

A Short Guide to the **Department for Transport**

July 2015



National Audit Office



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This Short Guide summarises what the Department for Transport (DfT) does, how much it costs, recent and planned changes and what to look out for across its main business areas and services.

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£20 billion

annual spend 2014-15

Made up of rail 52%, local transport 22%, motorways and trunk roads 22% and other 3%



48%

of local transport grant
went to London (2014-15)



DfT expenditure

on local transport has fallen

from £5.8 billion (2011-12) to £4.4 billion in 2014-15



£38 billion

Network Rail programme for operating, maintaining, renewing and enhancing the network (2014-2019), including electrification of key lines



1 September 2014

Network Rail became an arm's-length body of DfT

and the Highways Agency was restructured as a publicly owned company and renamed Highways England



£42.6 billion

estimate of the cost of constructing High Speed 2 (estimated completion date 2033)



22%

increase in rail passenger

journeys between 2010-11 and 2014-15



£28 billion

to enhance and maintain road infrastructure in the 6 years from 2015-16

Key facts

The Department for Transport (DfT) works with its agencies and partners to support the transport network serving people and businesses around the country.

About the Department for Transport



DfT's main responsibilities are:

- **Roads**

Investing in, maintaining and operating around 4,300 miles of the motorway and trunk road network in England through Highways England.

Policy, guidance, and funding to English local authorities to help them run and maintain their road networks and develop new major transport schemes.

- **Rail**

Strategy for the rail industry in England and Wales, funding investment in infrastructure through Network Rail, awarding and managing rail franchises, and regulating rail fares.

- **Buses**

Setting the policy framework to determine how bus services are managed.

- **Shipping**

Overall national maritime strategy and guidance; and keeping shipping safe through the Maritime and Coastguard Agency.

- **Aviation**

Setting national aviation policy, working with airlines, airports, the Civil Aviation Authority and NATS (the UK's air traffic service).

Key trends

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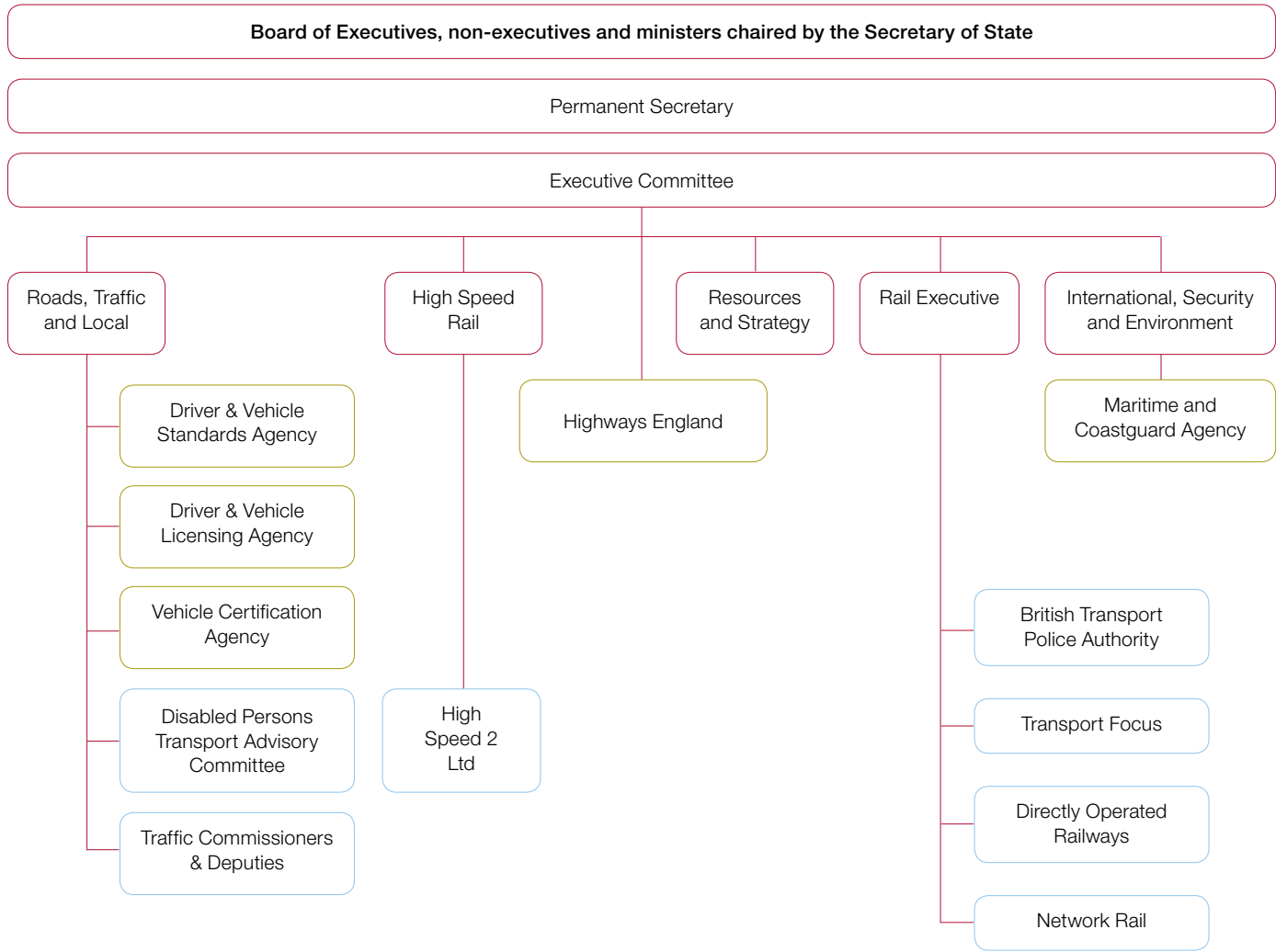
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- Central Department
- Executive agencies and trading funds
- Arm's-length bodies

Source: Department for Transport, Annual Report and Accounts 2013-14

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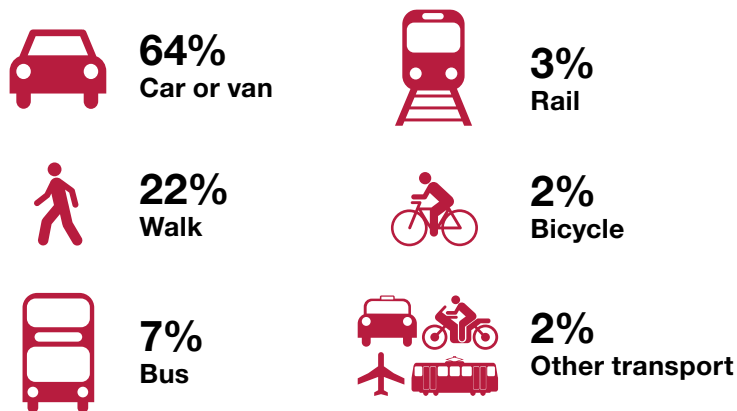
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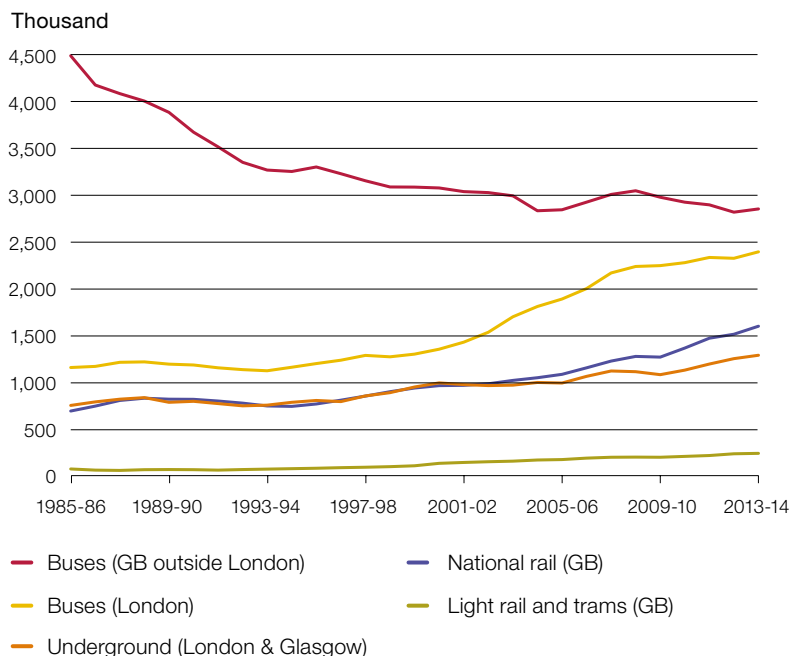
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Number of journeys by transport method England 2013



Passenger journeys in Great Britain

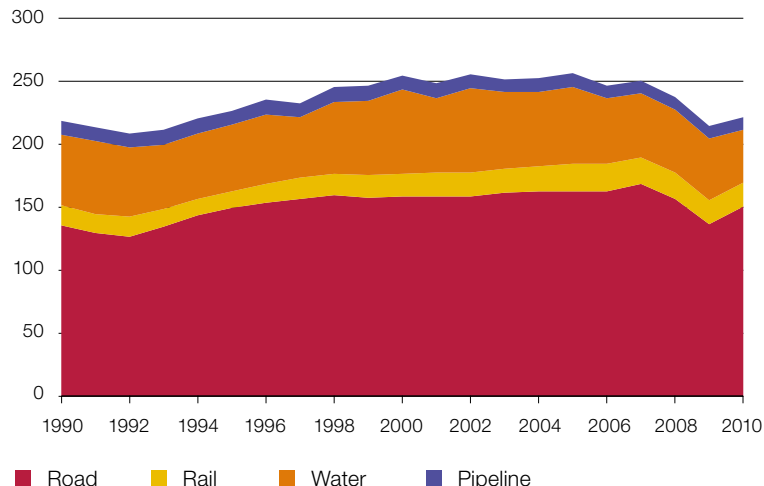


Source: Department for Transport, *Transport Statistics Great Britain 2014*

Domestic freight

Domestic freight: goods moved, 2010

Billion tonne kilometres



Source: Department for Transport, *Transport Statistics Great Britain 2014*

- Nearly two thirds of journeys are by car or van.
- Rail passenger journeys have doubled since the 1990s.
- Freight volume was hit by the recession, but is starting to recover.
- Bus travel in London has increased while it has declined elsewhere.
- Anticipated population growth will increase the need for additional infrastructure investment.
- In response DfT has commissioned major rail projects (eg Crossrail and HS2) as well as pledging further spending on roads.
- New legislation aimed at improving bus services in cities other than London.

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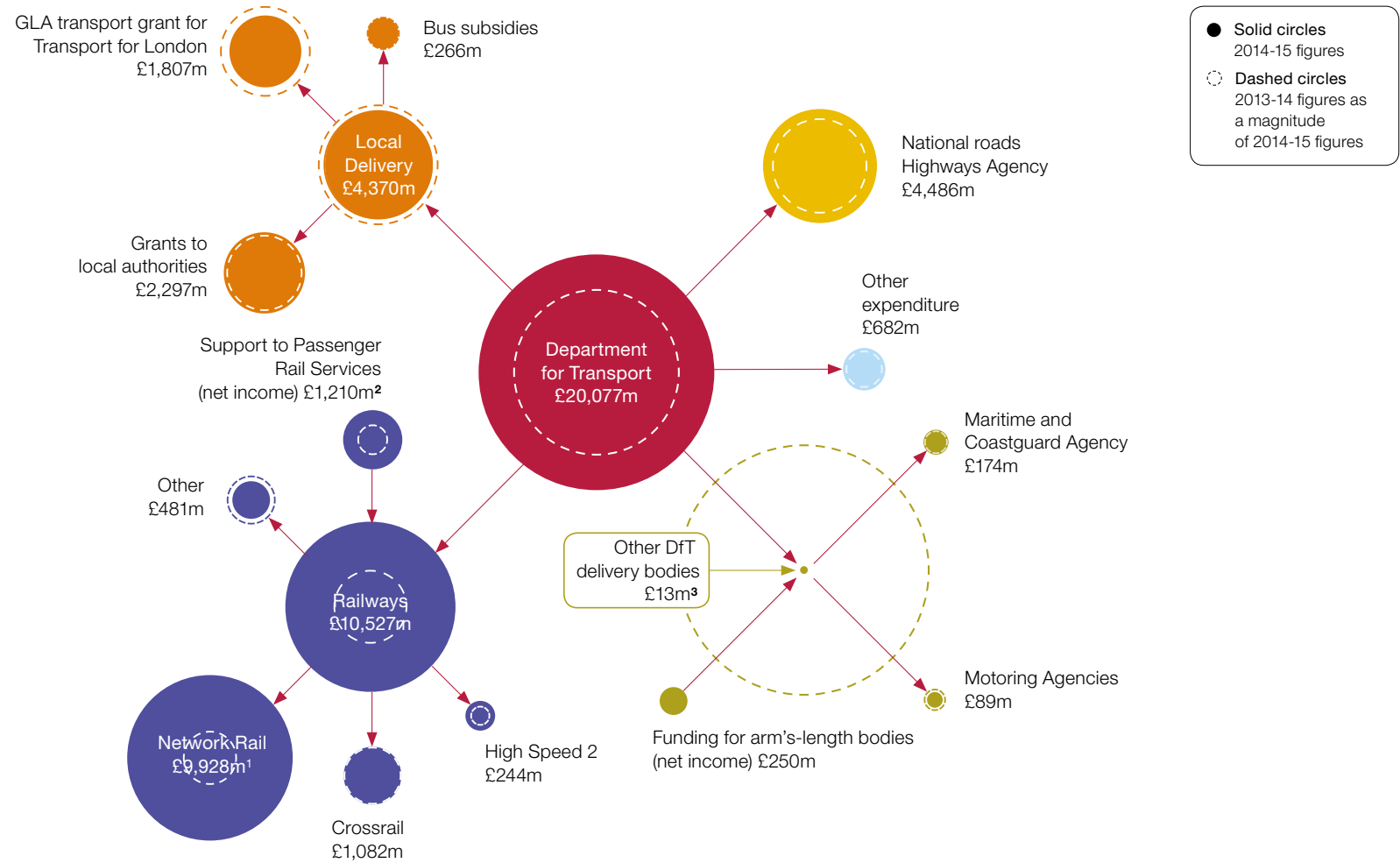
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- The Department's funding to Network Rail increased in 2014-15 due to a new ongoing loan facility agreed in July 2014 (£6,450 million drawn down in 2014-15). It also provided support to Network Rail through a capital grant (£3,737 million in 2014-15).
- The Department received net income of £1.2 billion from train operating companies.
- In 2014-15, the Department reduced its net funding to the other delivery bodies by £508 million compared to 2013-14. This change is due to a one-off transfer of the pension liabilities from the General Lighthouse Authorities to the Principal Civil Service Pension Scheme.

Source: Department for Transport, Annual Report and Accounts 2014-15

Key facts

DfT receives budget for two types of activities – capital funding for new investment and resource funding for current expenditure on front-line services.

About the Department for Transport

The 2010 spending review required DfT to make real term reductions of 11% to its capital budget and 21% to its resource budget by 2014-15, compared to 2010-11.

Key trends

Subsequent budget announcements changed this with departmental transfers and switches between resource and capital budgets. Overall:

- Total funding remains about the same.
- Capital funding has increased and resource funding has reduced.

Department spending

The 2013 spending round committed DfT to real terms increases of 5.5% in its capital budget and a 9.3% real terms cut to its resource budget between 2014-15 and 2015-16. Key points:

Spending reductions



- Budgets for TfL and rail would be reduced.
- Buses and roads budgets would be protected.
- Substantial capital investment in transport between 2015-16 and 2020-21 (Investing in Britain's Future).

Staff and pay

Staff attitudes and engagement

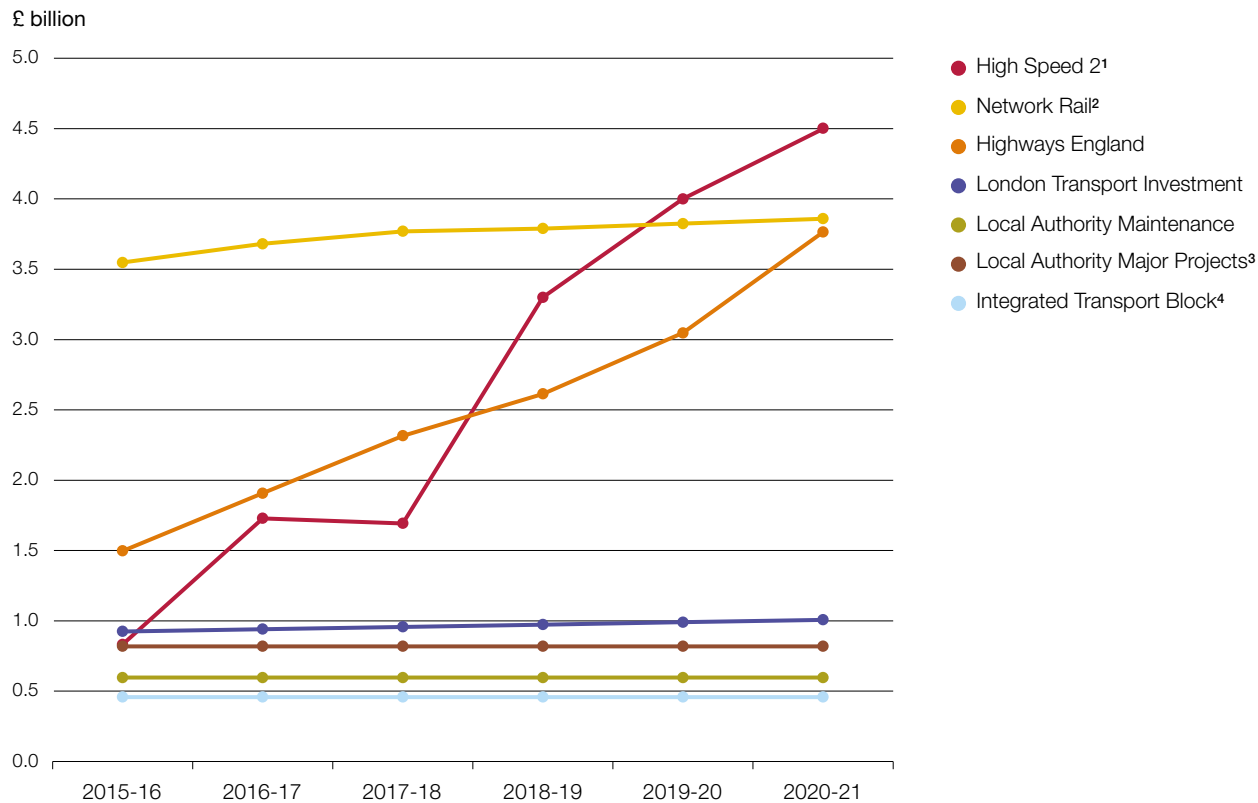
Major programmes and developments

In June 2015, the government announced a £545 million reduction in transport spending in 2015-16, of which £345 million is offset by the sale of property at King's Cross.

Key themes from NAO reports

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The Department's long-term spending plans from 2015-16 to 2020-21



Notes

- 1 These figures include a provision for VAT (£83 million, £140 million, £178 million, £428 million, £545 million and £692 million respectively in each year). It is possible, however, the project may be able to reclaim VAT depending on the delivery model chosen.
- 2 The Network Rail Grant has been set for the period 2014-15 to 2018-19. The figures in 2019-20 and 2020-21 are indicative and may change when the Department agrees future settlements with Network Rail.
- 3 This will form part of the Local Growth Fund, devolved to Local Enterprise Partnerships from 2015-16 through growth deals.
- 4 Of this, £200 million forms part of the Local Growth Fund, devolved to Local Enterprise Partnerships from 2015-16.
- 5 Totals may not sum due to rounding.

Source: National Audit Office analysis of HM Treasury's publication *Investing in Britain's future*

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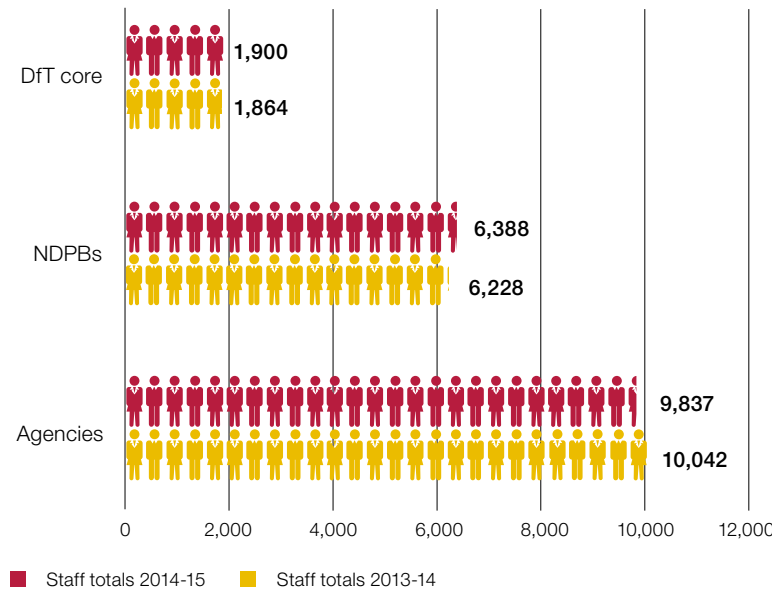
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In June 2015, our report on central government staff costs found that although DfT operates a group human resources function, it does not plan across the group. DfT believes its agencies are best placed to do their own workforce planning and there is no need

for an overall plan. We believe that this is a weakness in DfT's approach to developing a strategic workforce plan, which could hinder staff cost reductions.

Key staff demographics for core department in 2013-14

Average number of staff employed



Source: Department for Transport, *Annual report and accounts 2014-15*

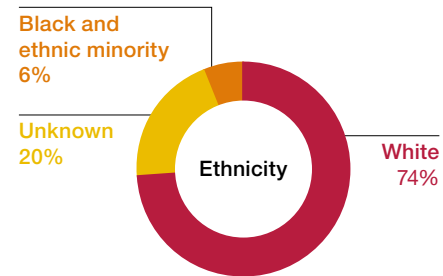
DfT group statistics



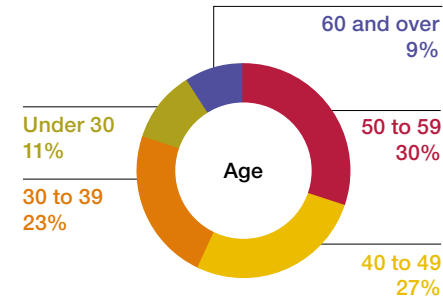
18,125
FTE staff in 2014-15

Network Rail staff will be included from 2015-16, increasing total staff to over 50,000

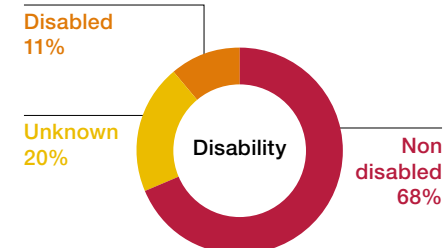
Ethnicity



Age of staff



Disability status



Staff gender



58% of staff
are male

39% of staff
are aged over 50

Key facts

In the 6th year of the annual Civil Service People Survey (October 2014), the core department scored:

- **Above** the government benchmark in **seven** key areas.
- **Below** the benchmark in **two** areas – organisational objectives and purpose, resources and workload.

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Employee engagement index for the departmental group

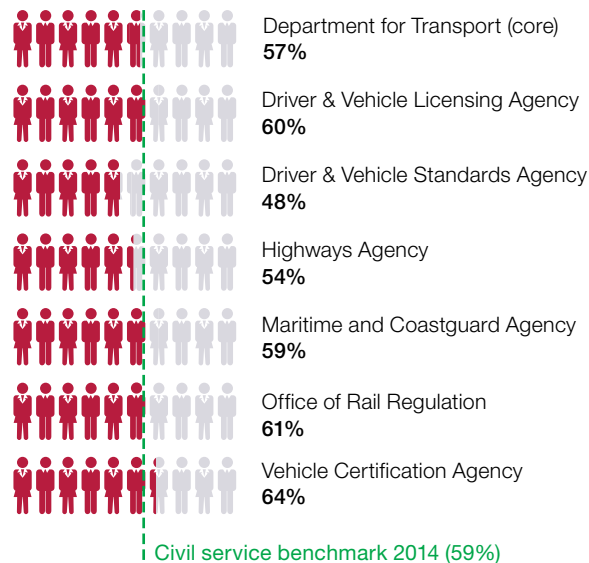
Main measure from the People Survey – measures employee’s emotional response to working for their organisation:

- Core department’s score is 57%.
- 7% higher than the 2013 score.
- Lower than the civil service benchmark of 59%.
- Driver and Vehicle Standards Agency (48%) and Highways Agency (54%) also scored less than the civil service benchmark.

Attitudes of staff in 2014 compared with 2013 – Department for Transport



Engagement index 2014



Sources: Civil Service People Survey 2013 and 2014

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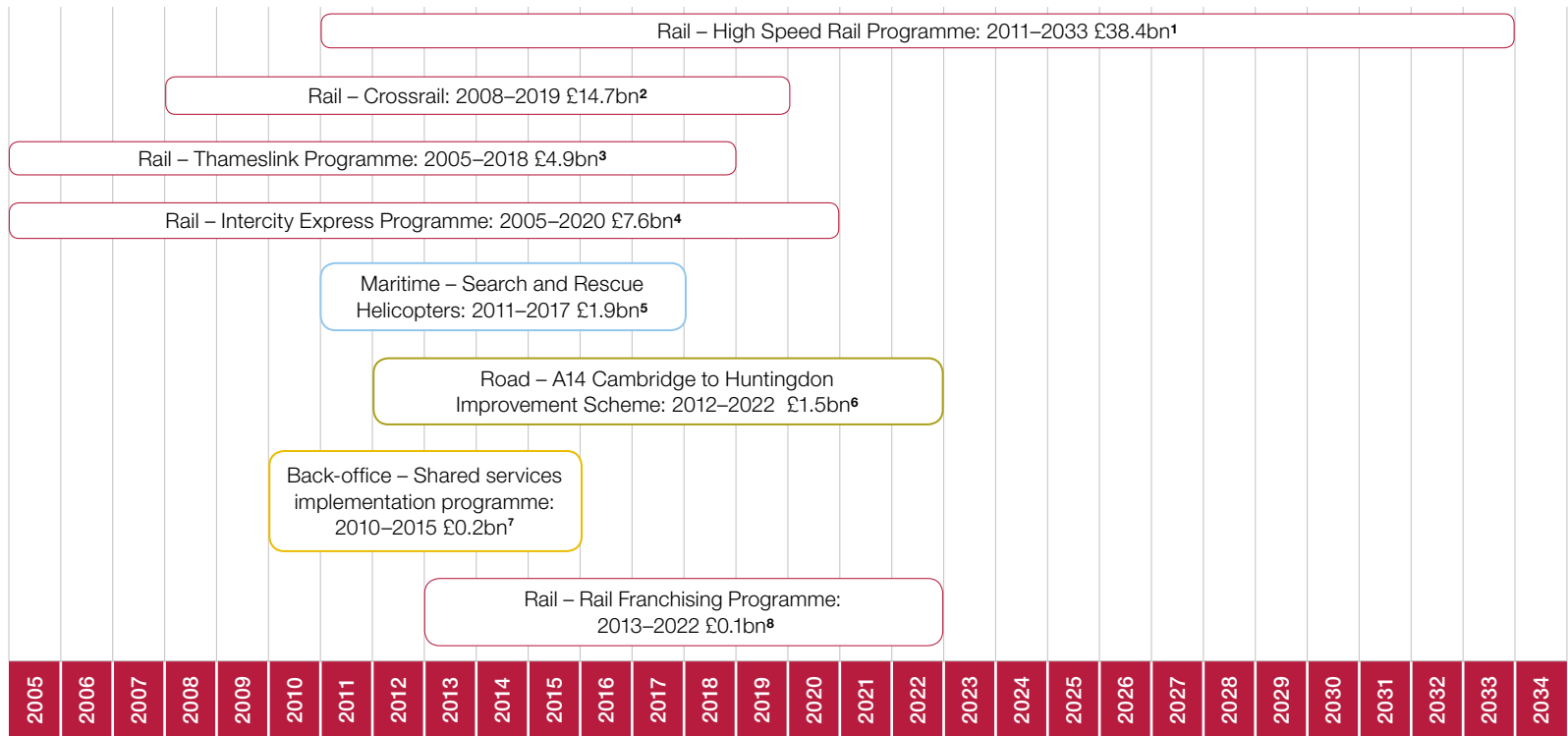
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DfT has a significant portfolio of high value major projects to deliver concurrently



Notes

- The High Speed Rail Programme is a project to build a new north–south high speed rail network in England. A cost of £42.6 billion is commonly quoted, this represents the overall budget envelope the government has provided for the project. The number shown in this diagram is the latest budget HS2 Ltd is working to (quarter 2, 2011 prices, excluding VAT). Both numbers exclude rolling stock.
- Crossrail is a new high-frequency east–west rail service and infrastructure for London and the South East. It is jointly sponsored by the Department for Transport and Transport for London. The project’s budgeted cost does not include the cost of rolling stock. The contract for new rolling stock and a new depot has a capital value of around £1 billion.
- The Thameslink Programme is an upgrade and expansion of the current new north–south Thameslink service improving accessibility to, from and through London. The £4.9 billion is the Network Rail outturn costs, and does not include the costs of the depots. Two new Thameslink depots will be funded and built by Siemens, who is manufacturing the trains. The total amount train operators will pay for using the new Thameslink trains over 20 years is £2.8 billion (2014 prices, present value).
- The Intercity Express Programme will replace the trains on the Great Western Mainline and the East Coast Mainline in 2017 and 2018 respectively. The £7.6 billion is the estimated total amount train operators will pay for using the new Intercity Express trains over 27.5 years (2014 prices, present value).
- Management and delivery of a contract for the provision of search and rescue helicopter services for the United Kingdom.
- Improvement of the A14 trunk road between Cambridge and Huntingdon as a major national transport artery.
- A project to implement and manage shared back-office services across departments and arm’s-length bodies. DfT’s Shared Services Implementation Programme is part of the cross-government Cabinet Office initiative.
- DfT plans to let 11 franchises to train operating companies to provide passenger rail services in the current parliament.

Sources: Major Projects Authority 2015 annual report; National Audit Office’s July 2014 report Procuring new trains; Department for Transport’s HS2: Outline Business Case – section 4: financial case; and Transport for London and Department for Transport’s press notice Crossrail rolling stock and depot contract to be awarded to Bombardier

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DfT has been improving its management of rail infrastructure programmes

Our work on [Lessons from major rail infrastructure programmes](#) showed, however, that further work was needed in developing clear strategic business cases and scrutinising economic analyses of the estimated benefits of new railways. Additional capacity and capability in programme delivery was required. There was scope to better understand the impact of transport investment by stronger progress monitoring and benefit evaluation.

Some past projects have lacked robust oversight and leadership

Our assessment of the 2012 InterCity West Coast franchise competition process identified that objectives were not sufficiently clear from the outset; there was a lack of strong project and programme management and senior oversight; and there was no single programme manager from the outset who brought together and coordinated the policy and delivery streams. [Lessons from cancelling the InterCity West Coast franchise competition](#).

Devolution to local bodies brings accountability challenges

In our work on [Funding for local transport](#) we found a system in the middle of significant change to the way local transport services are funded and delivered. Reduced overall funding for local authorities was a risk to maintaining highway quality. DfT was devolving more control to local bodies and changing the funding and delivery structures and systems. DfT was beginning to place more reliance on local systems for assurance, rather than direct scrutiny of transport schemes.

Delivering through others needs careful consideration of how to coordinate and integrate decision-making

Our work on [Maintaining strategic infrastructure](#) highlighted the importance of identifying criteria to target the Highways Maintenance Efficiency Programme at those local highway authorities that need the most help.

Rail

How is it delivered?

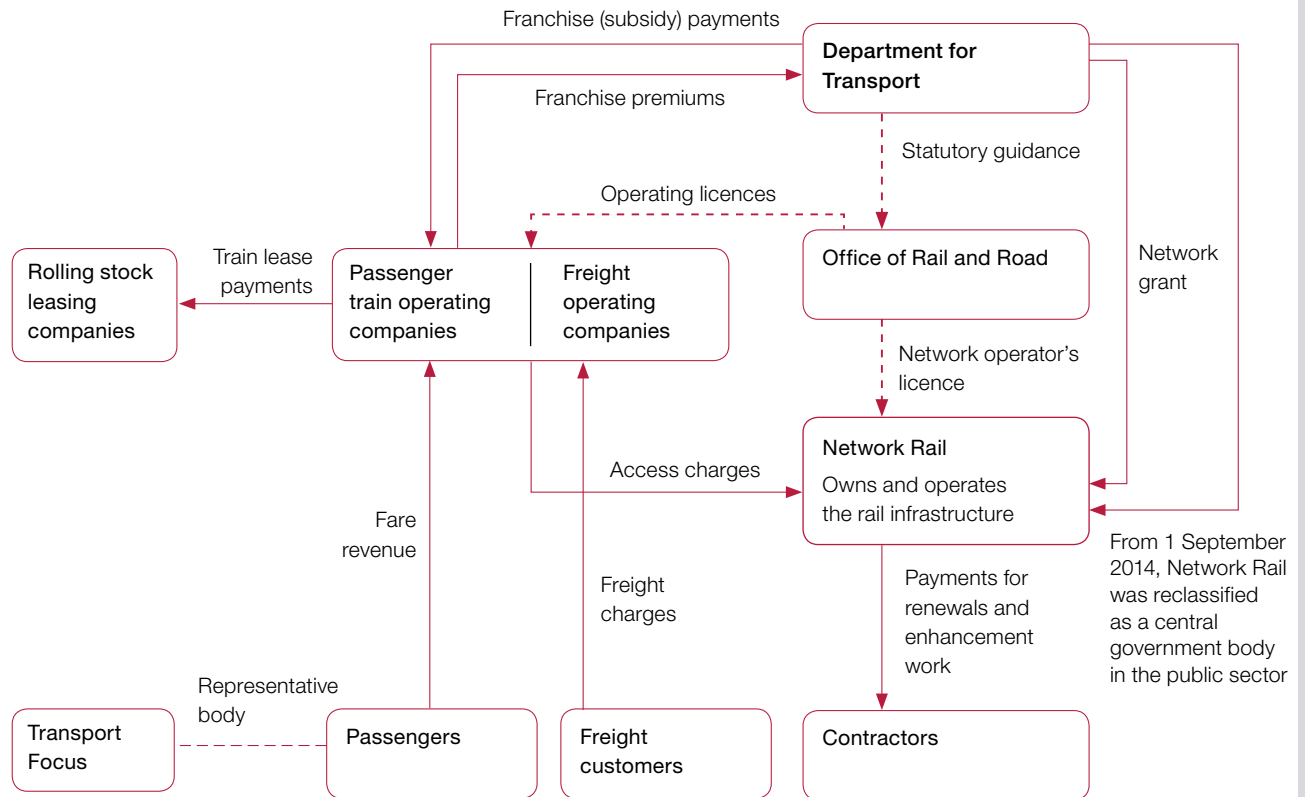
DfT is responsible for setting rail policy and partly funds delivery of the rail service. Rail services are delivered through a number of bodies (see figure):

- Passenger services:** DfT awards franchises to train operating companies, which deliver passenger services on 15 franchise routes. DfT also manages existing franchises to improve delivery and customer service.
- Rail infrastructure:** DfT funds rail maintenance and construction through Network Rail, an arm's-length body. Network Rail owns and operates the rail infrastructure.¹ DfT sets out its requirements for railway renewals and enhancements for 5 year periods, the latest is 'Control Period 5' for 2014-2019. Passenger and freight operators pay Network Rail access charges to use the network.
- New rail projects:** DfT initiates major rail projects such as Crossrail and High Speed 2. The projects are delivered by separate bodies that are responsible for project management and delivery.
- Regulator:** The Office of Rail and Road (formerly known as the Office of Rail Regulation) is responsible for the economic and safety regulation of British railways.

Note

¹ For more information on Network Rail, see the Network Rail Short Guide.

An overview of the rail industry



Source: Adaptation of the figure in the National Audit Office report *Regulating Network Rail's efficiency*



Rail

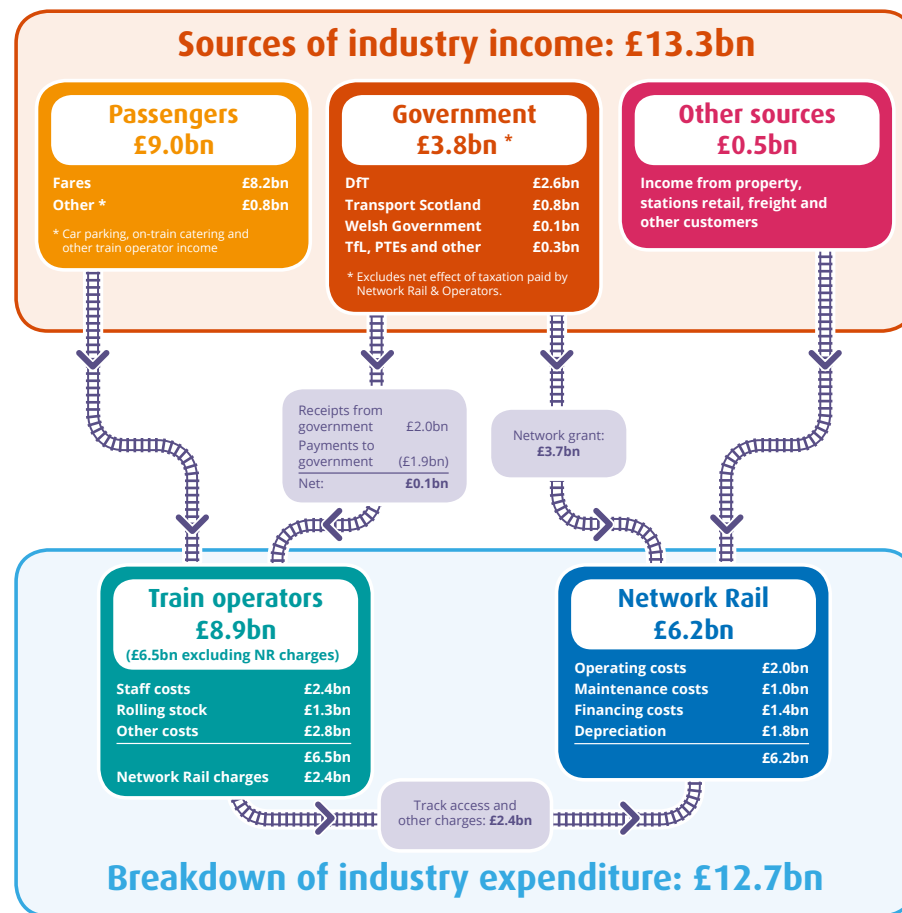
How much does it cost?

Funding for Network Rail and the train and freight operating companies comes from a combination of passenger fares, government subsidy and commercial operations.

For total railway income, the Office of Rail and Road's 2013-14 figures show:

- £8.2 billion came from passenger fares;
- £3.8 billion net government funding to the franchised rail industry, representing 29% of the industry's total income; and
- £0.5 billion came from other sources, such as property, stations retail, freight and other customers.

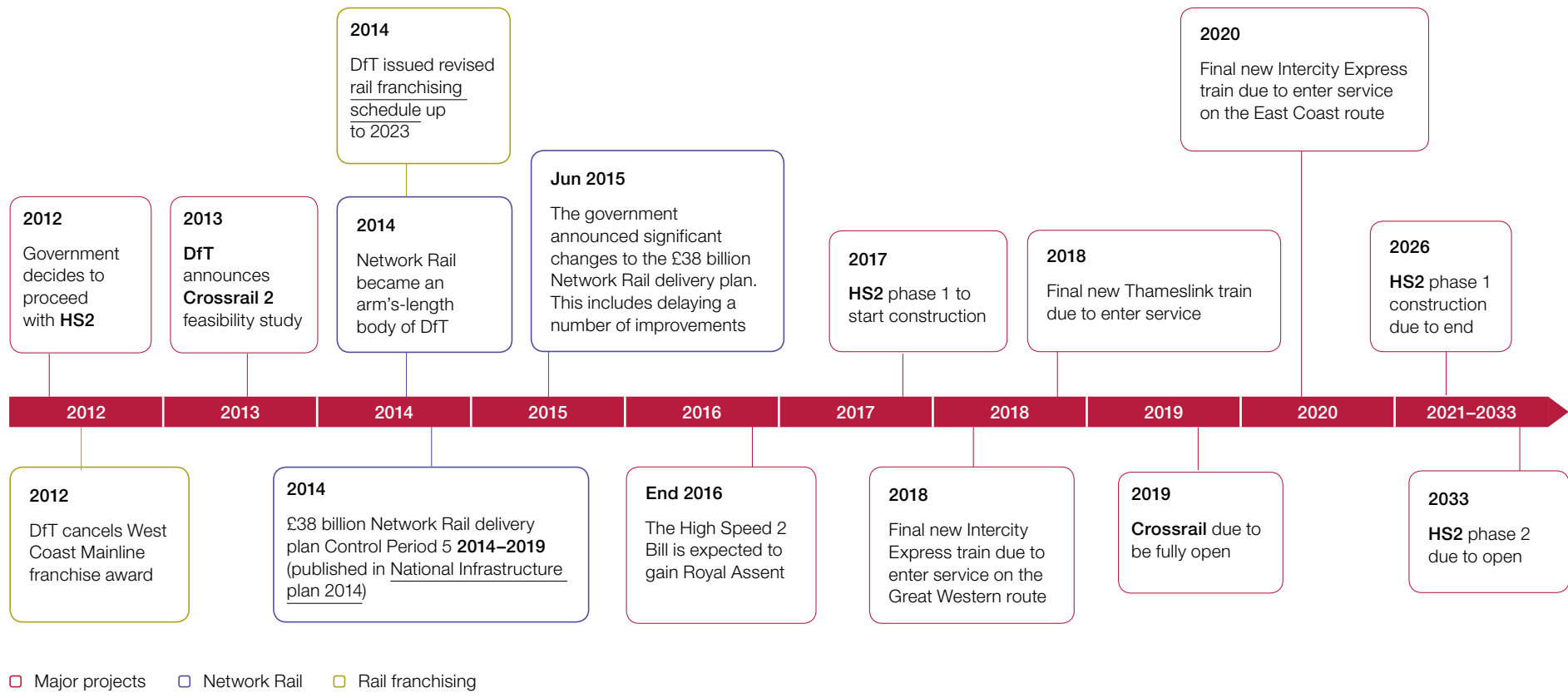
Rail sector funding 2013-14



Source: Office of Rail and Road 2013-14

Rail

Recent and planned developments



Rail

What are the things to look out for?

Network Rail

On 25 June 2015, the government announced that it would reset Network Rail's £38 billion rail upgrade programme, as important aspects of it was costing more and taking longer. These changes include:

- Replacing Network Rail's Chairman Richard Parry-Jones with Sir Peter Hendy (the current commissioner of Transport for London).
- Asking Sir Peter Hendy to review and develop proposals by the autumn for how the rail upgrade programme will be carried out.
- Pausing the electrification work on both the Midland Main Line route and the TransPennine route between Manchester and Leeds, pending the outcome of the replan.
- Appointing Richard Brown as a Special Director of Network Rail.
- Asking Nicola Shaw, Chief Executive of High Speed 1, to advise before the 2016 Budget on how the government should approach the longer-term future shape and financing of Network Rail.
- Ending the role of the Public Members in Network Rail's governance structure.
- Asking Dame Colette Bowe to review the process, identify lessons learned and make recommendations by the autumn to improve the outcomes of future investment programmes.

Rail Franchising

DfT plans to let 11 franchises to companies to provide passenger rail services during the current Parliament. There are interdependencies between planned infrastructure improvements and train franchise or rolling stock procurements. For example, we reported in *Procuring New Trains*, that if the Thameslink Programme and Great Western Mainline electrification are delayed, the introduction of new trains will also be delayed which would affect distribution of rolling stock around the country.

Crossrail 2

During this Parliament the Crossrail 2 feasibility study will report on the likelihood of private sector funding. This could be challenging during a period of austerity.

High Speed 2

Assuming Parliament passes the High Speed Rail (London–West Midlands) Bill, High Speed 2 will move from planning to letting contracts for the construction of phase 1. This will involve a major step change both in scale and complexity.

Taken together Network Rail's programme and High Speed 2 will place significant demands on the supply chain.

Roads

How are they delivered?

The Department for Transport (DfT) is responsible for devising policy, setting strategy and partly funding the road network.

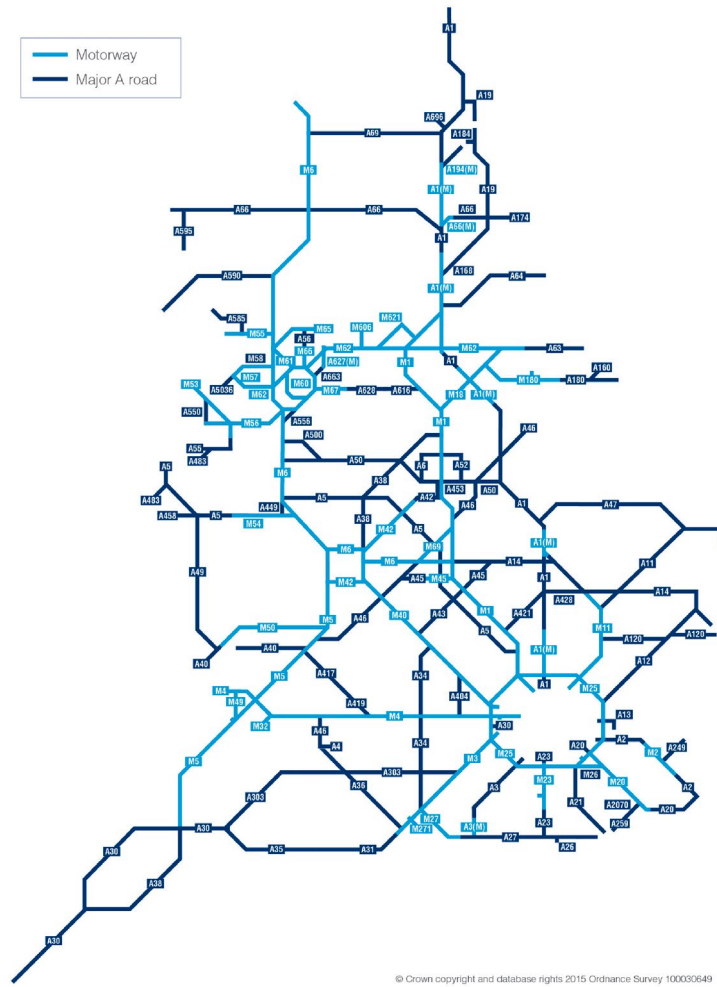
DfT's agencies: the Driver & Vehicle Standards Agency (DVSA) and Vehicle Certification Agency (VCA); promote road safety and reducing environmental impact. The Driver and Vehicle Licensing Agency (DVLA), maintains registers of drivers and vehicles in Great Britain.

Motorways and trunk roads: Highways England is responsible for operating, maintaining and improving England's motorways and trunk roads. Representing 2% (4,400 miles) of all roads in England, they carry a third of all vehicle traffic and two-thirds of all road freight movements. Construction and maintenance is contracted out to private sector companies. Network operation is carried out through Highways England's own uniformed traffic officer service and control centres.

Local roads: Local authorities are responsible for the local road network. For more information, see the [local transport section](#) in this guide.

Transport Focus and the **Office of Rail and Road** are responsible for representing the interests of those who use the motorways and trunk road network and for monitoring Highways England's performance respectively.

Strategic road network



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Roads

How much do they cost?

England's motorway and trunk road network

In 2014-15, DfT provided the Highways Agency with £4.5 billion of funding (18% more than the previous year).

Highways Agency spent 25% of its budget on network improvements and 22% on maintenance.

The figure opposite provides a breakdown of Highways Agency's spending.

Note, from April 2015, the Highways Agency became Highways England. See the next slide for more details.

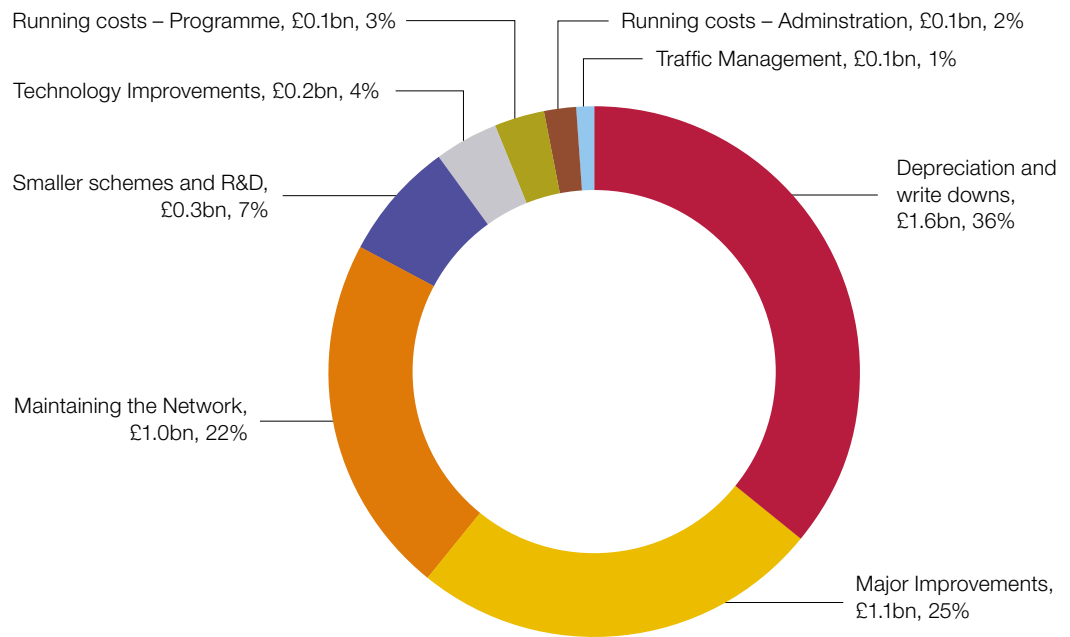
The motorway and trunk road network was valued at £112 billion in 2014-15. In 2013-14, it was also valued at £112 billion, some 8% of assets on the government's balance sheet.¹

For DfT's expenditure on local roads see the local transport section.

Note

1 2014-15 whole of government's accounts has not yet been published.

Breakdown of the Highways Agency's £4.5 billion spend in 2014-15



Source: Highways Agency, *Highways Agency Annual Report and Accounts 2014-15*



Roads

Recent and planned developments

Changes in responsibility

The Highways Agency, a DfT agency, was responsible for operating, maintaining and constructing motorways and trunk roads. The Agency was restructured as a government-owned company, and renamed Highways England in April 2015.

The change was prompted by the 2011 Cook review of the motorway and trunk road network.

This reform aims to deliver funding certainty through robust, long-term plans and to build confidence for the supply chain. The transformation is intended to ensure Highways England operates in a more transparent way with independent, expert scrutiny and challenge.

Highways England has a target to achieve £1.2 billion efficiency savings between 2015 and 2020.

Road investment strategy

In December 2014, DfT published its Road Investment Strategy for 2015–2020.

This consists of around 130 major road schemes, worth about £15 billion.

In the same period £6 billion will be invested in resurfacing around 80% of the motorways and trunk roads.

Changes in oversight

In April 2015:

- Passenger Focus became Transport Focus. As well as its previous responsibilities of representing the interests of public transport passengers in England (outside of London), it now also represents the interests of motorway and trunk road users.
- The Office of Rail Regulation became Office of Rail and Road. As well as its previous responsibilities as the rail regulator, it now monitors Highways England's performance.



Roads

What are the things to look out for?

Motorways and trunk roads in England

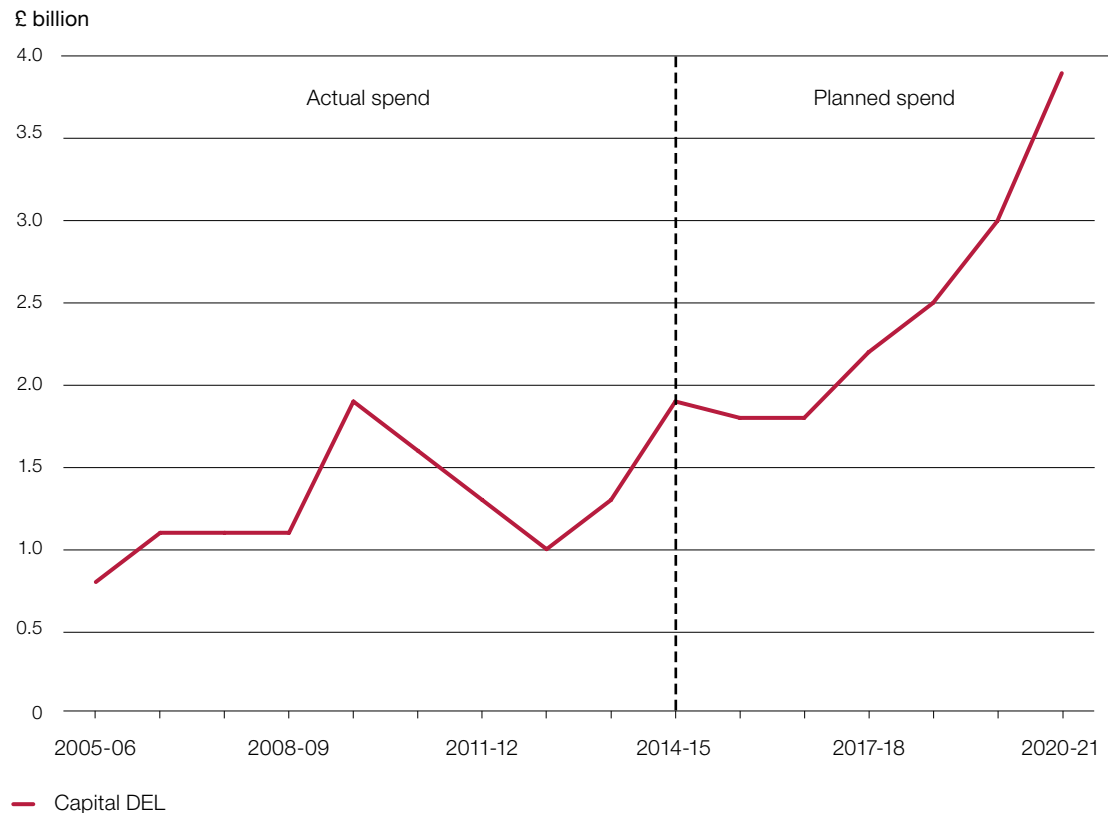
The size of the future road investment programme is beyond Highways England's recent experience and is likely to challenge its capacity and capability (see figure opposite).

Significant organisational changes are under way at Highways England. It has moved from being an agency to a publicly owned company. It has a new Chair, a refreshed board, and has a new CEO. This may adversely affect its focus on delivery.

Highways England will work more closely with others than it has before. For example:

- working with local enterprise partnerships and local government to support economic growth;
- working with the police and others to improve journey times and incident management; and
- developing new relationships with the Office of Rail and Road and Transport Focus.

Highways England capital spending 2005–2020



Source: Department for Transport Annual Report and Accounts 2013-14 and Road investment strategy investment plan 2014



Local transport

How is it delivered

The Department for Transport (DfT) sets the policy framework and provides guidance for local transport. It allocates grant funding to local bodies.

Local transport decisions and priorities are determined locally and reflect local priorities.

The figure opposite provides more detail on the roles and responsibilities of DfT and local bodies.

Roles and responsibilities in local transport

Service	Role of the Department	Role of local authorities
Road network	<p>Sets the policy framework and provides guidance, eg on road safety.</p> <p>Responsible for the strategic road network via Highways England.</p> <p>Provides funding and guidance to local authorities to maintain and improve local highway networks.</p>	<p>Manage, maintain and enhance local highway network (including traffic signals and signs).</p>
Bus services	<p>Sets policy framework to determine how bus services are managed.</p> <p>Advises the Department for Communities and Local Government on the formula for concessionary fare scheme payments to local authorities.</p>	<p>Contract with bus companies to fund commercially unviable bus routes.</p> <p>Reimburse bus operators for concessionary fares.</p> <p>Run some community bus services.</p> <p>Maintain and enhance bus stops, shelters, and stations.</p>
Rail services (including light rail)	<p>Sets policy framework to determine how rail services should be managed and sets high-level rail outputs.</p> <p>Provides funds for enhancing, maintaining and operating national rail network.</p> <p>Specifies and manages franchises with train operating companies.</p>	<p>Local authorities are consulted by the Department when it agrees new services with a train operator.</p> <p>Local authorities may buy extra services or infrastructure improvements from train operating companies or Network Rail.</p> <p>London, Merseyside, and Tyne and Wear specify and manage rail services in their area, paid for by a grant from the Department.</p> <p>Some local authorities build and run light rail or community rail schemes.</p>
Other transport services and infrastructure	<p>Allocates funding to local authorities for specific projects or services based on appraisal of business cases.</p> <p>Sets the policy framework for sustainable travel, including for cycling and walking.</p>	<p>Deliver transport projects (usually via third party contractors).</p> <p>Infrastructure for pedestrians and cyclists.</p> <p>Parking services.</p> <p>License private hire vehicles and taxis.</p>

Source: National Audit Office, *Funding for local transport and overview*, 2012

Local transport

London

DfT is responsible for:

- Providing a transport grant to the Greater London Authority (GLA), which is passed to Transport for London (TfL). DfT cannot legally attach any specific conditions to how the GLA transport grant is spent.
- In general, DfT's oversight of TfL's expenditure and overall financial sustainability remains light touch, with no regular reporting.

Delivery of transport in London

Decision-making: Compared to the rest of England, London has greater decision-making powers, including transport. These powers come from the Greater London Authority Act (1999).

Transport policy and strategy: The Mayor has to produce a transport strategy, which sets out his transport policies. DfT may only compel amendments if the strategy is inconsistent with national policy and has a detrimental effect outside London.

TfL's responsibilities: TfL's responsibilities include London's buses, the Underground, DLR, London Overground, London Trams, Victoria Coach Station, main roads and traffic signals.



Local transport

How much does it cost?

In 2014-15, DfT spent £4.4 billion on grants for local transport, which was 8% lower than in 2013-14:

- The transport grant to the Greater London Authority made up 41% of DfT's expenditure on local delivery, a total of £1.8 billion.
- Another £2.3 billion was provided through a variety of grants to local authorities for building, improving or maintaining transport infrastructure.

Local authority spending

Local authorities spend more on transport than DfT funding provides. In 2013-14,¹ local authorities outside London spent £7.9 billion on transport, see the figure opposite.

Other local authority funding sources include:

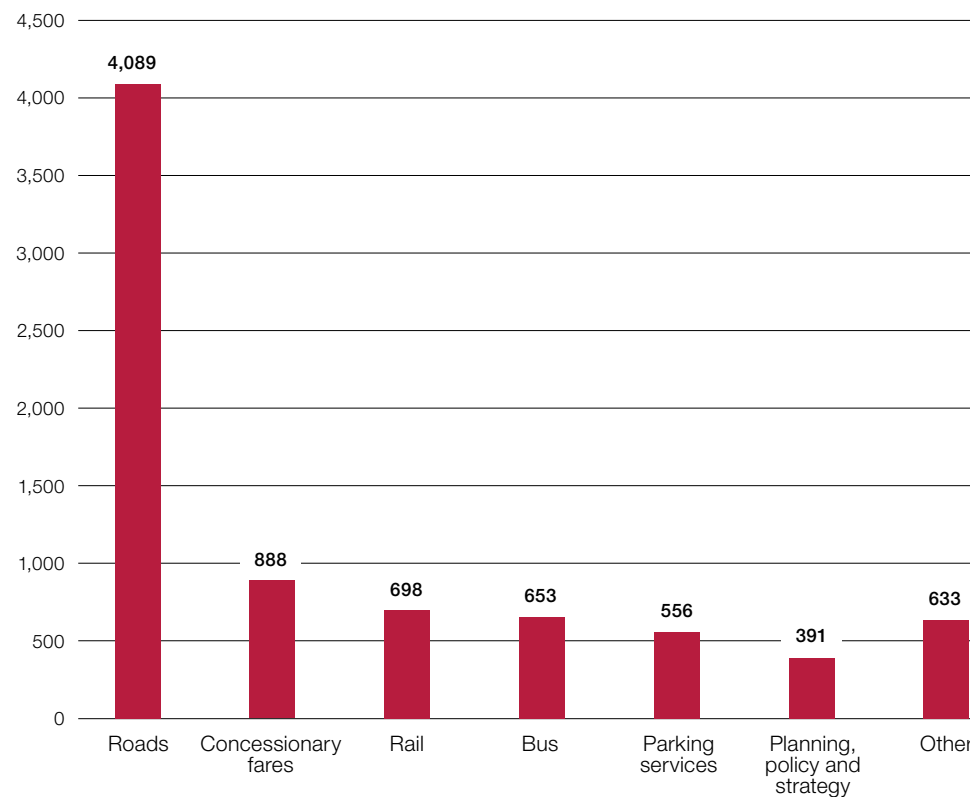
- Grants from the Department for Communities and Local Government for a range of purposes, including transport, but without any requirement to spend them on transport.
- Local authorities' own resources: council tax, levies on new developments, borrowing, and parking fees and charges.

Note

¹ The most recent figures available on local authority spending is for 2013-14.

Local authority transport spending (outside London) 2013-14¹

Local authority spending (£m)



Note

¹ The most recent figures available on local authority spending is for 2013-14.

Source: National Audit Office analysis of Department for Communities and Local Government data

Local transport

Recent and planned developments

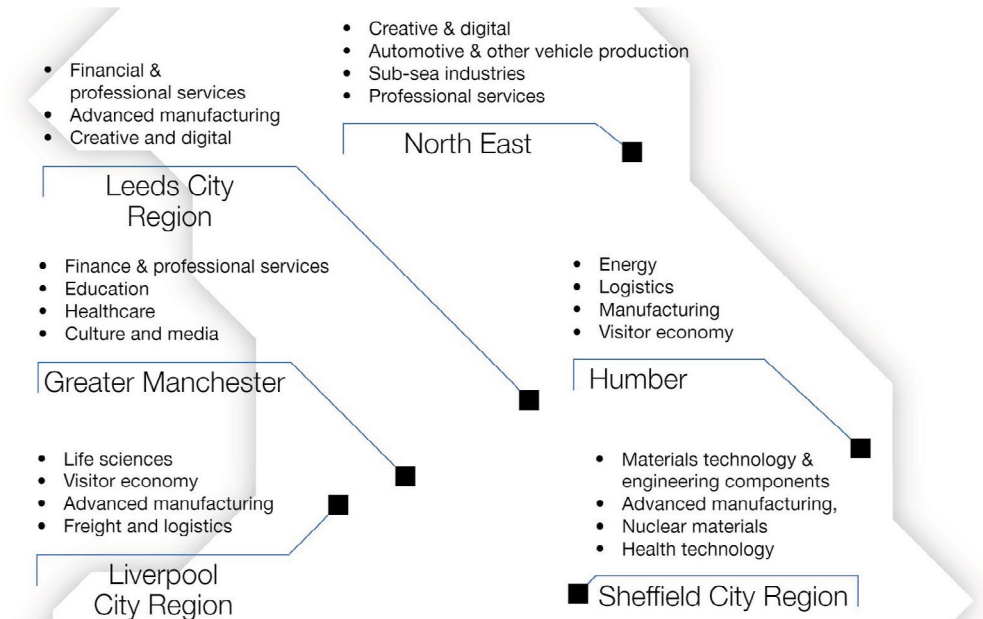
More power for local bodies

Transport for the North was set up in autumn 2014. It is a partnership between the northern city region authorities, government and the national transport agencies in support of the government's 'Northern Powerhouse' economic vision. The vision is to be facilitated by a high-speed 'TransNorth' rail system, an improved highways network and a range of other transport improvements. DfT published its Northern Transport Strategy in March 2015 building on work by Transport for the North and others.

Integrated transport services

The 2015 Queen's speech set out a buses bill giving local authorities with directly elected mayors responsibility for planning their local bus services. This offers local authorities an opportunity to develop integrated transport services.

Growth sectors identified in City Regions' Strategic Economic Plans



Source: Transport for the North, *The Northern Powerhouse: One Agenda, One Economy, One North*, 2015

Local transport

What are the things to look out for?

Increasing powers for local bodies

DfT's Northern Transport Strategy is the key enabler to delivering the 'Northern Powerhouse' to rebalance the national economy. Failure to implement the strategy effectively could place the initiative at risk.

Accountability

Increasing diversity in local structures, responsibilities and provision means it will become more challenging to 'follow the money'.

Departmental accounting officers, will need to provide assurance that money voted by Parliament is used for the purposes intended, spent within the rules and that value for money is achieved.

DfT may need to place more reliance on local systems for its assurance to Parliament, so it needs to be confident these systems are fit for this purpose.

Austerity

There are likely to be further cuts made to local authority funding in the next spending review. This could impact areas of discretionary spend such as road maintenance and concessionary travel.

Aviation, maritime and other

How are they delivered?



Aviation

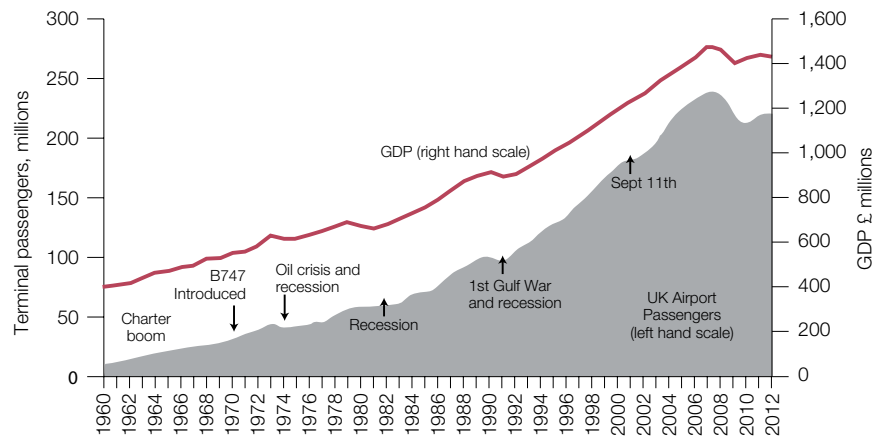
The Department for Transport (DfT) sets policy and strategy for air travel. DfT is currently working with the Airports Commission, which is examining the need for extra airport capacity.

The aviation industry operates essentially without subsidy, and all key players are either in the private sector or operate commercially.

The Civil Aviation Authority (CAA) is responsible for regulating UK aviation safety.

Historically passenger demand for aviation has risen in line with, or faster than, GDP since 1960

Terminal passengers at UK airports and GDP, 1960-2012



Sources: Department for Transport analysis based on Civil Aviation Authority statistics and Office for National Statistics data

Maritime

DfT sets maritime safety policy and this is implemented by the Maritime and Coastguard Agency which it funds.

The maritime sector sits mostly in the private sector.

Motoring

DfT's motoring services agencies are responsible for driving tests, MoT tests, vehicle certification, driving licences and collection of vehicle excise duty.

DfT has other responsibilities, such as:

- Supporting greater use of digital technology to deliver improvements such as better services and/or increased network capacity.
- Improving its own delivery by outsourcing its shared service centre, which provides human resources, payroll and finance functions. This is part of a government-wide initiative.

Aviation, maritime and other

How much do they cost?

Aviation

DfT's 2013 aviation policy framework stated that the aviation sector contributes around £18 billion each year to the UK economy. In 2014-15, DfT expects to spend about £1.4 million net on aviation.

Maritime

London International Shipping Week in September 2013 highlighted that shipping, ports and maritime business services brings around £14 billion to the UK economy. DfT spent £174 million on the Maritime and Coastguard Agency in 2014-15.

Motoring Services

The Driver & Vehicle Licensing Agency received £420 million in driving licence fees in 2013-14, which covered the cost of providing these services. The Driving Standards Agency (now the Driver & Vehicle Standards Agency) which is responsible for driving tests received £185 million in 2013-14, which also covered its costs.

Supporting greater use of digital technology (more details on the next slide)

In February 2015, the government announced a £19 million driverless car trial. A £2 billion investment is under way to extend the use of SMART motorways

Improving its own delivery

The government-wide shared service strategy aims to make annual savings of some £600 million.



Aviation, maritime and other

Recent and planned developments

Aviation

In December 2013, the Airports Commission's [interim report](#) concluded that there was a need for an additional runway in the South-East.

In July 2015, the Airports Commission released its [final report](#), which recommended expanding aviation capacity with a new runway at Heathrow.

Maritime

DfT's Maritime and Coastguard Agency is reducing the number of Coastguard centres from 19 to 11 as part of its Coastguard Modernisation Programme. DfT aims to increase the coastguard's coordination and increase its resilience to future challenges. It expects to complete the programme by December 2015.

DfT has let a contract of £1.6 billion to Bristow Helicopters to deliver 22 search and rescue helicopters by 2017. These will replace the search and rescue helicopter service provided by the Royal Air Force, Royal Navy and the Maritime and Coastguard Agency.

Supporting greater use of digital technology

DfT has participated in the government's 'digital by default' initiative by providing online access to: driving licence details; personalised vehicle registrations; and vehicle registration for trade sales.

SMART motorways use technology to manage congestion and ease traffic flow, improving the reliability of journeys. Already in use on some motorways in the West Midlands, it is now being extended to sections of the M1, M4, M5, M6, M25, M60 and M62.

DfT believes driverless and automated vehicle technologies offer potential economic, environmental and social benefits. Four UK pilots are under way. By summer 2017, a full review of current legislation is expected.

For more information on the use of digital technology in the rail sector, see the Network Rail short guide.

Improving its own delivery

The Cabinet Office's shared services strategy sets out how central government would implement, operate and manage back-office shared services across departments and arm's-length bodies. The shared service centre implementation was expected by December 2013. Our 2014 report [Update on the next generation shared services strategy](#), found delays in meeting UK central government requirements.



Aviation, maritime and other

What are the things to look out for?

Aviation

In July 2015, the Airports Commission concluded that the proposal for a new north-west runway at Heathrow airport offered the greatest strategic and economic benefits. This would be dependent upon meeting strict conditions on noise and air pollution.

The Airports Commission conclusion is not binding on the government. The decision is likely to have a high public profile, especially among local people. It is not clear how this additional runway will be funded.

Supporting greater use of digital technology

Wider use of digital technology has the potential to leverage existing motorway and trunk road capacity. Highways England recognises this, but has been a slow technology adopter in the past. Slow adoption of new technology may mean opportunities to make efficiency improvements are delayed or missed.

A wider introduction of driverless cars may require significant changes to current legislation.

Improving its own delivery

While later than originally anticipated, migration on to the new shared services system is progressing during 2015. This continues to be a challenging objective and DfT are working closely with the contractor to resolve remaining issues.

Appendix One

Department for Transport sponsored bodies¹

Reported within DfT's accounts

Advisory non-departmental public bodies

Disabled Persons Transport Advisory Committee

Executive non-departmental public bodies

Railway Heritage Committee

Within DfT's accounting boundary, but also publish their own accounts

Executive Agencies

Driver & Vehicle Licensing Agency

Highways Agency

Maritime and Coastguard Agency

Vehicle Certification Agency

Executive non-departmental public bodies

British Transport Police Authority

Directly Operated Railways Limited

High Speed 2 Ltd

The Commissioners of Northern Lighthouse

Trinity House Lighthouse Service

Passenger Focus

Other entities

London & Continental Railways Limited

CTRL Section 1 Finance Plc²

LCR Finance plc²

The Commissioners of Irish Lights

Air Safety Support International Limited

Air Travel Trust Fund

Notes

- 1 This is accurate as of 2013-14.
- 2 There is no website available for these bodies.