Item 1: Minutes from Previous Board Meeting

1. The Board agreed the minutes and noted actions from the previous meeting, and confirmed they would like progress updates, including specific dates, for all actions in the table. Action: Secretariat

Item 2: Strategic Finance

2. The Board discussed the financial pressures likely to face the Department in the coming years, and in particular the pressures due to the impact of the recession on rail; and agreed that strategic finance would be a key session at the proposed Board Awayday in February. The Board noted that it would be important to ensure that efficiency savings sought in successive years were realistic.

Item 3: Quarterly Performance Review

3. The Board discussed the Performance Report, which was covered by a paper from Finance. The Report showed a forecast overspend on near cash, but this was small, and should be managed out by year end, not least due to the perennial tendency for underspends to emerge late in year. The Board agreed that all Groups and Agencies should disclose
emerging underspends as soon as identified, to ensure that they were used to offset the possible overspend.

4. On administrative spend, there was a forecast overspend, partly due to the accounting treatment of Shared Services, which would be addressed by a budget switch from programme to administration. DfT had a history of late emerging underspends on administrative spend also.

5. The Board agreed that all Directors General should manage their budgets actively to try to ensure the following priority actions:
   a. bring projected spend back within budget;
   b. in the event of an emerging underspend, first make funds available for DfT areas of priority spend either within or outside their own area;
   c. second, try to commit any spend for 2010-11 that could properly be secured this year;
   d. flag as far in advance as possible any surplus not likely to be utilised by these actions; and note that an agreement was in place that any surplus would be transferred to DECC at year end; and
   e. note that the effective cut off for the Spring Supplementary Estimates was in January. **Action: all Directors General**

6. Prompt payments progress was ostensibly good, but there were still extra costs involved in running the system because correct processes were not being followed. Senior management time was required to manage these costs out. **Action DGs**

7. Sick absence was still a matter of concern. Finance agreed to check the sickness codings to see if Swine Flu had been responsible for any increases or spikes. **Action HR to report back in next Performance Report.**

8. There was an error on page 7 regarding the carbon reduction target, where it appeared that editing had resulted in an incorrect statement that DfT policies would “not …reduce emissions”. **Action: HR to correct in January Performance Report.**

9. There was a brief discussion of page 6, and whether there was sufficient time this financial year to get further schemes to Final Approval stage. The Board was satisfied that the projections reflected possible progress of one scheme which might still reach Final Approval.

**Item 4: M1 J10-13 Construction Phase Budget**

10. This scheme was the first Managed Motorway, one of a number of schemes designed to maximise utilisation of existing capacity. It was seen as high priority. It could be progressed without detriment to Olympic planning. The Board noted that it appeared to have a strong case even in the event of constrained future funding, and confirmed that in their view it
was affordable as outlined, and should be commended to the Secretary of State.

11. The Board discussed the carbon pricing impact, noting the advice that lighting would be included in this scheme; and welcomed the work Highways Agency was putting into exploring scope for reducing emissions from road lighting wherever possible.

12. The Board was interested in the interaction between the portfolio management of the Programme and the management of individual projects, with special reference to the use of the range and mid range reference points. The Board invited Finance to review the confidence level of aggregate programme ranges and mid range points, and the impact of taking items out of the programme. **Action: Clare Moriarty to advise the January Board**

13. The Board agreed that this scheme should be put to the Secretary of State as planned, subject to minor amendments to the letter to the Treasury, including updating the cost base and removing references to net costs.  **Action: Lucy Chadwick**

**Item 5: Business Process Programme Board Report**  
DfTB(09)99

14. Robert Devereux gave an update on the 24 November meeting of the BPPB, which had taken place after circulation of the Board papers. He explained that he had pressed the meeting to inject considerably more resource, and consequently more content and pace, into the paper preparation over the next few weeks, and that more detailed plans from Finance, HR and Procurement would be ready by 4 January 2010. Jenni Borg would then review the papers and advise BPPB on how far they went towards delivering the package outlined in July. The Board welcomed this assurance, as a number of members had been concerned by the lack of detailed plans circulated, and the lack of challenge in the figures available to date.

15. The Board agreed that the BPPB work needed to continue as outlined in the papers and by the Permanent Secretary, and in addition, to ensure:
   a. that business units were consulted on the processes and models being planned for their use, to ensure they were fit for purpose; although the Board also recognised that there were limits to the time and expense that could be devoted to tailoring systems to the needs of particular users – this was one of the problems that had beset Shared Services;
   b. that there was adequate preparation for change, especially if changes in process, system or behaviour were required – as seemed likely; and
   c. that a set of new Shared Service user guides would be launched as soon as available, but that the next major message from the Permanent Secretary would issue in January, under the Change
16. The Board welcomed both the paper and the presentation on Quality of Life issues as linked to Natural Environment. The team sought clarity on several issues, including the scope for
   a. increasing focus within DfT on the current Strategic Objective 5 ("to improve quality of life for transport users and non-transport users, and to promote a healthy natural environment");
   b. prioritising small to medium scale schemes that delivered environmental and well being benefits;
   c. reviewing guidance on impact of transport schemes on natural systems; and
   d. altering either the goals or the organisational structure (or both) to better address sustainability/quality of life issues.

17. In discussion, the Board agreed that the Department’s goals, objectives and priorities were likely to be reviewed following the forthcoming Election, irrespective of which Party won; and consequently this was not the optimal time for major internal review or restructuring. On the Department’s wider role, they noted the proposition that transport contributed significantly and positively to many facets of quality of life. Examples ranged from the uncontroversial (eg DaSTS finding that transport plays a key role in connecting people to places and services to people) to the more unexpected (that even environmental stakeholders recognised that in some rural areas a car was a basic necessity). The Board agreed that DfT could do more to understand how transport contributed to social well being and to promulgate the positive contributions the Department has made towards the quality of life and natural environment goal over the past decade. **Action – Graham Pendlebury to produce and consult stakeholders on a draft narrative around the quality of life and natural environment goal.**

18. On scheme approval, the Board discussed the use of the New Approach to Transport Appraisal (NATA) framework and the use that Ministers made of the information coming from the appraisal process. NATA did not provide a single “right” answer, and there was always scope to take account of a range of additional and in some cases unquantified costs or benefits. Planning and Natural Environment (PNE) should seek to ensure that the presentation of the NATA guidance to practitioners made clear the need for assessments to take account of the loss or gain in value to people of the benefits from social or natural systems that might be affected by a transport scheme.
Action – Graham Pendlebury to provide a narrative for more general use to explain how NATA takes account of wider environmental benefits in scheme appraisal and to work with analysts to produce a plan to promote effective environmental and social assessments by NATA practitioners.

19. The Board further agreed
   a. it would be desirable to identify and progress wherever possible small to medium scale projects delivering environmental/well-being benefits; 
      **Action – PNE to work with analysts to identify examples of small (less than £5M) and medium (more than £5M) transport schemes with high BCRs delivering environmental benefits and to ensure small schemes were included in the DaSTS option generation process.**
   b. it was not necessary to review NATA framework now, as environmental and quality of life impacts could already be included in decision papers;
   c. to defer consideration of amendment of goals and objectives until after the General election.

**Item 7: Any Other Business**

20. The Information Assurance Strategy had been circulated in advance. Board members offered no comments on the Strategy, and consequently the Board agreed to endorse it. **Action: Steve Gooding**

21. The Board noted that the pre Board report from National Networks included a reference to the Nimrod accident investigation report which might be interpreted as implying a failure in or criticism of the management culture of DfT. Mike Mitchell confirmed that this was not the intention, nor did the Board accept that this was the case; and the Board requested this to be recorded in the minutes, and the Report to be redrafted to clarify this point. **Action: Secretariat and Mike Mitchell**

22. Brian Collins (Chief Scientist) would continue to receive all Board papers, but from January 2010 he would not routinely attend Board meetings. This was therefore his last meeting, and Robert Devereux thanked him for all his contributions to past meetings.

Board Secretariat
04 December 2009