The target of a 3.6 per cent increase in person journey times is presented in the context of an expected increase of 4.4 per cent in travel as measured by person miles. This reflects the efforts of LAs to manage projected increases in demand and minimise the impact on journey times. Where travel is changing by a significantly different amount from that expected, authorities have an opportunity to proposed revisions to local targets in 2008. The national target will be amended to reflect changes to local targets if national government agrees to the case made for revision.

A.5 DfT has issued guidance to LAs on a set of supporting indicators aimed at building an evidence base for understanding performance against the target in the context of the management of the wider road network in each area.

Indicator 2	Journey time reliability on the strategic road network, as measured by the average delay experienced in the worst 10 per cent of journeys for each monitored route.
Data provider	The Highways Agency database is built from a combination of sources including journey time data from National Traffic Control Centre cameras, TrafficMaster cameras, and induction loops installed under the road surface. Data are available for each 15 minute period (6am to 8pm) of each day for each link of the network.
Data set used	The Highways Agency network has been divided up into 103 routes for performance monitoring purposes, and the previous reliability target covers the 91 routes where data quality are sufficiently high for the indicator to be calculated with confidence. We expect to set a new baseline with at least as many routes for monitoring reliability in future years.
Baseline	To be developed by December 2007
Frequency of reporting	Monthly internal reports from the Highways Agency; published externally every six months in the Departmental Annual Report and Autumn Performance Report.
95 per cent confidence interval at last outturn	To be developed by December 2007.
Data Quality Officer	As before.
Minimum movement required for performance assessment	At national level any movement is currently considered to be sufficient for assessing performance.

DEFINITION OF KEY TERMS

- *Delay:*

The difference between actual journey time and a speed that theoretically could be achieved in the absence of other traffic.

A.6 The strategic road network enables people and freight to move around the country. The indicator looks at each route, each day of the week, and each time of day individually. So each of these combinations has a worst 10 per cent of journeys included in the indicator. This is to ensure that there is an incentive to address reliability across the network and at all times rather than focusing only on the busiest routes. All these are then combined into the overall delay figure per ten miles, which can also be expressed as an overall journey time per ten miles. The measure can be thought of as the delay you typically would experience one journey in ten. It is most useful when looking at change over time, since it reflects the change in journey time reliability.

A.7 Since the measure is built up from data for individual routes, days and times of day, these data provides a rich source of management information to allow the Highways Agency to improve its understanding of the causes of journey time unreliability and determine how best to tackle it. The data are available for most of the

strategic network, with monthly performance reports being produced within the Highways Agency.

A.8 The Highways Agency will minimise increases in journey time unreliability through implementation of a programme of delivery actions, whose contents and expected impacts will be approved by the Secretary of State. This programme will be kept under review in order to maximise its impacts within the available funding.

A.9 Current analysis suggests that, with traffic growing by 1-2 per cent a year, delay for the worst 10 per cent of journeys on the strategic road network will increase 2-5 per cent a year in the absence of interventions by the Highways Agency. Monitoring the programme of actions by the Highways Agency will have regard to this range of possible 'do nothing' outcomes. Further analysis will be undertaken to improve the understanding of the relationship between traffic growth and journey time reliability.

A.10 The performance measure is calculated each month for the network as a whole. For local network managers a proxy measure has been constructed that allows a related measure to be constructed for individual local areas.

Indicator 3	Level of capacity and crowding on the rail network
National Target	<p>By 2013-14 increase 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.</p> <p>Progress will be measured in 2011 with reference to (i) passenger kilometres and load factors over the CSR period; and (ii) milestones towards the delivery of additional capacity to be specified in a summary delivery plan, to be published by March 2008.</p>
Data provider	DfT Rail Group, working with Office of Rail Regulation, drawing on and supplementing limited existing industry sources.
Data set used	<p>The target reflects what the Secretary of State for Transport requires to be achieved as set out in the HLOS and will be monitored through a range of data including ticket sales and passenger counts. The indicator is closely linked to the recently defined High Level Output Specification capacity metric that has several components.</p> <p>Network capacity is expressed in terms of the annual passenger km to be accommodated on each of the 23 strategic routes in England and Wales in 2013-14. HLOS sets out the forecast base case (2008-09) and additional passenger km (growth) that is to be accommodated by 2013-14.</p> <p>City peak capacity in terms of passenger numbers to be accommodated into each of the London terminal stations and the major cities on a typical morning peak three hours and in the high peak hour in 2013/14.</p> <p>Maximum average load factors, based on the total seat and standing capacity of trains, to be achieved across the overall peak and the high peak.</p>
Baseline	Refer to the White Paper ' <i>Delivering a Sustainable Railway</i> '. ¹
Frequency of reporting	Annual.
95 per cent confidence interval at last outturn	The measures have not been calculated before at a comprehensive national level. Additional data collection to support the measures is being put in place.
Data Quality Officer	Head, Rail Service Analysis, DfT.
Minimum movement required for performance assessment	A change of 1 million passenger kilometres or a 2 per cent change in load factors for the City stations and London termini specified in HLOS.

¹ <http://www.dft.gov.uk/about/strategy/whitepapers/whitepapercm7176/> pages 150-151 set out detailed baselines.

DEFINITION OF KEY TERMS

- *High Level Output Specification (HLOS):*

Under the Railways Act 2005, the Secretary of State is responsible for specifying what she wants to be achieved by railway activities and the public financial resources that are likely to be made available for the purpose. She does this through a statutory High Level Output Specification (HLOS) and a Statement of Funding Available (SoFA), which were published in July 2007.

The HLOS sets out, amongst other things, the increases in network capacity and related maximum levels of crowding that the Government requires the rail industry to deliver from 2009-10 through to 2013-14. These are specified in terms of extra passenger kilometres to be accommodated by 2013-14 above the forecast level of demand in 2008-09 and peak demand and related maximum load factors to be achieved in 2013-14 during the three hour peak and high peak hour on routes into major urban areas and London termini.

National target

A.11 Success will be judged with reference to (a) the actual additional capacity delivered above the actual level of demand experienced in 2008-09, and (b) the actual load factors achieved in relation to the maximum specified in the HLOS.

A.12 In 2011 progress will be assessed with reference to (i) passenger kilometres and load factors over the CSR period; and (ii) milestones towards the delivery of additional capacity to be specified in a summary delivery plan, to be published by March 2008.

A.13 The Load Factor is defined as the level of passenger demand divided by train capacity, expressed as a percentage. Details of the calculation are set out in the HLOS.

Indicator 4	Average benefit cost ratio of investments approved over the CSR07 period
Data provider	DfT.
Data set used	Benefit and Cost outputs from application of the New Approach To Appraisal (NATA). ²
Baseline	Data will be compared against available outcomes for 2004-05 to 2006-07. The baseline will not be totally comparable with the indicator given changes in the coverage of the NATA BCR over time. Comparability might further be affected following discussion with stakeholders about updating the DfT's appraisal methodology.
Frequency of reporting	Annual.
95 per cent confidence interval at last outturn	Not applicable.
Data Quality Officer	To be defined by summer 2008.
Minimum movement required for performance assessment	Any movement will be sufficient for a performance assessment.

DEFINITION OF KEY TERMS

- *NATA*

The NATA benefit cost ratio is currently defined as 'net benefits (benefits minus costs) to users, business, private sector providers divided by Public Sector Cost' where benefits and costs are measured in present value terms (i.e. measured over 60 years and then discounted) according to NATA.³

The NATA benefit cost ratio used by DfT only includes impacts that are relatively easy to 'monetise'. However, DfT also takes into account a wider set of economic, environmental and social impacts when taking decisions. The non-monetised impacts can be more important than the monetised ones, but are not as easily quantified in money units, hence hard to include in a single indicator.

- *Costs and benefits* covered by the DfT framework currently include the following monetised impacts:
 - time savings;
 - safety;

² See <http://www.webtag.org.uk/>.

³ See <http://www.webtag.org.uk/>.

- greenhouse gases;
- noise;
- overcrowding (rail);
- construction/Financing Costs;
- operating and Maintenance Costs;
- user charges/ticket revenues; and
- disruption during construction.

A.14 The detailed specification of this indicator will be defined by summer 2008 following discussion with stakeholders about updating the DfT's appraisal methodology. The 'New Approach To Appraisal' (NATA) BCR and current methodology is set out below.

