

Framework Document



November 2005

CONTENTS

FOREWORD BY THE SECRETARY OF STATE FOR TRANSPORT

1. INTRODUCTION	5
2. ROLES AND RESPONSIBILITIES	6
A. Responsibilities	6
Department wide Services	7
B. Roles	7
Secretary of State	7
Permanent Secretary	7
Highways Agency Chief Executive	8
3. AIM AND OBJECTIVES OF THE HIGHWAYS AGENCY	9
4. THE PLANNING AND PERFORMANCE FRAMEWORK	10
Corporate and Business Plans	10
Performance monitoring and reporting	10
Resource allocation	11
5. FINANCIAL ARRANGEMENTS	11
Financial Regime	11
Annual Report and Accounts	11
Financial Delegations	12
Contractual Delegations	12
Management of risks, including provisions, contingent liabilities and insurance	12
Audit Arrangements	12
Internal Audit	13
External Audit	13
Scheme Appraisal	13
6. PERSONNEL ARRANGEMENTS	14

FOREWORD BY THE SECRETARY OF STATE FOR TRANSPORT

Good transport is essential for a successful economy and society. On my behalf, the Highways Agency operates, maintains and improves the motorway and trunk road network which is vital to both freight and passenger transport.

This Framework Document sets out the Highways Agency's role and responsibilities and its relationship with Ministers and the Department for Transport.

The Highways Agency has always been in the business of delivering services but its role has been enhanced in recent years from simply that of a provider and maintainer of a road network to that of a real time network operator.

The introduction of the traffic officer service, better travel information and safety systems means that the Highways Agency now has a stronger day to day relationship with the people who either use the motorway and trunk road network or are affected by it.

The Highways Agency remains at the forefront of improvements in procurement, safety and environmental mitigation and will be applying its expertise in the delivery of much needed major improvement schemes over the coming years. The Agency continues to have an important role in delivering Government objectives on safety and the environment.

In all of this work, it will be important for the Agency to have a clear focus on customer service.



Rt Hon Alistair Darling MP
Secretary of State for Transport
November 2005

1 INTRODUCTION

- 1.1** The Highways Agency is an executive agency of the Department for Transport, working to support delivery of the outcomes sought by the Secretary of State for Transport, in accordance with his priorities, in respect of the stewardship and operation of the motorway and trunk road network in England (the “strategic road network”).
- 1.2** The network comprises various types of road from motorways to single carriageway roads. It provides a vital service to commerce, industry and the lives of individuals and communities.
- 1.3** Up to date details of the Highways Agency’s size, location and resources are set out annually in the Agency’s business plan.
- 1.4** This document sets out the roles and responsibilities of:
- the Highways Agency (“the Agency”), including the Chief Executive;
 - the Department for Transport (“the Department”), including the Secretary of State and Permanent Secretary, and
- the framework within which they operate.
- It sets out the governance of the relationship between the Department and the Agency.
- References to “he” throughout this document should be taken as “he or she” as the case applies.
- 1.5** This document replaces the previous Framework Document dated July 1999.
- 1.6** This Framework Document will be reviewed formally by the Department, in consultation with the Agency, within five years of publication. However, amendments may be proposed by the Department or the Agency at any time.
- 1.7** Copies of this Framework Document and of any subsequent amendments will be published and placed in the libraries of both Houses of Parliament.

2 ROLES AND RESPONSIBILITIES

A. Responsibilities

- 2.1** The Highways Agency, on behalf of the Secretary of State, is responsible for:
- (i)** operation and stewardship of the strategic road network, including day to day and whole-life maintenance;
 - (ii)** managing traffic, tackling congestion, providing information to road users and improving safety and journey reliability on the strategic road network;
 - (iii)** delivering a programme agreed with the Secretary of State for additions and enhancements to the strategic road network;
 - (iv)** acquiring, managing and disposing of land and property and paying compensation in relation to schemes on the strategic road network;
 - (v)** supporting the delivery of the Government's objectives in relation to sustainable development and exercising the Secretary of State's policy in respect of informing and influencing the pattern of new development through the planning system, and responding to specific development proposals, in respect of the potential impact on the capability of the strategic road network;
 - (vi)** identifying, responding to the Secretary of State's proposals for, and delivering trials or wider application of, approaches new to the UK for the efficient discharge of its responsibilities and achievement of the Government's objectives;
 - (vii)** informing and influencing the development of the Secretary of State's policies for the strategic road network, including identifying and advising on the case and options for:
 - additions and enhancements to that network including the provision of advice to regional partners,
 - changes and improvements to the operation of the network, and
 - the transfer of sections of the network to other highway authorities;
 - (viii)** promoting efficiency and effectiveness in the procurement and delivery of public services through engagement with other organisations whose business involves interfaces with the strategic road network, including other highway authorities, Government Offices, and local and regional planning bodies;
 - (ix)** providing professional highways engineering advice to and on behalf of the Secretary of State, and promoting best practice by the sharing and promulgation of best highway management practice to other highway authorities;
 - (x)** developing, publishing, reviewing and maintaining engineering and other standards in concert with the office of the Scottish Executive, the Welsh Assembly Government and the Department of the Environment in Northern Ireland, or any successor bodies;
 - (xi)** carrying out a programme of research and development aimed at supporting delivery of the aims and objectives of the Agency, in consultation with the Department's research programme managers to ensure programmes complement each other; and
 - (xii)** representing the Government's interests on relevant international technical committees where appropriate and recognising export opportunities for the UK.

2 ROLES AND RESPONSIBILITIES (CONT)

2.2 The following responsibilities have been retained by the Secretary of State:

- (i) overall Government policy on roads in England;
- (ii) the addition of roads to, or the removal of roads from, the strategic road network;
- (iii) decisions on schemes¹ and the approval of scheme briefs, for additional capacity or other major enhancements to the strategic road network;
- (iv) decisions following public inquiries into orders relating to the strategic road network;
- (v) policy on road user charging;
- (vi) policy on the development of the use of private finance for roads; and
- (vii) the methodology to be used in the appraisal of improvements to the strategic road network.

Department-wide Services

2.3 The Agency will have access to legal and other common services provided by the Department. These will be supported by service level agreements where appropriate.

2.4 The Agency will collaborate with the Department to facilitate organisational change in so far as it affects the Agency.

2.5 The Agency will collaborate with other executive agencies of the Department in the planning and delivery of services.

B. Roles

The Secretary of State

2.6 The Secretary of State is responsible for the policy framework within which the Agency operates. Specifically, he is responsible for:

- (i) setting the aim and objectives of the Agency;
- (ii) with the approval of the Prime Minister, appointing the Chief Executive of the Agency;
- (iii) setting key performance indicators and targets for the Agency;
- (iv) approving the Agency's Corporate and Business Plans;
- (v) determining the level of resources to be made available to the Agency, including the broad split between the main programmes;
- (vi) determining which individual major road schemes will be included in the programme and approving scheme briefs; and
- (vii) approving revisions to the Framework Document and clearing these with Treasury ministers.

Permanent Secretary

2.7 The Permanent Secretary is the Department's Principal Accounting Officer and the principal adviser to the Secretary of State on matters affecting the Department as a whole, including questions of allocation of resources, expenditure and finance. The Permanent Secretary is responsible for the management of the whole Department and is accountable to Parliament for its effectiveness and efficiency.

¹ The cost threshold for these schemes is set by the Secretary of State and is currently £5m.

2 ROLES AND RESPONSIBILITIES (CONT)

- 2.8** The Permanent Secretary will advise the Secretary of State on the appointment and performance of the Chief Executive.
- 2.9** The Permanent Secretary will both challenge the performance of the Chief Executive and support and facilitate his work in meeting his objectives and key targets². In particular he will:
- (i)** quality assure the Agency's corporate and business plans prior to their submission to the Secretary of State for approval, and hold the Chief Executive accountable for the performance of the Agency against its targets;
 - (ii)** ensure that the relationship between the Agency and the Department works effectively and efficiently by ensuring that the Agency is consulted about all matters, including policy proposals, having a bearing on it, and that the Chief Executive and staff have appropriate access to Ministers to facilitate the efficient conduct of business; and
 - (iii)** ensure the establishment of such further arrangements as are needed to support this Framework Document.

Highways Agency Chief Executive

- 2.10** The Chief Executive is responsible for the day to day management of the Agency and is accountable to the Secretary of State and the Department's Principal Accounting Officer for its performance and the effective and efficient delivery and discharge of the services and responsibilities assigned to it. The Chief Executive is also responsible for ensuring compliance with Government policies and procedures.
- 2.11** The Chief Executive is a member of the Department's board and, as such, shares corporate responsibility for the overall management of the Department.
- 2.12** The Chief Executive is appointed Accounting Officer for the Agency by the Permanent Secretary with responsibility for the resources voted by Parliament for the Department and allocated to the Agency by the Secretary of State. As detailed in his letter of appointment as Agency Accounting Officer, the Chief Executive is responsible for ensuring that the requirements of Government Accounting and the Resource Accounting Manual are met and that proper procedures are followed for securing the regularity and propriety of the public funds voted by Parliament and allocated to the Agency by the Secretary of State, and for achieving value for money.
- 2.13** The Chief Executive may be invited to appear before the Public Accounts Committee to account for the discharge of responsibilities falling to the Chief Executive under the terms of this Framework Document.
- 2.14** The Chief Executive will normally be asked to represent the Secretary of State and answer for the Secretary of State at hearings of Parliamentary Committees when operational matters concerning the Agency are discussed.
- 2.15** The Chief Executive is responsible for observing any general guidance issued by the Treasury and Cabinet Office and implementing recommendations of the Public Accounts Committee or other Parliamentary Select Committees if they are accepted by the Government.

² In fulfilling this role, the Permanent Secretary is supported by the Director, Roads Performance and Strategy and by the staff of the Roads Performance Division, who will liaise with the Agency on the development and production of relevant documents and information, taking the role of departmental "sponsor" of the Agency.

2 ROLES AND RESPONSIBILITIES (CONT)

- 2.16** The Chief Executive is responsible for ensuring that effective procedures for handling complaints about the Agency are established and published and for replying to complaints personally if they cannot be satisfactorily resolved by other means. The Agency is subject to the jurisdiction of the Parliamentary Commissioner for Administration and the Permanent Secretary, as the Principal Officer of the Department, will delegate to the Chief Executive responsibility for replying on any matters concerning the Agency.
- 2.17** The Chief Executive is responsible for ensuring that the Agency provides all such support in terms of advice on correspondence and briefing as Ministers may require.

3 AIM AND OBJECTIVES OF THE HIGHWAYS AGENCY

Aim

- 3.1** The aim of the Highways Agency is:
“safe roads, reliable journeys, informed travellers”.

Objectives

- 3.2** The key objectives of the Agency and associated targets are set out annually in its business plan.
- 3.3** The prime objective as set out in the 2005-06 business plan is to deliver a high quality service to our customers by:
- Reducing congestion and improving reliability
 - Improving road safety
 - Respecting the environment
 - Seeking and responding to feedback from our customers.
- 3.4** The Agency’s enabling objectives are to:
- Ensure more effective delivery through better working relationships
 - Implement best practice and innovative solutions to improve service now and in the future
 - Be a good employer
 - Be an efficient Agency with effective business processes and resource management systems.
- 3.5** The Agency’s key performance indicators and targets are set out annually in the business plan and include the Agency’s contribution to the delivery of the Department’s targets, particularly in relation to:
- Congestion
 - Safety
 - Air quality.

4 THE PLANNING AND PERFORMANCE FRAMEWORK

Corporate and Business Plans

- 4.1 The Agency's key planning documents are its corporate and business plans.
- 4.2 The Agency will submit a corporate plan setting out its overall direction and an agreed planning framework for a period of at least three years to support delivery of the outcomes sought by the Secretary of State. Its content will be agreed between the Agency and the Permanent Secretary before being submitted to the Secretary of State for approval.
- 4.3 Each year the Agency will submit a business plan to a timetable agreed with the Permanent Secretary. The Permanent Secretary will advise the Secretary of State on the plan, particularly on the degree of ambition and efficiency reflected by the proposed targets and their consistency with available funds. The business plan will focus on the forthcoming financial year, and will also indicate provisional plans for the ensuing years, consistent with the Government's Spending Review process. It will include:
- (i) the Agency's objectives and agreed performance indicators and targets, showing how they contribute to delivery of the Department's objectives;
 - (ii) the Agency's strategy to meet its performance targets;
 - (iii) the programmes and resource requirements for each main area of activity, explaining how those activities link to the meeting of objectives and targets;
 - (iv) a statement of risk management and mitigation;
 - (v) the Agency's enabling objectives and values, including plans to improve the efficiency and effectiveness with which it discharges its responsibilities;
 - (vi) information on the trends and assumptions on which the plan is based.
- 4.4 The corporate and business plans will be published.

Performance monitoring and reporting

- 4.5 The Chief Executive is responsible for reporting to the Department in-year as follows:

Routine

- regular reporting to the Roads Minister, in a form approved by the Minister;
- regular reporting to the Department's board on progress and risks, in the form agreed by the board in its role supporting the Permanent Secretary; and
- such other regular reporting as may be decided by the Department's board.

By exception

- reporting to the Permanent Secretary:
 - (i) any issue that raises significant reputational risks for the Agency or the Department, including anything which is novel or potentially contentious, on a "no surprises" basis.
 - (ii) issues relating to financial control, as detailed in Section 5 below.

4 THE PLANNING AND PERFORMANCE FRAMEWORK (cont)

- 4.6** The Agency will report its outturn performance against its business plan targets in its Annual Report and Accounts (see section 5.2 below).
- 4.7** The Chief Executive is responsible for ensuring that the Department's policies and practices for the appraisal and approval of investments are followed.
- 4.8** The Chief Executive is responsible for ensuring that an appropriate and active risk management framework is in place within the Agency:
- (i)** providing leadership on risk management, including setting a "no surprises" culture; and
 - (ii)** escalating to the Department's board or Executive Committee, at an early stage, those risks identified with a potential corporate impact to the Department.

Resource allocation

- 4.9** The Secretary of State will determine the level of resources to be made available to the Agency.
- 4.10** The Secretary of State may make adjustments to the Agency's programmes and budgets as appropriate in accordance with any significant changes or developments in his priorities.

5 FINANCIAL ARRANGEMENTS

Financial Regime

- 5.1** The Agency is subject to public expenditure controls, including Supply Estimates and the Government public expenditure planning arrangements in force. Its expenditure forms part of the Departmental Expenditure Limit (DEL) and administration cost limit. Decisions on allocations to the Agency rest with the Secretary of State on advice from the Principal Accounting Officer. The Chief Executive is responsible for Agency expenditure. The Chief Executive must ensure that the requirements of Government Accounting and the Resource Accounting Manual are met and that any recommendations of the Public Accounts Committee, other Parliamentary Select Committees or other Parliamentary authority accepted by Government are put into effect..

Annual Report and Accounts

- 5.2** The Chief Executive will prepare and publish each year an Annual Report and Accounts in accordance with the guidance and accounting policy set out by the Cabinet Office and Treasury. That report will be agreed with the Permanent Secretary, prior to Ministerial clearance.
- 5.3** The report and accounts will set out the Agency's performance related to the objectives, forecasts and targets published in that year's business plan. The accounts will be audited by the Comptroller and Auditor General, and will be published and laid before both Houses of Parliament.
- 5.4** The Chief Executive is responsible for ensuring that the Agency's management information and accounting systems allow for detailed and effective control over its use of resources. The accounting system will permit verification of the accounts by the Comptroller and Auditor General and the Agency will maintain the necessary interfaces with the Department's financial and accounting systems.

5 FINANCIAL ARRANGEMENTS (cont)

Financial delegations

- 5.5** The Permanent Secretary will issue annual financial allocations to the Agency, covering the forthcoming year and future years consistent with spending reviews, before the start of each financial year, which will include details of the freedoms and flexibilities available to the Chief Executive to redeploy resources between programmes. Budgeting and financial control regimes will be agreed for the same period.
- 5.6** All losses and special payments are subject to separate limits set by the Treasury. These include losses due to fraud, and extra-contractual, ex-gratia and compensation payments. A full list of definitions can be found in Chapter 18 of Government Accounting. The delegated authorities for the Highways Agency in respect of losses and special payments are the subject of detailed agreements between the Department and the Treasury and will be reviewed as appropriate.
- 5.7** The Principal Accounting Officer has the ultimate responsibility for ensuring that the Department and the Agency have in place effective financial management systems and procedures, and that the operation of those systems and procedures is consistent with the requirements of regularity, propriety and the economic and efficient conduct of business, including the sharing of information on commitments and changes to budgets. The Chief Executive will provide annual assurance to the Principal Accounting Officer as required by Treasury.

Contractual Delegations

- 5.8** The Chief Executive will establish appropriate policies and practices for the Agency's purchasing arrangements, in accordance with Departmental and Treasury guidelines, and will ensure that instructions are promulgated to all staff. The Chief Executive has unlimited delegated authority for competitive procurement and authority for single tender action limited only by the Treasury's overall delegation to Departments. The Chief Executive may authorise contractual sub-delegations to staff within the Agency.

The Management of Risks, including provisions, contingent liabilities and insurance

- 5.9** The Agency's financial risks, including public and employer liability, are carried in line with Government policy on insurance. The Chief Executive will keep the Permanent Secretary informed of the level of risks in the Agency and the consequence for the Agency's provisions and contingent liabilities, including where possible an assessment of their values.

Audit Arrangements

- 5.10** The Chief Executive will maintain an internal audit function for the Agency and direct its work. The Chief Executive will be supported by an Audit Committee established as a committee of the Agency's board in accordance with Government Accounting and Cabinet Office and Treasury guidance. The Audit Committee will be chaired by a non-executive member of the Agency's board and will approve the internal audit programme and consider the issues arising from the auditors' work.

5 FINANCIAL ARRANGEMENTS (cont)

Internal Audit

- 5.11** The Chief Executive will establish and maintain arrangements for internal audit in accordance with the objectives, standards, scope and practices set out in Treasury guidance and manuals and operate within the Department's Group Audit Assurance framework.
- 5.12** The Department's Group Head of Internal Audit will attend the Agency's Audit Committee meetings.
- 5.13** The Department's Internal Audit will not undertake audit work within the Agency unless specifically requested to do so by the Chief Executive or exceptionally by the Principal Accounting Officer after consultation with the Chief Executive.
- 5.14** The Department's Internal Audit will carry out periodic checks to confirm that the internal audit arrangements established in the Agency meet the required standard and will report on these as appropriate to the Chief Executive and to the Principal Accounting Officer.
- 5.15** The Department's Internal Audit will agree any other reporting requirements with the Chief Executive and the Principal Accounting Officer.

External Audit

- 5.16** The Comptroller and Auditor General will:
- audit the Agency's expenditure and receipts;
 - examine their regularity and propriety; and
 - lay the accounts before Parliament.

In addition, the Comptroller and Auditor General will have access to the books and records of the Agency in order to follow up any concerns over matters of regularity and propriety and to carry out examinations into economy, efficiency and effectiveness with which the Agency has used its resources in discharging its functions.

Scheme Appraisal

- 5.17** The Agency will provide the Department with such information as it requires for the audit of scheme appraisals or the evaluation of pilot projects.

6 PERSONNEL ARRANGEMENTS

- 6.1** Staff of the Agency are employees in the service of the Crown, working for the Agency as part of the Department. Staff are employed on the terms and conditions of service that apply within the Agency. Staff are covered by the provisions of the Principal Civil Service Pension Scheme, unless they opt not to be so.
- 6.2** The Chief Executive is appointed by the Secretary of State, under the code of practice for ministerial appointments to public bodies. The Chief Executive is a civil servant and subject to the Civil Service Code. The appointment may be renewed.
- 6.3** The Secretary of State has responsibility for the pay and grading arrangements of Agency staff outside of the Senior Civil Service. The Chief Executive exercises that responsibility on the Secretary of State's behalf in accordance with Government public sector pay policy and within any limits set by the Secretary of State. The Agency conducts its own pay negotiations with its recognised trade unions.
- 6.4** The Permanent Secretary has responsibility for the personnel management of the Agency's Senior Civil Servants within the broad framework set out by the Cabinet Office. In exercising that responsibility the Permanent Secretary consults the Chief Executive and may delegate certain responsibilities to the Chief Executive by agreement, including the management of internal transfers within the Senior Civil Service.
- 6.5** The Chief Executive is responsible for the personnel management of all Agency staff, other than those within the Senior Civil Service, and except for those matters where responsibility remains with the Cabinet Office.
- 6.6** The Chief Executive is responsible for the recruitment of Agency staff, except for those grades specified in the Civil Service Order in Council 1991, for which any recruitment will be through the Civil Service Commissioners. Recruitment and promotion are on merit. Agency staff will be eligible for promotion and lateral transfer to posts elsewhere in the Department and vice versa.
- 6.7** The Chief Executive is responsible for employee relations within the Agency, including the equal and fair treatment of all its staff and of all applicants for employment. The Agency will continue to attach importance to consultation with staff and their recognised trade union representatives; to the need to make full use of the skills and talents of staff; and to provide staff with opportunities to contribute to decisions affecting their jobs and careers. Consultative arrangements with recognised trade unions are maintained through the Whitley system.
- 6.8** The Agency is committed to ensuring the equal and fair treatment of all its staff and of all applicants for employment. In addition, the Chief Executive is responsible for ensuring that the Agency's equal opportunities and diversity policies are actively promoted and meet statutory and departmental requirements.
- 6.9** The Chief Executive is responsible for the effective security of Agency staff, and for the security of the organisation's intellectual and physical assets. In exercising this responsibility the Chief Executive acts within a framework agreed with the Department. The Chief Executive is also responsible for the health, safety and welfare of Agency staff and for meeting statutory and departmental requirements.



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