

***Roads Service
Annual Report
and
Accounts***

2011-12

Roads Service Annual Report and Accounts

For the year ended 31 March 2012

Laid before the Northern Ireland Assembly
under section 11(3) (c) of the Government Resources
and Accounts Act (Northern Ireland) 2001
by the Department for Regional Development

on

5 July 2012

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Chief Executive's Report

I am pleased to present Roads Service's 2011-12 Annual Report and Accounts.

This is the final annual report for Roads Service as an Executive Agency within the Department for Regional Development. I am pleased to report that since being established as an Agency in 1996 Roads Service has made a significant contribution to improving the highway infrastructure across this country and to improving the lives of the people who live and work here. These achievements have been due to the professionalism, determination and efforts of all the people who have worked in Roads Service over those many years and I want to thank them for their efforts in managing, maintaining and improving the road network over this period.

During 2011-12 we delivered 12 of the 13 performance targets as set out in our Business Plan. The one target that we did not achieve related to achieving our staff absenteeism target.

Overall we successfully delivered a wide range of services to the public through careful planning, ensuring the Agency delivered the maximum value from the available financial resources. This detailed planning also enabled us to effectively use additional funding which was made available to us in-year by the Executive. This allowed us to invest £120 million on structural maintenance – our highest ever annual spend on structural maintenance. This funding has enabled us to resurface over 1,200 lane kilometres of the road network, as well as surface dress approximately 5.7m square metres of the road network. While we invested £120 million on structural maintenance on the road network in 2011-12, the long term condition of the network remains a concern with the level of funding available over the four year budget period significantly short of that recommended by independent assessment.

This year was the fourth year of the ten year capital investment plan on our road network as outlined in the Investment Strategy for Northern Ireland (ISNI) 2008-18. This saw us progress a number of strategic road improvement schemes as detailed on page 19 of the report. In February 2012 the Executive agreed a revised capital budget for strategic road improvements, to reflect changes in the funding being provided by the Republic of Ireland. This will enable us to bring forward significant elements of the A5 dual carriageway project, between Londonderry and Strabane, and Omagh and Ballygawley, along with the A8 Belfast to Larne project and a scheme to dual the A2 Shore Road at Greenisland in 2012/13.

During the year we also delivered 168 Local Transport and Safety Projects which contribute directly to the provision of safer roads. These included, amongst others 33 collision remedial schemes, 44 traffic calming projects and 48 school travel and safety projects.

The coming year will bring further challenges with the difficult financial environment requiring us to reduce staff numbers over the budget period. We will also be taking forward plans to develop a combined roads and public transport organisation as well as preparing for the re-organisation of local government under the Local Government Reform. I am confident that the staff within Roads Service are capable of meeting these challenges.

A handwritten signature in black ink, appearing to read "G W Allister". The signature is written in a cursive style with a large, sweeping initial "G".

G W Allister
Chief Executive
27 June 2012

Directors' Report

History and Statutory Background

The Agency's accounts have been prepared in accordance with a direction given by the Department of Finance and Personnel in accordance with Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

Roads Service was established as an Executive Agency within the Department of the Environment for Northern Ireland on 1 April 1996, under the Government's Next Steps Initiative. As a result of Devolution on 2 December 1999, it is now an Agency within the Department for Regional Development (DRD). Roads Service ceased to be an Executive Agency on 31st March 2012.

Pension Liabilities

Staff Pension Liabilities are borne by the Principal Civil Service Pension Scheme (NI) and are therefore not reflected in these Accounts (see notes 1 and 2 to the Accounts and the Remuneration Report).

Roads Service Board

The Agency is managed by a Board, headed by the Chief Executive and five Directors.

The members of the Board at 31 March 2012 were:

G Allister	- Chief Executive
A Murray (Dr)	- Director of Network Services
T Deehan	- Director of Corporate Services
B Cairns	- Director of Engineering
J McNeill	- Director of Finance
J White	- Director of Strategic Programmes

Appointments to the Board of Roads Service are made in accordance with the Civil Service Commission's General Regulations.

John Keanie was re-appointed as Independent Board Member on 1 April 2011 for a further two year period. However, he resigned with effect from the 1 August 2011 to take up a position as Commissioner for Public Appointments. Michaela Glass transferred on the 9 January 2012 to take up a temporary post on the DRD Departmental Board and was replaced by Terry Deehan who is currently acting Director of Corporate Services.

As Civil Servants, the remuneration of the members of the Board is determined by the normal Civil Service Pay Regulations (see the Remuneration Report).

Charitable Donations

The Agency made no charitable donations during the year (2010-2011: £nil).

Disabled Employees

The Agency is committed to and follows the NI Civil Service Code of Practice on the employment of disabled people. The Agency aims to ensure that disablement is not a bar to recruitment or advancement.

Equality of Opportunity

The Agency follows the Northern Ireland Civil Service Policy that all eligible persons shall have equal opportunity for employment or advancement on the basis of their ability, qualifications and aptitude for the work.

Employee Involvement

The maintenance of a highly skilled workforce is key to the future of the business. Roads Service recognises the benefits of keeping employees informed of the progress of the business and involving them in the Agency's performance. During the year, employees were regularly provided with information regarding financial and economic factors affecting the performance of the Agency and on other matters of concern to them, through meetings and notices. Roads Service Whitley Committee and the Joint Industrial Council provide for regular consultations with employees' representatives.

Payment Policy

The Agency is committed to prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code and British Standard BS 7890 – Achieving Good Payment Performance in Commercial Transactions. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

In 2011-12, 97.5% of invoices for goods or services were paid within 30 days or contract terms. Also 92.7% were paid within 10 working days.

Board Members' Interests

There are no company directorships or other significant interests held by board members which may conflict with their management responsibilities.

Published Sickness Absence Data

Listed in the table below are the sick absence results for Roads Service.

	Average days lost per member of staff	Absence Rate 2011/12 (Percentage of sick days compared to total working days available)
Industrial & Non-industrial	8.1	3.7%

These figures are the most recent NISRA statistics based on information taken from the HR Connect system.

Reporting of Personal Data Related Incidents

The Agency is required to report on personal data related incidents. Within our governance framework, we have an explicit control system to meet our responsibility under Data Protection and Freedom of Information. The control system has been established to ensure the appropriate handling of personal data and information used for operational and reporting purposes through the development of appropriate strategy and policy. We will continue to monitor and assess our information risks in order to identify and address any weakness and ensure continuous improvement of our systems.

There were no incidents of personal data loss recorded during 2011/12.

Auditors

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is Head of the Northern Ireland Audit Office (NIAO), he and his staff are wholly independent of the Agency and he reports his findings to the Assembly.

The audit of the financial statements for 2011-12 resulted in a notional audit fee of £62,552 (2010-11: £58,779), which is included within other administrative costs in the Statement of Comprehensive Net Expenditure (see page 55 of the accounts) .

So far as the Accounting Officer is aware, there is no relevant audit information of which the Agency's auditors are unaware. The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Agency's auditors are aware of that information.

Management Commentary

Introduction

This Annual Report and Accounts is an informative and comprehensive review of Roads Service's performance for the 2011-12 financial year.

About the Agency

Our main functions are to make sure that:

- ◆ we deliver on our annual performance targets agreed with the Minister for Regional Development;
- ◆ measures are taken to implement the roads related elements of the Regional Transportation Strategy for Northern Ireland 2002-2012 and the Investment Strategy for Northern Ireland; and
- ◆ the public road network is maintained, managed and developed in a safe and efficient way.

Our Organisation

Our headquarters are in Belfast and we have four operational divisions, Northern, Southern, Eastern and Western, each headed by a Divisional Roads Manager. Each division is divided into a number of sections which generally correspond with District Council areas. These divisions oversee the planning, ordering and payment of network services through Roads Service Consultancy, Roads Service Direct and the private sector. They also provide the Agency's main interface with customers.

Roads Service Direct, our contractor business unit, is centred in Ballymena with staff based at various locations throughout Northern Ireland. They carry out a wide range of activities ranging from patching roads to sea-defence work, as well as responding to emergency calls relating to events such as flooding and the aftermath of road traffic collisions. Throughout the winter they operate on a rota standby basis to treat roads for ice and snow when weather conditions require it.

The Roads Service Consultancy, based in Downpatrick, is a single business unit covering all of Northern Ireland and is responsible for managing our engineering activities such as design and contract supervision.

Appendix 1 provides details of our organisational structure.

Vision, Mission, Key Objectives and Core Values

Vision and Mission

Our vision is to have a safe and efficient road network which meets the needs of all.

Our mission is to facilitate, in a sustainable way, the safe movement of people, goods and services for the social and economic benefit of all people in Northern Ireland.

Key Objectives

Within the resources available, our key objectives in 2011/12 were to:

- ◆ maintain the road infrastructure to keep it safe, effective and reliable;
- ◆ manage the road network to promote its safety and efficient operation;
- ◆ improve the road network.

We will achieve these objectives by:

- ◆ ensuring Roads Service is structured effectively to enable it to respond to the challenging financial environment;
- ◆ delivering quality services for our customers and stakeholders in a fair and equitable way;
- ◆ operating to resource limits and deliver value for money;
- ◆ supporting and motivating all our people to achieve the Agency's objectives.

Core Values

The core values that we see as central to the culture of the Agency are:

- ◆ Openness - communicative, responsive, consultative, honest;
- ◆ Professional Approach - common purpose, expertise, high standards, integrity, respect;
- ◆ Supportive - caring, staff development, recognising and rewarding performance;
- ◆ Sense of Public Duty - impartiality, integrity, fairness, service, accountability;
- ◆ Flexible - innovative, questioning, receptive to change, resourceful, team approach;
- ◆ Decisive Management - focused decision making, role clarity, empowerment, leadership; and
- ◆ Commitment to Delivery - setting high standards and aiming for high performance while adopting a 'can do' attitude.

Meeting Our Key Objectives

The Roads Service Business Plan 2011-12 detailed our key performance targets, as set by the Minister, for 2011-12. During 2011-12 we delivered 12 of the 13 performance targets as set out in our Business Plan 2011-12. We did not achieve one target related to staff absenteeism.

Further detail on the targets and actual performance is provided in Appendix 2.

Roads Service achieved all associated targets relating to maintaining the road infrastructure to keep it safe, effective and reliable.

During the year we maintained the motorway and trunk road network with 72 % in a satisfactory structural condition.

Also, as a result of significant additional funding received late in the financial year other roads in the road network received 69 % of the resurfacing treatment recommended in Best Practice Guidelines.

We repaired or made safe 97% of the serious road defects by the end of the day following the day of detection.

All targets relating to managing the road network to promote its safety and efficient operation were also achieved.

Over the 2011-12 year we implemented 168 Local Transport and Safety Projects.

We also completed 31% sample inspections of road openings by utilities as set out in the NIRAUC Code of Practice for Inspection.

Improving the Road Network.

During the year we achieved 96% of our major works milestones as part of the strategic road network improvements achieving our 2011/12 target. This has secured further progress towards the goal of reducing journey times on the key transport corridors by 2015, in line with our Programme for Government commitments.

We were able to report that the total number of target collisions occurring at treated sites was reduced by 55% over the 3 years following completion of the collision remedial works. This target was therefore achieved.

Ensure Roads Service is structured effectively to enable it to respond to the challenging financial environment.

We developed new organisational structures as part of the Roads Service 2012 Project achieving our 2011/12 annual target.

Deliver quality services for our customers and stakeholders in a fair and equitable way

We responded to 96% of written enquiries from customers within 15 working days and informed 96% of applicants for Blue Badges of our decision within 15 working days of receipt of their valid applications achieving both our customer related targets.

Operate to resource limits and deliver value for money

During the year we maintained expenditure within resource limits and to approved budgets. This target is therefore achieved.

Support and motivate all our people to achieve the Agency's objectives

We reduced the average annual level of absenteeism due to sickness to 3.7% for both industrial and non-industrial staff. This was however short of our target of 3.5% or 7.9 days, therefore the target was not achieved.

Network Maintenance

Maintain the road infrastructure to keep it safe, effective and reliable.

We are responsible for maintaining approximately 25,700 km of public roads, 9,800 km of footways and 5,800 bridges, which is valued at over £30 billion. Maintenance includes a wide range of activities from major reconstruction and resurfacing of road surfaces, known as structural maintenance, to the everyday upkeep of the network, such as cutting grass, cleaning gullies, repairing or cleaning road signs and timely salting of roads in preparation for winter conditions. These activities enhance user safety and minimise the potential for more expensive maintenance at a later stage.

Condition of the Network

Monitoring the condition of our road network is an essential part of planning maintenance work and, in order to detect deterioration at an early stage, we undertake a number of annual road condition surveys. These are carried out using specialist vehicles, which measure the strength, surface condition, skidding resistance and bumpiness of the network.

We monitor the residual life of the motorway network and the main strategic roads, known as the trunk road network.

The 2011 deflectograph survey, which measures the life expectancy of the strategic road network, shows that 72% of the motorway and trunk road network has a residual life of more than five years .

Recently we introduced new survey technology to help assess the overall surface condition of the main strategic road network. The new technology is called SCANNER (Surface Condition Assessment for National Network of Roads). This is a condition survey, undertaken at normal traffic speed, using laser sensors and other devices to measure rutting, cracking and the profile of the road surface. The aim of the survey is to produce

reliable information for monitoring deterioration trends and to target further detailed investigations.

All other roads (local roads) are monitored using Coarse Visual Inspection (CVI) Surveys in accordance with the United Kingdom Pavement Management System, which is carried out over a 4-year period on all roads apart from motorways, trunk roads and non-trunk A roads.

Structural Maintenance

Structural maintenance is the resurfacing and surface dressing of roads and footways and the repair of surface defects, such as potholes and broken flagstones, to prolong the life of the roads and improve their strength, ride quality, skid resistance and safety for the public. It also includes the improvement of road gullies, culverts and manholes to prevent rain and frost from penetrating and damaging the road structure.

In 2011-12, we invested approx £120m on structural maintenance. This funding allowed us to resurface 1,231 lane kilometres of the road network compared to our target of 610 lane kilometres. Also, during the summer months we surface dressed approximately 5.7m square metres of the road network.

We continued to give a high priority to the condition of footways and spent around £6.6m on resurfacing them and £3.5m on patching them.

Routine Maintenance

Routine maintenance is important, both to enhance user safety and to help prevent more significant and costly maintenance problems building up over time. Much of the routine maintenance work is determined by set timetables. During the year, we invested around £18.5m on routine maintenance activities which included cutting grass verges to maintain visibility, emptying gullies and maintaining boundary fences.

Winter Service

Even though the weather conditions during the winter period were considerably more favourable than those experienced during the last three winters, the plans that were put in place following the reviews of the previous winters ensured that Roads Service was well prepared for any eventuality. This included increasing salt stocks to around 110,000 tonnes compared to around 65,000 tonnes held in previous years.

In the event there were only around 50 call-outs this year, using approximately around 48,000 tonnes to treat all roads on the salting schedule. This was significantly lower than the 110,000 tonnes used last winter and the 100,000 tonnes used the previous year.

Winter Service Communication

Good communications represent an important element of an organisation's service delivery with the public, expecting to receive good quality, up-to-date information in a timely, well presented and easy to understand manner. With this in mind, Roads Service's enhanced its communications ability prior to the start of this year's winter period. Lead Communicators

were provided with live access to update the TrafficwatchNI website during out of hours. This enhancement, facilitated by 3G Laptops, enabled Lead Communicators to provide the Public and Emergency responders with timely information on Winter Service and Emergency incidents outside the normal office hours. Statistics from Trafficwatch has shown that the Emergency News page received almost 20,000 hits during a flooding incident in the winter period. The enhanced communication process also included the distribution of a new Winter Service Information leaflet which was delivered to every household and business in Northern Ireland.

Agreements with Councils for the removal of snow and ice from busy town centre footways.

During the summer months Roads Service held a series of meetings with Northern Ireland Local Government Association (NILGA) and Society of Local Authority Chief Executives (SOLACE) representatives which established a consensus on a number of points of principle that could be used as a starting point for negotiations between Roads Service and Councils regarding partnering arrangements for the removal of snow and ice from busy town centre footways, during prolonged periods of wintry weather.

These points of principle were subsequently used to form the basis of a model Memorandum of Understanding [MOU], which could be amended at local level, to take account of local Council preferences. As a result of these local level discussions, 22 Councils have now agreed to participate in the provision of this important service during the coming winters.

Street Works

The Northern Ireland road network is a major public asset and is valued at almost £30 billion, below which runs a complicated network of pipes and cables. This underground apparatus delivers key services to the public including water supply, waste water disposal, electricity, gas and telecommunications. For that reason Parliament has given utility companies the right to open the public road to place or maintain their equipment. During 2011-12 there were 50,000 utility company road openings.

Roads Service works closely with utility companies through the Northern Ireland Road Authority and Utilities Committee to minimise disruption caused by street works and ensure better quality reinstatements through cooperation and coordination and through implementation of agreed codes of practice.

Since 2009 we have been working to meet commitments made to the Northern Ireland Assembly Public Accounts Committee to improve co-ordination of street works and quality of reinstatement. Some of our progress during 2011-12 is set out below:

- we have continued to carry out sample checks on works classified as emergency or urgent to ensure that these classifications are not being used to avoid the advance notification required for planned works;
- we have completed sample surveys of businesses and residents affected by ongoing major street works to ensure that utility companies are meeting their obligations to give advance information and warning to affected frontagers;

- Roads Service Inspectors have carried out almost 17,000 visits to street works sites to inspect work in progress and completed reinstatements, not including inspections related to defective utility company apparatus; and
- we have continued to monitor performance against key performance indicators in line with the Public Accounts Committee's recommendations. The following table sets out the results for 2011-12, with performance for 2010-11 in brackets for comparison.

KPI	Description	Outturn
1	NUMBER OF LATE NOTIFICATIONS This indicator shows the percentage of proposed utility works notified to the Department without the agreed level of advance notification, expressed as a percentage of the number of works started. It provides a measure of the correct use of the system. It is not a measure of works commenced without the agreed level of advance notice as the result includes works which did not proceed on the proposed date.	1.5% [5.6%]
2	NUMBER OF EMERGENCY AND URGENT NOTICES In an emergency or urgent situation, utilities can start street works prior to issuing a commencement notice, or with only 2 hours advance notice. During the year 2.3% of works were classified as emergency and 6.5% as urgent.	8.8% [12.6%]
3	NON-COMPLIANCE WITH ARTICLE 18 OF THE STREET WORKS (NI) ORDER When we have undertaken substantial work on a road, such as resurfacing, Article 18 of the Street Works (NI) Order permits us to place restrictions on utilities digging up the road. This indicator shows the number of times the restrictions of Article 18 have been broken without prior approval.	0 [0]
4	DEFECT RATE OF PERMANENT REINSTATEMENT This indicator gives the total number of times a defect has been identified/recorded on street works sites, not including defective utility company apparatus. In these cases, we have asked for remedial work to be carried out by utilities.	1,796 [1,812]
5	INADEQUATE SIGNING, LIGHTING AND GUARDING To ensure the safety of road users, we inspect the temporary signing, lighting and guarding at street works sites for compliance with required standards. This indicator shows the number of compliance failures identified during those inspections. In these cases, we asked for remedial work to be carried out by utilities.	163 [191]

Details of the performance of the main utility companies against a target pass rate of 90%, assessed through statutory sample inspections for 2011-12 are set out below. These inspections fall into three categories; Category A inspections of work in progress which includes temporary signing, lighting and guarding; Category B inspections of permanent reinstatement within six months of completion; and Category C inspections of permanent reinstatement within three months of the end of the two year maintenance period.

	Category A		Category B		Category C	
	Inspected	Pass Rate	Inspected	Pass Rate	Inspected	Pass Rate
BT	723	95.0%	381	93.2%	377	92.8%
Firmus Energy	509	98.0%	174	96.0%	175	97.7%
NIE	643	98.1%	320	96.9%	316	97.2%
NI Water	1,442	94.0%	2,639	95.6%	2,825	96.7%
Phoenix Natural Gas	1,180	98.6%	615	98.9%	640	97.3%
Virgin Media	12	100.0%	163	97.5%	158	98.7%

Network Development

Improve the Strategic Road Network

To support the Government's objectives to grow the economy and enhance social inclusion we have continued to improve the strategic road network within the confines of the available budget. An improved road network will increase our competitiveness making it easier for businesses to compete in a global market, to work with our customers and to attract investment from outside the region. It will contribute significantly to a transport system that affords citizens from all backgrounds the opportunity to access jobs and services.

We have continued to implement a programme of road safety engineering measures which included collision remedial schemes, traffic calming schemes and schemes to improve safety at schools.

Major Works

Major Works are managed under the following categories.

- ◆ 10-year Forward Planning Schedule.
- ◆ Preparation Pool.
- ◆ Construction Programme.

A **long-term planning schedule** will also be considered as a vehicle for schemes that are not expected to start within the next ten years but are felt to be of strategic benefit in the longer term.

10-Year Forward Planning Schedule

The 10-Year Forward Planning Schedule contains a number of schemes that could be started within the next ten years, subject to satisfactory appraisals, availability of finance, and satisfactory progression through the statutory processes.

All of the schemes have been or are being appraised on the basis of the five national criteria for transport schemes of integration, safety, economy, environment and accessibility, to ensure consistency between plans and with the Government's transport policy. The highest priority schemes will subsequently be considered for progression into the Preparation Pool. The following schemes are included in the 10-year Forward Planning Schedule.

- ◆ A28 Armagh East Link.
- ◆ City Centre Ring Southern Section, Belfast.
- ◆ Fortwilliam/M1 Corridor/Tillysburn Park and Ride.
- ◆ M2/A8(M) Sandyknowes Junction.
- ◆ M1 Slip-roads at Blacks Road.
- ◆ M1/A1 Sprucefield Bypass.
- ◆ A1 Junctions (Phase 2).
- ◆ A26 Ballymoney to Coleraine.
- ◆ A26 Nutts Corner to M1 Moira.
- ◆ A4 Enniskillen Southern Bypass.
- ◆ A4 Fivemiletown Bypass.
- ◆ A3 Portadown to Richill Dualling.

Preparation Pool

The Preparation Pool allows high priority schemes to be taken through the statutory procedures, in advance of funding being confirmed. Subsequent progression into the Construction Programme is dependent on the level of funding available at that time. Progress on schemes in the current Preparation Pool is shown below.

Scheme	Position at 31 March 2012
A6 dual carriageway – M22 to Castledawson Roundabout	DO and NIP confirmed in March 2011. Public Inquiry for the Annaghmore / Bells Hill Road junction held on 13 & 14 February 2012.
A55 widening at Knock Road, Belfast	ES, NIMDO and NIMVO published in November 2009. Public Inquiry held in November 2010.
A3 Armagh North and West Link	Preliminary Options Report approved in

Scheme	Position at 31 March 2012
	April 2008.
A2 widening at Greenisland	NIP and DO published in October 2008. OJEU notice published 1 March 2012, procurement progressing.
A6 Londonderry to Dungiven dual carriageway	ES, NIMDO and NIMVO published in December 2011.
A5 Aughnacloy (Border) - Londonderry	ES, NIMDO and NIMVO published in November 2010. Public Inquiry completed 1 July 2011. ROI funding for the whole scheme was deferred in November 2011. Minister announced funding for the progression of two sections from New Buildings to Strabane and Omagh to Ballygawley on 14 February 2012.
A31 Magherafelt Bypass	NIP and DO published in September 2010.
A26 Glarryford - A44 dualling	ES, NIMDO and NIMVO published in March 2012.
A2 Sydenham Bypass	Minister announced preferred option in February 2010. Public exhibition held in February/March 2010.
Westlink/York Street Interchange	Preliminary Options Report approved in March 2009. Public exhibition held in June 2011.
A8 Belfast to Larne	ES, NIMDO and NIMVO published in January 2011. Public Inquiry completed June 2011. Inspectors Report received in September 2011.
A32 Dromore – Irvinestown – Enniskillen	Preferred Route Report for the Cornamuck scheme approved in March 2012. Preliminary Options Report for the Esker Bog scheme approved in March 2012.
A2 Widening Buncrana Road	Preferred route announced in February 2009.
A29 Cookstown Eastern Distributor	Preferred Route Report approved in March 2010.
A2 Ballykelly Bypass	Preferred route announced in March 2010.
A24 Ballynahinch Bypass	Preferred Route Report approved in January 2012.

ES – Environmental Statement
 NIP – Notice of Intention to Proceed
 DO – Direction Order
 VO – Vesting Order
 NIMDO – Notice of Intention to make a Direction Order
 NIMVO – Notice of Intention to make a Vesting Order

Construction Programme

Scheme	Estimated Cost £M	Position at 31 March 2012
A32 Cherrymount Link	12 - 16	Commenced in October 2011 with completion due in February 2013.
A32 Shannaragh	6 - 8	Commenced in March 2012 with completion due in March 2013.

Major achievements in 2011/12

Further progress has been made on the development of the A5 and A8 dual carriageway schemes with the Public Inquiries being completed in July 2011 and June 2011 respectively. The Inspectors Reports have been received and at 31 March 2012 are being considered.

The Draft Orders for the A6 Derry to Dungiven and A26 Glarryford – A44 Dualling schemes were published this year and the Public Inquiry for the Annaghmore / Bells Hill Road junction on the A6 Randalstown to Castledawson scheme was held in February 2012.

Development work continued on other schemes with the Preliminary Options Reports being completed on the A1 Junctions (Phase 2) and A32 Esker Bog schemes. The Preferred Route Reports were also completed for the A28 Armagh East Link, A24 Ballynahinch Bypass and A32 Cornamuck schemes.

Construction commenced on two schemes, the A32 Cherrymount Link and A32 Shannaragh Realignment, which are anticipated to be completed early in 2013.

Bridge Strengthening

During the year, we spent £6.5m on strengthening bridges. This included major structural repairs to Queen Elizabeth Bridge, Shillington's Bridge and Strule Bridge. Works also included repairs to a number of bridges damaged as a result severe weather conditions occurring in previous years.

Local Transport and Safety Measures

During the year, we spent over £27m on a range of measures to improve the safety and efficiency of the road network. Schemes included:

- ◆ 33 collision remedial measures at specific sites;
- ◆ traffic calming measures on 44 projects;
- ◆ 14 km of new footway and other improvements for pedestrians;
- ◆ 8 km of cycle lanes;
- ◆ 48 school safety zones;
- ◆ 43 controlled pedestrian crossings; and
- ◆ the use of Intelligent Transport Systems to provide traffic control and travel information to road users.

EU Funding

During the past 15 years, Roads Service has received approximately £115 million of funding from both Structural and Non-structural Funds. In order to manage, co-ordinate and monitor the funding available, we liaise with the Department of Finance and Personnel (DFP) and Department for Transport in Whitehall for funding under the Trans European Network – Transport (TEN-T) Programme and with DFP and the Special EU Programmes Body for funding from the ERDF under its INTERREG IVA Programme.

In 2011-12 Roads Service has been awarded £2.6 million from the INTERREG IVA Programme which contributed to the completion of the Culmore Road Roundabout and the dualling to Madam's Bank Road.

Network Management

Manage the road network to promote its safety and efficient operation

We are committed to managing the road network to promote its safe, efficient operation and to improve the network where possible within the available budget.

This commitment can be seen with the annual implementation of various Local Transport and Safety Measures. These measures are designed to deliver an integrated transport network on themes such as:

- the extension of the networks to encourage and support walking and cycling as a viable mode of transport;
- public transport measures such as park and ride;
- highway measures, minor improvements and safety measures; and
- traffic management measures, to control traffic and influence travel demands.

In an effort to improve road safety, we have an annual programme to implement traffic calming measures to lower traffic speed and improve driver behaviour in urban streets. In 2011-12 we implemented traffic calming in 44 projects as well as installing 33 collision remedial schemes to reduce the likelihood of collisions occurring in the future. We provide School Safety Zones to improve road safety in the vicinity of schools, and during the past year we have installed schemes at 48 schools. The total expenditure on traffic calming and school travel and safety projects was £1.5m.

One of our priorities is the promotion of sustainable travel modes. We have constructed 8km of cycle lanes and 14km of new footway and other pedestrian measures as well as 1.26km of bus lane and erected 35 bus shelters. As a further measure to encourage a modal shift from the private car to public transport, we now have approx 120 traffic signal junctions and pelicans in the Greater Belfast Area equipped to provide priority to buses, and 190 displays provide real time information to public transport passengers.

Intelligent Transport Systems (ITS) have an important role to improve road safety and enable the effective management of the road network. We have continued to enhance the performance of the system of mandatory variable speed limits on the M1/Westlink to improve the traffic flow on this key section of the road network. With regard to controlled pedestrian crossings, the Roads Service policy is now to install PUFFIN (Pedestrian User Friendly Intelligent crossings) crossings rather than PELICANS. Benefits of PUFFIN crossings include the time for pedestrians to cross the road can be extended if necessary, and that requests for the green man can be cancelled if the pedestrian is no longer waiting to cross the road, resulting in vehicles not being stopped unnecessarily. Overall there has been 47 PUFFIN crossings installed by Roads Service over the past year.

We also provide information to enable users of the road network make decisions on their choice of route and time of travel. Work has been undertaken to improve the overall performance of the trafficwatch website (www.trafficwatchni.com). The website displays images from some of our CCTV cameras, and provides information on current traffic conditions, any incidents affecting the network, and also provides information on planned roadworks. Traffic information is also provided via radio broadcasts and our traffic information telephone line 08457 123321.

Development Control and Private Streets

We contribute to the Planning (NI) Order 1991 town and country planning process with the provision of transportation and roads related advice to Planning Service. In 2011-12, we dealt with 14,769 consultations and processed 79% of these within the agreed timetable.

New housing development roads and footways that Roads Service has approved for future adoption and maintenance must be built to the required standards. In the past year, Roads Service approved proposals for private streets with a construction value of £12.5m. In the same period, we adopted 60km of new streets which we had inspected at various stages to ensure that they were built properly.

We also work closely with Planning Service on its Development Plans which are the basis against which future development applications are considered.

Car Parking

We provide over 30,000 parking spaces in our 367 off-street car parks. We also provide over 2,300 charged on-street parking spaces in controlled parking zones. This helps visitors and shoppers to contribute to the vitality and economy of our towns and cities by discouraging long-stay parking and encouraging a turnover of short-stay spaces.

In 2011-12 we extended our cashless payment facility for parking charges outside Belfast to Lisburn, Newry, Londonderry and Omagh. This system gives drivers an alternative and convenient method of paying parking charges by mobile phone.

In all of our towns and cities, parking restrictions are in place to manage traffic, to reduce congestion and to improve road safety. We work in partnership with our service provider, NSL, to enforce parking restrictions and ensure compliance with on and off-street parking regulations.

Street Lighting

We provide and maintain street lighting on all adopted footways/carriageways within urban areas and, in certain circumstances, on rural roads. In 2011-12, we spent £5.5m installing new street lighting systems and replacing those that had reached the end of their useful lives.

During the year, we spent almost £10.3m on maintaining our 271,000 street lights and in addition to this, we also spent £10.2m on electricity for street lighting systems. Street lights are inspected every two weeks in winter and every four weeks in summer to identify any outages. The overall rate of outages is 1%, which is within our key performance target of keeping 98% of street lights working.

To reduce light pollution and improve energy conservation, we have specified modern efficient lanterns for all our new and upgrading schemes. We have also focused on the selection of appropriate lighting design levels for new schemes and where we are replacing existing luminaries we replace with luminaries of lower wattage output and improved optical performance.

Emergency Response Service

Emergencies in Roads Service can range from minor traffic collisions or localised flooding incidents to very serious and exceptional incidents that effects the safe movement of people, goods and services across Northern Ireland. For example, widespread, prolonged closure of major roads due to flooding, storms or snow.

We have procedures in place to assist with these roads related emergency incidents, ensuring a response, 24 hours a day, 7 days a week. We are also committed to co-operating with and assisting the blue light services and other statutory agencies, as far as practical, to ensure that quick and appropriate responses are made to incidents.

The Roads Service Emergency Response plan has been designed to deal with this range of possible emergencies. This plan includes checklists which have also been developed to clarify roles, responsibilities and actions for specific personnel during the operational

response and associated upward reporting during and following incident. The plan was reviewed this year to take account of the newly adopted Northern Ireland Emergency classifications and revised triggers and escalation procedures and to reflect changes needed to dovetail into the Departmental Major Emergency Response Plan.

Our emergency response procedures are supported by a well-established reporting system to gather operational information from across Northern Ireland during an emergency. These arrangements feature a Roads Incident Desk that assesses new and follow-up incident reports received from Divisions and forwards them to the Press Office, Private Office and Senior Managers. A lead communicator is also available out of hours all year round to ensure that the latest news on road conditions is available to the travelling public and emergency responders through the Press, Media and Roads Service Traffic Watch web sites.

A joint Roads Service/PSNI Protocol is in place for the management of major or critical traffic incidents on the Motorway and Trunk Road Network in the Belfast area. The purpose of this is to ensure that incidents are dealt with as effectively and efficiently as possible and that measures are put in place to mitigate the effects of any resulting traffic congestion on the surrounding road network.

Work is continuing between the PSNI and Roads Services Traffic Information Control Centre (TICC) to extend the Protocol to other major routes in Northern Ireland.

Construction Sustainability Programme

Roads Service is committed to the principles of sustainable development, which includes sustainable construction, procurement and climate change. We have an internal website 'Roads to Sustainability', to contribute to the introduction of best practice across the Agency. Key Roads Service actions ensure that our activities in new infrastructure and maintenance are consistent with Northern Ireland's sustainable development priorities and objectives. All major roads projects aim to provide an accessible transport infrastructure that promotes economic growth and social inclusion across all areas while reducing emissions and adverse impacts.

Our procurement plans include proposals to incorporate social inclusion clauses into our construction contracts, for the unemployed, apprentices and student work placements, based on contract labour value. The plans are in accordance with the guidance set out in the Department of Finance and Personnel's 2008 publication "Equality of Opportunity and Sustainable Development in Public Sector Procurement".

We ensure that statutory environmental standards are met in respect of air, water and other environmental pollution and implement Civil Engineering Environmental Quality Assessment and Awards Scheme (CEEQUAL) to measure contract performance against all relevant statutory environmental standards on major roads projects.

To halt biodiversity loss and ensure appropriate mitigation measures, we implement an Agency Biodiversity Plan for our construction and maintenance projects. In particular we ensure that improvements, operation and maintenance of the road network do not adversely affect Sites of Local Nature Conservation Importance or Areas of Special Scientific Interest.

To reduce the total quantity of waste going to landfill we have developed and implemented Departmental Waste Management Action Plans and eliminate waste as far as possible in project designs and construction. We measure and report progress in reduction of waste on construction sites through the Waste Resources Action Programme (WRAP) Halving Waste to Landfill agreement. We are currently achieving over 50% recycled or re-used content on average across our works projects.

Air Quality

The Environment (Northern Ireland) Order 2002 places a responsibility on councils and other public bodies, including Roads Service, to achieve air quality standards and objectives in relation to powers exercisable by them. We have continued to work with councils in preparing assessments and in determining and implementing any actions that fall to us.

During 2011/12 we continued to work closely with the Department of the Environment on Local Air Quality Management issues and have assisted the Department of the Environment by detailing measures demonstrating Roads Service's commitment to improving air quality.

We continued to work with Belfast City Council in monitoring progress against their Air Quality Action Plan to which we are contributing, by progressing the delivery of Belfast Metropolitan Transport Plan proposals. We have maintained our membership of the Belfast Air Quality Steering Group, the NI Climate Change Impacts Partnership and of the Scotland and Northern Ireland Forum for Environmental Research project.

Noise

The Environmental Noise Regulations (NI) 2006 identify DRD as the Competent Authority required to produce roads noise maps and associated roads noise action plans every five years.

In 2011/12 we liaised with a DOE procured consultant to facilitate the production of second round noise mapping. It is planned to produce second round noise mapping by June 2012 that will identify and report on all major roads in Northern Ireland with three million or more vehicle movements per year and all roads within the Belfast noise agglomeration area.

Roads Service Eastern Division is currently leading work on Road Noise Action Plans. Following public consultation in December 2008, the revised DRD Roads Noise Action Plan was formally adopted by the Environment Minister on 5 March 2010. This is a high level strategic plan of the noise action planning process which will take place over the next five years to address the health effects of environmental noise caused by traffic.

Roads Service Eastern Division has taken forward the next stage of the action planning process, which includes identifying and confirming areas worst affected by noise. This will be reported to Roads Service HQ before agreement on evaluating potential mitigation measures.

Customers

Deliver quality services for our customers and stakeholders in a fair and equitable way

External Communications

Our approach to a quality customer service is based on the following principles.

- ◆ **Timeliness** - supplying up-to-date information through our corporate publications and via the DRDNI website www.drdni.gov.uk
- ◆ **Openness and Transparency** - acting in accordance with the Freedom of Information Act by publishing and making available a range of classes of information on our Publication Scheme which can be accessed online at www.drdni.gov.uk/foi.
- ◆ **Accessibility** - continuing to make our publications available, if requested, in a range of alternative formats such as braille, audio-tape, large print and minority ethnic languages.

During 2011/12, we continued to carry out public consultations and exhibitions on major road schemes including:

- Westlink / York Street – June 2011 (consultation on the preliminary options);
- A4 Enniskillen Southern Bypass – July / August 2011 (consultation on the preliminary options); and
- A6 Londonderry to Dungiven – December 2011 to March 2012 (Following the publication of the draft Statutory Orders).

We continually engage with stakeholders on the maintenance, management and improvement of the road network through twice yearly meetings with local councils. We also undertake regular meetings with other representative bodies, including the Quarry Products Association, the Freight Transport Association and the Construction Employers Federation. We maintain close links with engineering departments of the local universities.

We also published a series of information leaflets about the services we provide and on specific road schemes. We issued press releases and roadworks reports to the media and continued our partnership with BBC Radio Ulster, which broadcasts traffic reports directly from our Traffic Information and Control Centre. We respond to thousands of enquiries made by individuals, groups and concerned parties by telephone email and letter. We arrange hundreds of site visits and public meetings to explain and consult on our proposals.

We also provide corporate information to our customers through the DRDNI website www.drdni.gov.uk. This ensures our customers have access to the most up to date information in relation to Roads Service. The NI Direct website www.nidirect.gov.uk gives customers access to the transactional activities undertaken by Roads Service including the ability to report a fault and apply for a blue badge. This website provides

access to all customer facing activities for government departments, enabling users to access a wealth of information from a single source and making key information in relation to Roads Service easily accessible.

In May 2011 we once again participated at the Royal Ulster Agricultural Society Spring Show at Balmoral, which was attended by some 80,000 visitors over three days.

Customer Charter

Our Customer Charter outlines the functions that we are responsible for and sets out the standards of service that the public should expect to receive from us. The document explains how the public can contact us, how their enquiries will be dealt with, and the action that can be taken in the event of a customer being dissatisfied with our service.

During the year, we received 15,020 written enquires from the general public and a further 961 written complaints. We issued substantive responses to 96% of these within our three week target. We responded to all verbal enquiries received where appropriate by telephone and where necessary arranged site meetings to discuss concerns raised. We also received 240 Freedom of Information requests and issued a reply to 231 of these within the Government's 20 day target.

Delivering Value for Money

Operate to resource limits and deliver value for money

Corporate Governance

The Chief Executive as Accounting Officer is responsible for maintaining a sound system of internal control that supports the achievement of our policies, aims and objectives, whilst safeguarding the public funds and assets. The Roads Service Board supports the Chief Executive by contributing to the corporate management of the Agency within the strategic policy and resources framework set by Ministers.

We measure our performance against targets agreed with the Minister and published in our Corporate and Business Plan. Progress is monitored by the Roads Service Board on a regular basis.

The Board has established an on-going risk management process. This identifies the principal risks associated with the achievement of our policies, aims and objectives along with the controls required to manage those risks at Agency, Directorate and Business Unit level.

The Board has also put in place arrangements to provide assurance on internal control and risk management. This includes the establishment of the Audit Committee, with one independent member who acts as Chairperson and meet on at least a bi-annual basis.

Centre of Procurement Expertise (CoPE)

Roads Service is one of the Centres of Procurement Expertise (CoPE) in Northern Ireland, with policy developed and implemented by Procurement Policy Branch and tendering managed by Roads Service Consultancy (RSC) - Contracts Section.

The contracts required for delivery of quality services to the road user are diverse and generally fall within the following business areas: Major Works, Minor Works and Maintenance (One-Off and Term Contracts), Engineering Consultancy, Street Lighting, TICC, RSD, Winter Maintenance, Parking Enforcement, Strangford Ferry, and Line of Business Software. Central Procurement Directorate CoPE is used for the procurement of non specialist Services and Supplies on behalf of Roads Service.

Roads Service has developed a Procurement Strategy in line with current best practice and the principles of the Achieving Excellence in Construction Initiative. The strategy meets the needs of Roads Service in respect of value for money and best industry practice, whilst endeavouring, wherever possible to take account of the needs of the Northern Ireland Construction Industry.

All contracts of value exceeding £30k are published and managed using the eSourcingNI web based electronic tendering system. Open competitions are normally used when the contract value is up to £1.5m. The restricted process is normally used for term contracts or when the contract is estimated to cost more than £1.5m.

Methods for the delivery of capital and maintenance works are as follows:

- Integrated Delivery Team;
- Design Build Finance and Operate;
- Design and Build (Schemes valued £5M and above);
- Traditional Client Design Contracts; and
- Term Contracts (Works Order Value up to £350k).

All CoPEs will be required to undergo a rigorous reaccreditation process in 2014. To ensure Roads Service meets the requirements of this reaccreditation process, an internal team has been set up to carry out a strategic review, with a primary focus on procurement, contract management and compliance. Proposals will be brought forward during 2012 on any internal restructuring and the requirement for new roles, responsibilities and systems.

Improved Service Delivery

Following the completion of the Best Value Reviews of our two provider units, Roads Service Consultancy and Roads Service Direct, work has been continuing in both business units to further expand on the recommendations for improvement identified during these reviews.

Within Roads Service Consultancy during 2011-12 we:

- ◆ continued to monitor continuous improvement and best value through the use of Key Performance Indicators (KPIs), including

benchmarking with our partner organisation and external benchmarking with other UK consultants and local road authorities;

- ◆ continued to manage our partnership contract with Amey Owen Williams Ltd Consultants to assist with the delivery of the Roads Service programmes. We are now in year 4 of the current 5 year (3+1+1) contract with Amey Owen Williams Ltd;
- ◆ continued to assess and monitor the performance of our Term and Measured Term Contractors through the use of project KPIs;
- ◆ achieved the Agency's target of obtaining greater than an 80% averaged benchmarked score and remained in the upper quartile of the Highway Design Benchmarking Club members. The 2011-12 result was 80%;
- ◆ continued to deliver efficiency savings through our procurement processes, made through process improvements and reduced construction costs;
- ◆ successfully retained our registration under ISO 9001:2008, for our Quality Management System, incorporating all engineering services within Roads Service Consultancy;
- ◆ we have maintained our UKAS accreditation for a total of 12 No. engineering and materials laboratory tests; and
- ◆ ensured that the Strangford Lough Ferry Service was available for greater than 97% of standard service hours throughout the year. During 2011-12 we achieved 99.7% availability.

Within Roads Service Direct during 2011-12 we:

- ◆ maintained accreditation to ISO 9001:2008, for our Quality Management System, incorporating all areas of Roads Service Direct;
- ◆ exceeded the target for the timely repair of R1 (98%), R2 (98%) and R3 (96%) surface defects during the period April 2011 to March 2012;
- ◆ continued to deliver the winter service throughout the 2011/12 season;
- ◆ surface dressed 2.20m square metres of carriageway equating to 81% of the overall Roads Service target (to be undertaken by both Roads Service Direct and private sector contractors) and 40% of that actually completed by the end of the season;
- ◆ delivered 4168 training days for industrial and non-industrial Roads Service staff;
- ◆ continued to monitor continuous improvement and best value through the use of our Balanced Scorecard performance monitoring system, quality audits, financial monitoring, unit costing and customer meetings and surveys; and

- ◆ established a measure to benchmark RSD unit costs for selected activities against local contract rates. RSD have met target in this measure.

Roads Service 2012

The RS 2012 Project was established by the Roads Service Board to oversee and co-ordinate individual projects which, when combined, will ensure the Agency is more able to respond to the changing financial environment.

The project ended on March 2012 and over the three year period it operated delivered more than a dozen individual projects with a number of these listed below.

- The significant reduction in the number of temporary staff employed.
- The merger of eight section offices:
 - Banbridge and Craigavon;
 - Magherafelt and Cookstown;
 - Coleraine and Limavady; and
 - Lisburn and Castlereagh.
- The closure of RSD depots at Carrickfergus, Cookstown, Ballycastle and Brookborough.
- A review of the services delivered by RSC and RSD.
- A review of how the minor road improvements and road maintenance programmes are delivered by the Agency.
- A review of the role and organisational structure of TEPU and reorganised into EPPS.
- A review of RS Training Centre.

Our People

Support and motivate all our people to achieve the Agency's objectives

We recognise that our objectives can only be achieved through the contribution and commitment of our staff. At 31 March 2011, there were 2,091 people in Roads Service, comprising 1,064 Professional and Technical, 549 Industrial, 447 Administrative and 31 Support staff.

We maintain good two-way communication with staff via a number of channels including staff opinion surveys, Departmental magazine, team meetings/briefings at branch level and informal meetings between the Roads Service Board and staff 'on the ground'. Most importantly, we use these feedback mechanisms to improve how we work together to deliver the services we are responsible for.

We also have strong working relationships with Trade Union Side representatives and we have continued to keep them informed of issues impacting upon staff through our regular meetings of the Whitley Committee. This includes the work being taken forward to implement the RS 2012 Project.

We also continued to develop good working relations with the Industrial Trade Unions, Unite and GMB, through quarterly Joint Industrial Council meetings and Local Consultative Committees. We were also represented on the NICS-wide Central Joint Consultative Committee.

We are committed to the training and development of our staff. During 2011-12, we were able to provide 4,962 of the industrial and non-industrial training needs identified by staff. This included assisting more than 25 staff to undertake recognised qualifications. This enabled a number of staff to apply for posts in the Professional and Technical fields. We continued to support staff to gain membership of relevant professional bodies such as the Institute of Civil Engineers.

We also supported a number of staff through our Employer Supported Volunteer Scheme to enable them to undertake a variety of voluntary activities in the local community.

Our Roads Service Training Centre continued to arrange and provide a wide range of training in highway maintenance industrial skills and sector scheme requirements. Training was also provided to non-industrial staff in a range of highway related functions.

We continued to operate an output based incentive scheme for our industrial workforce, designed to ensure a high output of high quality road maintenance work.

Health and Safety

Roads Service set a target to improve Health and Safety performance over a three year period ending 31st March 2011. This target was to achieve a 20% reduction in Lost Time

Accidents (LTA) annually from 26 incurred during 2007/08 down to 21 for the year ending 31st March 2011.

During year one of the three year programme the annual target for LTAs was 24, however the actual number incurred was 27 exceeding the annual indicative target. Roads Service developed and implemented an intervention plan in 2009 and has continued to implement its principles to correct this trend.

There has been a significant overall reduction in LTAs over the three year period in comparison to the 2007/08 performance level however the three year reduction target of 20% was not achieved in 2010/11 due to the number of LTA's incurred in 2008/09.

A new one year target was set for 2011/12 at 21 LTAs which has now been achieved.

Roads Service is currently implementing the findings of the 2010/11 External Health and Safety Audit, received in June 2011. The report contains 15 recommendations which are being implemented by a Steering Group and a Change Team from within Engineering Directorate. One of the significant recommendations is the introduction of a new health and safety management system 'Successful Health and Safety Management- HSG65'. The 15 recommendations are scheduled to be implemented during 2012/13.

Financial Review

Funding

Roads Service is funded principally by monies voted from Parliament and, to a lesser extent, by income from car parking and related enforcement activities, ferry receipts, proceeds from the sale of land and operation and maintenance costs recoverable from third parties.

Financial Results

The Roads Service budget for the 2011-12 financial year was £574m. Of this, £197m represents depreciation and movements on accounting provisions, while the remaining £377m is the Agency's operating budget.

	2011-12 Actual £m	2011-12 Budget £m	Variance £m
Net Resource Expenditure (excluding depreciation & provisions)	203	203	nil
Gross Capital Expenditure	174	174	nil
Total Expenditure	377	377	
Depreciation & Provisions	191	197	6
Total	568	574	6

Financial Performance

The main features arising from the Agency's financial performance in the year (pages 46 - 85) are as follows:

- ◆ Net resource outturn is 100% of the total budget of £203m.
- ◆ Structural maintenance expenditure of some £120m was achieved which represents an increase of £30m on the previous year bringing maintenance funding up to the levels recommended in the Structural Maintenance Funding Plan.
- ◆ Gross capital expenditure of some £174m represents full utilisation of the capital budget.
- ◆ Depreciation and movement on provisions was slightly less than anticipated (£6m), which in the main related to less than forecast, impairments of our fixed assets.
- ◆ Just over £33m of Local Transport and Safety Projects have been undertaken this year.

Fixed Assets

Details of the movements in fixed assets are set out in notes 6 and 7 to the Accounts.

The net book value of fixed assets has decreased by £26 million during the year. The majority of this decrease is due to the in year condition reduction of infrastructure assets.

Roads Service is responsible for managing property with a value of £301m including Land for Schemes, Depots and Car Parks.

Roads Service Property Strategy includes carrying out an annual review of all land holdings to identify:

- ◆ land to be retained for future road schemes;
- ◆ land that is now surplus to requirements; and
- ◆ land that has development potential and could be disposed of to the improvement of Roads Service.

Important Events Occurring After the Year End

A duplicate land sale made in error was settled in April 2012 for £75,000 plus plaintiff costs (under negotiation). This has been accounted for in the 2011-12 Financial Statements as a Post Reporting Period Event.

Future Strategy

Building a Better Future - Programme for Government 2011-2015

A Programme for Government for 2011-15 was published in March 2012 and outlines the Executive's priorities for this period. Priority 1 of the Programme for Government is to grow a sustainable economy and to invest in the future. A key commitment under this priority is to progress the upgrade of key road projects and improve the overall road network to ensure that by March 2015 journey times on key transport corridors reduce by 2.5%. This commitment is included in the Roads Service Business Plan for 2012-13.

Regional Transportation Strategy

The Regional Transportation Strategy (RTS) 2002-2012 sets out a strategic framework for the future planning, funding and delivery of transportation throughout Northern Ireland.

The RTS is being delivered through three supporting transport plans:

- ◆ The Belfast Metropolitan Transport Plan (BMTP) covering the Belfast Metropolitan Area;
- ◆ The Regional Strategic Transport Network Transport Plan (RSTNTP) dealing with the Regional Strategic Transport Network; and
- ◆ The Sub-Regional Transport Plan (SRTP) dealing with other urban areas and the rural area.

The transport plans confirm packages of transport schemes, consistent with the general principles and indicative levels of spend in the RTS. The implementation of these proposals is, in many cases, subject to economic appraisal, any relevant statutory procedures, for example environmental assessment, planning and land acquisition, and the availability of the necessary funding. The transport plans cover the period up to 2015 and effectively extend the RTS to that date.

A New Approach to Regional Transportation will use a Policy Prioritisation Framework to identify the priority transportation strategic programmes and projects that most closely align with the Northern Ireland Executive's and the Department's strategic direction, bearing in mind affordability and value for money. The New Approach will be used to guide decisions on strategic transportation interventions beyond 2015. In the interim the existing three transport plans will continue until their completion.

Strategic Road Improvement Programme

The new Investment Strategy for Northern Ireland 2011-21, is due to be endorsed by the Assembly in the near future. The draft document envisages in the region of £2 billion expenditure on roads infrastructure over the 10 year period.

On the 14th February 2012 the Executive announced a revised budget that would enable construction to progress on significant elements of the A5 dual carriageway project, between Londonderry and Strabane, and between Omagh and Ballygawley, along with the A8 Belfast to Larne project and a long-awaited scheme to dual the A2 Shore Road at Greenisland.

In line with the Integrated Delivery Team approach adopted on the A5 and A8 schemes Contractors were appointed to the A5 in December 2009 and A8 in January 2010. Draft Statutory Orders were published in November 2010 for the A5 and in January 2011 for the A8. Following the public inquiries for both the A5 and the A8, in July and June 2011 respectively, the Inspector's Reports have been received are being considered by the Department. It is hoped that both A5 schemes and the A8 could start in 2012.

The procurement process for the A2 Shore Road scheme commenced in March 2012 and it is hoped that construction could commence early in 2013

Development work is continuing on a range of strategic road improvements, which include sections of the A6 between Londonderry and Dungiven and Randalstown and Castledawson.

Savings Delivery Plans

Budget 2011-15 contained savings delivery targets for DRD of some £159.1m in total with Roads Service contributing some £78m of this over the Budget period. Savings Delivery Plans have been directed at increasing income and reducing back office costs to support and safeguard essential front-line services. Initial savings plans entailed Roads Service taking forward a range of measures including:

- Increased parking charges and the rollout of on-street parking charges to all towns and cities in Northern Ireland;
- Reductions in expenditure on technical advisors and depreciation;

- Savings in the procurement of energy and parking services; and
- Reductions on maintenance activities.

The Minister reviewed these plans and made a statement to the Assembly on 13 September that plans to introduce on-street parking charges to all towns and cities would not proceed. This created a shortfall of £8.8m over the Budget period of which £4m was met directly by Roads Service from reductions in operational expenditure and increases to existing parking charges. A further £2m will be met by Admin savings within the Department, including Roads Service.

As a result of this and initial Budget pressures, Roads Service will be required to reduce its workforce by some 200 posts by the end of the Budget period. Although redundancies will be avoided, this will not be achieved without the curtailing of some services and the reduction of some activities.

Although in 2011/12 Roads Service successfully delivered first year savings of some £11m, the increases in parking charges and introduction of charges in previously free car parks required have not been without criticism from some public representatives and Regional Development committee. The overall reduction in the income element of plans has also put more pressure on maintenance budgets resulting in the prioritisation of activities to focus efforts on the most important safety and maintenance work. The impact on Admin and maintenance budgets is likely to be increasingly challenging in year two when Roads Service will be required to provide some £17m of savings.



G W Allister
Chief Executive
27 June 2012

Remuneration Report

Remuneration Policy

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a freeze on senior pay in respect of 2010/11 and 2011/12 pay awards, in line with the Executive's decision in Budget 2011-15 to mirror the UK Coalition Government's commitment to impose pay restraint.

The pay system in place for senior civil servants in the Northern Ireland Civil Service is currently under review.

Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in an individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the most senior officials of the Agency.

Remuneration (Audited Information)

	2011-12			2010-11		
	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)
Mr G Allister Chief Executive	85-90	-	-	85-90		-
Dr A Murray Director of Network Services.	60-65	-	-	60-65	-	-
Mrs M Glass Director of Corporate Services from 01/04/2011 to 09/01/2012.	35-40 (45-50 full year equivalent)	-	-	45-50	-	-

Mr T Deehan Acting Director of Corporate Services from 06/02/2012 to date.	5-10 (50-55 full year equivalent)	-	-	-	-	-
Mr B Cairns Director of Engineering.	60-65	-	-	60-65	-	-
Mr J White Director of Strategic Programmes.	35-40	-	-	65-70	-	-
Mr J McNeill Director of Finance.	65-70	-	-	65-70	-	-
Mr J Keanie Non-Executive Director 01/04/2009 to 31/03/2011. (Resigned with effect from 1/8/2011)	-	-	-	15-20	-	-
Band of highest paid Director's Total Remuneration	85-90			85-90		
Median Total Remuneration	25,620			24,229		
Ratio	3			4		

Salary

Salary includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. There were no bonuses paid to the above officials in 2011-12.

Pension of Senior Management (Audited Information)

Board Members	Accrued pension at age 65 as at 31/3/12 and related lump sum £'000	Real increase in pension and related lump sum at age 65 £'000	CETV at 31/03/12 £'000	CETV at 31/3/11* £'000	Real increase in CETV £'000	Employer contribution to partnership pension account (to nearest £100)
Mr G Allister Chief Executive	40-45 plus lump sum of 120-125	(0-2.5) plus lump sum of (2.5-5)	901	862	-22	-
A Murray (Dr) Director of Network Services.	25-30 plus lump sum of 50-55	(0-2.5) plus lump sum of (2.5-5)	507	465	-11	-
Mr B Cairns Director of Engineering.	25-30 plus lump sum of 85-90	(0-2.5) plus lump sum of (0-2.5)	657	648	-17	-
Mrs M Glass Director of Corporate Services 1/4/2012 to 9/1/2012.	10-15 plus lump sum of 40-45	0-2.5 plus lump sum of 2.5-5	200	152	12	-
Mr T Deehan Acting Director of Corporate Services 06/02/2012 to date.	5-10 plus lump sum of 15-20	0-2.5 plus lump sum of 0-2.5	115	-	0	-
Mr J White Director of Strategic Programmes.	33 of which 32 is in payment plus lump sum of 98 of which 97 has been paid	(0-2.5) plus lump sum of (2.5-5)	745	740	-24	-
Mr J McNeill Director of Finance.	15-20 plus lump sum of 25-30	0-2.5 plus lump sum of (0-2.5)	303	260	-1	-

*The actuarial factors used to calculate CETVs were changed in 2011/12. The CETVs at 31/3/11 and 31/3/12 have both been calculated using the new factors, for consistency. The CETV at 31/3/11 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

Northern Ireland Civil Service (NICS) Pension Arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is

2.3%. CARE pension benefits are increased annually in line with increases in the CPI. For 2012, public service pensions will be increased by 5.2 % with effect from 9 April.

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum, (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**. Further details about the Civil Service pension arrangements can be found at the website www.dfpni.gov.uk/civilservicepensions-ni

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values)(Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The actuarial factors that are used in the CETV calculation were changed during 2011, due to changes in demographic assumptions. This means that the CETV in this year's report for 31/03/11 will not be the same as the corresponding figure shown in last year's report.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office

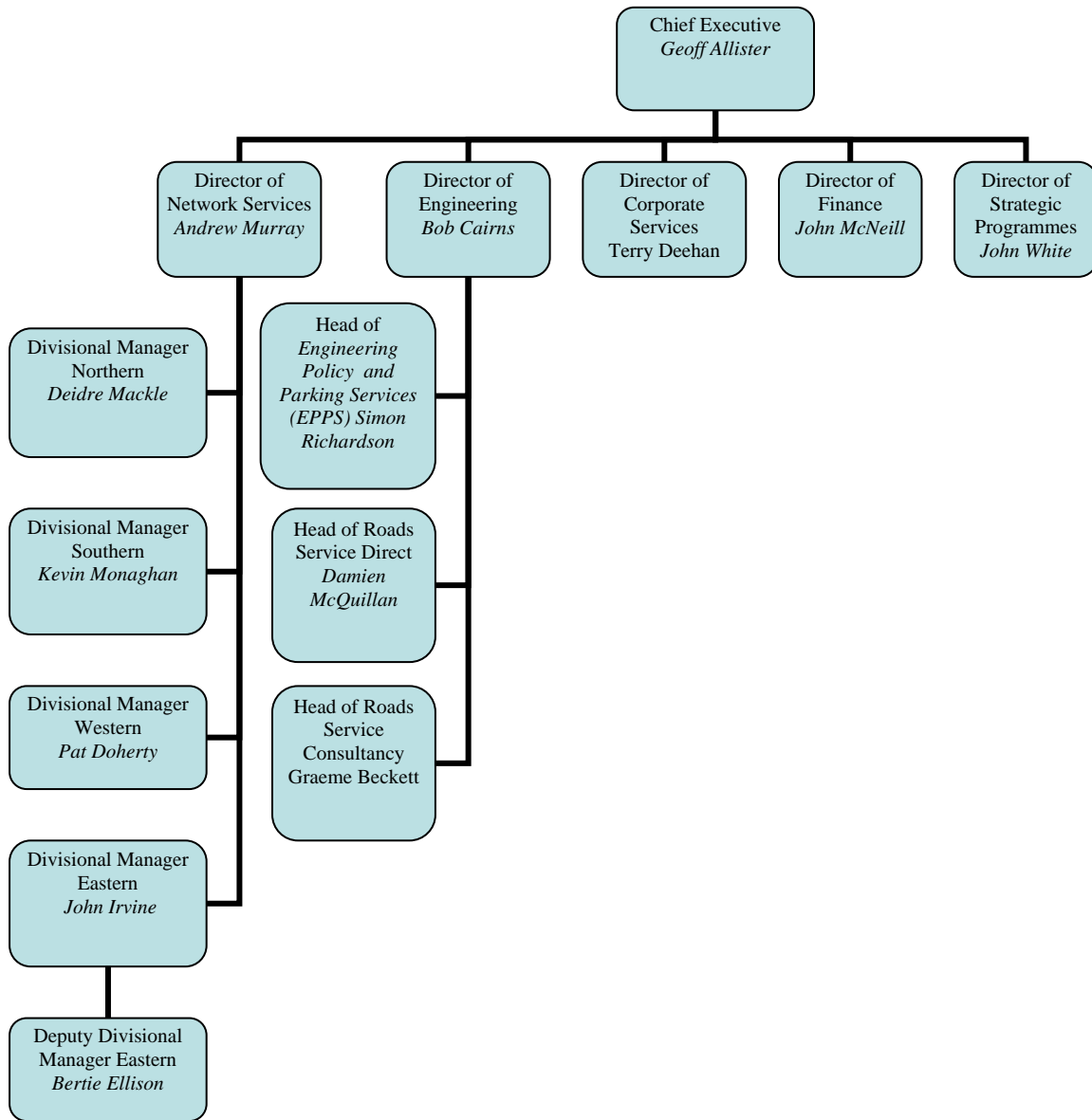
No compensation payments were made or are due to any of the senior management of Roads Service Agency under the Civil Service Compensation Scheme (Northern Ireland) in the year ending 31 March 2012.

A handwritten signature in black ink, appearing to read 'G W Allister', with a stylized flourish at the end.

G W Allister
Chief Executive
27 June 2012

Our Structure (at 31 March 2012)

Appendix 1



Headquarters
Clarence Court
10-18 Adelaide Street
Belfast
BT2 8GB
Phone: (028) 9054 0540
Text phone: (028) 9054 0022
Fax: (028) 9054 0024
Email: roads@drdni.gov.uk
Website: www.roadsni.gov.uk

Northern Division

County Hall
Castlerock Road
Coleraine BT51 3HS
Phone: (028) 7034 1300
Fax: (028) 7034 1430
Email: roads.northern@drdni.gov.uk

Divisional Roads Manager
Deidre Mackle

5 local offices at:
Antrim, Ballymena, Ballymoney,
Coleraine and
Londonderry

Eastern Division

Hydebank
4 Hospital Road
Belfast BT8 8JL
Phone: (028) 9025 3000
Fax: (028) 9025 3220
Email: roads.eastern@drdni.gov.uk

Divisional Roads Manager
John Irvine
Deputy Divisional Manager
Bertie Ellison

4 local offices at:
Corporation Street and
Airport Road (Belfast), Bangor
and Lisburn

Roads Service Consultancy

Rathkeltair House
Market Street
Downpatrick BT30 6AJ
Phone: (028) 4461 2211
Fax: (028) 4461 8188
Email: roads.consultancy@drdni.gov.uk

Head of Consultancy
Graeme Beckett

Southern Division

Marlborough House
Central Way
Craigavon BT64 1AD
Phone: (028) 3834 1144
Fax: (028) 3834 1867
Email: roads.southern@drdni.gov.uk

Divisional Roads Manager
Kevin Monaghan

5 local offices at:
Armagh,
Carn, Newry,
Newtownards and Seaforde

Western Division

County Hall
Drumragh Avenue
Omagh BT79 7AF
Phone: (028) 8225 4111
Fax: (028) 8225 4010
Email: roads.western@drdni.gov.uk

Divisional Roads Manager
Pat Doherty

5 local offices at:
Cookstown, Dungannon,
Enniskillen,
Omagh and Strabane

Roads Service Direct

County Hall
182 Galgorm Road
Ballymena BT42 1QG
Phone: (028) 2565 3333
Fax: (028) 2566 2510
Email: roads.direct@drdni.gov.uk

Head of Roads Service Direct
Damien McQuillan

Engineering Policy & Parking Services

Clarence Court

10-18 Adelaide Street

Belfast BT2 8GB

Phone: (028) 9054 0540

Fax: (028) 9054 0111

Email: roads.transportation@drdni.gov.uk

Head of Engineering Policy and Parking Services

Simon Richardson

Published Performance Targets

Appendix 2

Target	Outturn
Key Objective: Maintain the road infrastructure to keep it safe, effective and reliable	
Maintain the motorway and trunk road network so that at least 65% is in satisfactory structural condition. ⁺	Achieved 72%
Local roads to be re-surfaced at 32% of that recommended good practice treatment frequencies by March 2012. ⁺	Achieved 69%
Repair or make safe by the end of the day following the day of detection, at least 94% of serious road defects: <ul style="list-style-type: none"> • 50-100mm deep on heavily trafficked urban roads and footways; and • Over 100mm deep on all roads and footways (except lightly trafficked rural roads) 	Achieved 97%
Key Objective: Manage the road network to promote its safety and efficient operation	
By the end of March 2012 to have implemented 140 Local Transport and Safety Projects.	Achieved 168
Complete sample inspections of road openings by all utilities, covering at least 30% of the number of inspections units as set out in the NIRAUC Code of Practice for Inspection.	Achieved 31%
Key Objective: Improve the road network	
Improve the strategic road network by achieving 85% of our major works milestones.	Achieved 96%
Reduce by 50% the total number of target collisions ¹ occurring at treated sites over the 3 years following completion of the collision remedial works (schemes completed in 2007-08). ⁺	Achieved 55%

Key Objective: Ensure Roads Service is structured effectively to enable it to respond to the challenging financial environment.	
By March 2012 to have developed new organisation structures in support of the Roads Service 2012 Project	Achieved
Key objective: Deliver quality services for our customers and stakeholders in a fair and equitable way	
Respond to 90% of written enquiries from customers within 15 working days.	Achieved 96%
Inform 95% of applicants for Blue Badges of our decision within 15 working days of receipt of their valid applications.* *Excludes referral times for applications referred to GPs for comment.	Achieved 96%
Key Objective: Operative to resource limits and deliver value for money	
To monitor progress on savings delivery to ensure £11m savings achieved by 31 March 2012.	Achieved
Maintain expenditure within resource limits and to approved budgets	Achieved
Key Objective: Support and motivate all our people to achieve the Agency's objectives	
By March 2012 to reduce the average annual level of absenteeism due to sickness to not more than 7.9 days (3.5%) for industrial and non-industrial staff	Not Achieved 3.7% Performance is based on information from HR Connect and cannot be validated at this time

Targets marked ⁺ are Public Service Agreement targets

¹ A collision, the type of which is to be addressed by the remedial works