Department for Transport

Appendix E
Departmental Investment Strategy

2002–03

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The Department for Transport's Departmental Investment Strategy (DIS) describes planned investment for the period 2003–04 to 2005–06. It reflects the public spending plans resulting from the Spending Review 2002. The three-year investment plans described by the DIS are set within the context of the DfT's longer-term transport investment strategy, the 10 Year Plan. Public investment expenditure across the 10 years of the Plan is set out in Table E2 at the end of this appendix.

The DIS covers the investment plans of the central Department, the DfT's executive agencies (with the exception of the Vehicle Inspectorate (VI) and the Driving Standards Agency (DSA), which are trading funds) and the Department's only executive non-departmental public body – the Strategic Rail Authority (SRA). It describes the assets that are used to deliver services (as well as how the Department manages and maintains these assets). It also shows the mechanisms in place to ensure that the DfT and its partners both deliver their investment plans and ensure value for money.

Table E1 below provides a summary of the overall gross investment in transport between 2003–04 and 2005–06. This will contribute towards the DfT's Public Service Agreement (PSA) targets, which were themselves a key outcome of the Spending Review 2002. A complete list of the Department's PSA targets can be found in Appendix D.

Table E1: Total gross investment 2003–06 — £ million

	2003–04	2004–05	2005–06
Direct investment by the public sector DfT(C)	43.3	44.3	45.3
DfT agencies (total)	666.1	766.0	520.4
Strategic rail authority	11.0	11.0	12.0
Local authorities (total)	2,614.8	2,824.4	2,709.6
Supported investment by the private sector			
Capital grants to the private sector	2,742.4	2,565.6	3,115.6
Private finance Initiative (total)	1,579.0	1,790.0	2,062.0
Total gross supported investment	*7,656.6*	*8,001.3*	*8,464.9*

The following paragraphs give an indication of the relationship between investment in each of the main transport modes and the achievement of the Department's PSA targets. They also provide a summary of which bodies own the assets used in the provision of transport services, and they outline the measures that are in place to ensure that the DfT's investment plans are delivered and that investment decisions represent value for money. Key outputs and outcome achievements in each of these model areas since the beginning of the 10 Year Plan, along with a prediction of what will be delivered by 2005, can be found in *Delivering Better Transport: Progress Report*.

The investment programme for the railways addresses the legacy of long-term under-investment and will contribute towards improved punctuality and reliability, as well as increased patronage (PSA target 2). The bulk of railway assets are owned by the private sector, predominantly Network Rail but also rolling stock leasing companies and rail freight companies. The SRA provides capital grants to the private sector for maintenance, and renewal of the infrastructure, and also funds the development of some network enhancements.

The Department provides capital grants to the private sector to fund part of the cost of the Channel Tunnel Rail Link construction. An improved industry structure – with the SRA providing much needed strategic leadership to the industry and Network Rail concentrating on the core priorities of operations, maintenance and renewal – will help to ensure that the investment outlined in the DIS gives value for money.

Highways Agency (HA) investment in the strategic road network will help to tackle congestion and improve safety (PSA targets 1 and 5) as well as maintain the 9,380 km of motorways and major trunk roads in England.

The HA has published a long-term strategy setting out how it will take forward the work needed to deliver the 10 Year Plan. Investment decisions on the strategic road network are informed by a programme of multi-modal studies and roads based studies, and major schemes are assessed using the New Approach to Appraisal (NATA) to ensure that decisions are based on a balanced view of the economic, environmental, safety, accessibility and integration implications.

Investment in local transport will improve the accessibility, punctuality and reliability of public transport, with a consequent increase in patronage, and will help to reduce road casualties (PSA targets 3 and 5). The local roads network (and light rail systems, where these exist) are owned and maintained by local authorities, while private-sector operators own and operate buses and coaches.

There are systems in place to ensure the delivery of this investment and value for money in investment decisions. They include the 'Best Value' regime for local authority management – under which authorities are under a duty to prepare a 'capital strategy' and 'asset management plan' – and Local Transport Plans, in which authorities set out five-year plans for improving transport in their area.

Investment in London transport will contribute towards several PSA targets: tackling congestion, improving public transport, cutting journey times on the London Underground, reducing road casualties and improving air quality (PSA targets 1, 3, 4, 5 and 6). Transport assets in London rest predominantly with Transport for London (TfL), the transport executive of the Greater London Authority (GLA), which is responsible for strategic roads, buses, the Docklands Light Railway, Croydon Tramlink and river services. In due course, TfL will also assume responsibility for London Underground (currently a public corporation 'owned' by the DfT).

Local roads in London, as well as the associated street furniture, are owned by London boroughs. Overall policies and programmes for transport were set out by the Mayor of London in his transport strategy, published in July 2001. London boroughs are responsible for certain elements of the transport strategy and are required to prepare local implementation plans setting out how they will do so. Also, because both London boroughs and TfL fall within the scope of the Best Value regime, they must prepare capital strategies and asset management plans.

The DfT family invests in a number of other modes and programmes, including *Transport Direct*; airports and aviation; ports and shipping; maritime safety and marine protection (via the Maritime and Coastguard Agency); and the registration, licensing and safety of drivers and road vehicles (through the 'DVO Group' of agencies). Investment in these modes and programmes will contribute towards the Department's overall objective of 'reliable, safe, secure transport for everyone that respects the environment'; in addition, investment plans for several of these areas will also contribute towards the DfT's target for increased efficiency (PSA target 7).

Table E2: 10 Year Plan and expenditure[1] — £ billion

		2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2008–09	2009–10	2010–1	2011–12	Total
Public investment		4.2	5.6	6.0	6.2	6.4	6.4	6.8	7.1	7.5	7.5	63.7
of which:	Strategic roads	1.0	1.1	0.6	0.8	0.6	0.9	1.0	1.3	1.3	1.3	9.9
	Railways	0.9	1.4	2.7	2.5	3.0	2.7	2.2	1.3	1.2	1.2	19.2
	Local transport	1.2	1.5	1.6	1.9	1.9	2.1	2.2	2.2	2.2	2.2	19.0
	London excl LUL	0.5	0.7	1.0	0.9	0.7	0.7	0.7	0.7	0.7	0.7	7.3
	LUL	0.5	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2
	Other	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8
	Unallocated	0.0	0.0	0.0	0.0	0.0	0.1	0.7	1.5	2.0	1.9	6.2

[1] Decisions about allocations from 2006–07 onwards, in particular the use of unallocated provision, will be taken in the light of the review and roll-forward of the 10 Year Plan.