Connecting the country through Designated Funds

Environment fund plan
Foreword

In the Road Investment Strategy government made available £675m of ring-fenced designated funds to help improve the surroundings of our strategic road network (SRN), the motorways and major A roads in England, in a way that supports and protects people and the things we value for quality of life, both now and in the future.

We have five designated funds:
- Air quality
- Cycling, safety and integration
- Environment
- Growth and housing
- Innovation.

Each fund has its own fund plan setting out what it will achieve, how it will deliver Highways England’s goals and the criteria for funding.

We’re already creating value through funds, but we have much more to do. By working together, we can continue to deliver environmental, social and economic benefits to those who use, live or work on or near our strategic road network.

We’re here to help turn your idea into action. I encourage you to get in touch with the designated funds programme team today via email at designatedfundscheme@highwaysengland.co.uk.

Vinita Hill
Director, Designated Funds
October 2018
**Topics:** The fund covers seven sub-topics:

- **Biodiversity**
  Work together to enhance the biodiversity value of our estate and areas of wildlife value where our operations have left a long-term impact.

- **Cultural heritage**
  Conserve and enhance the setting and condition of cultural heritage and historic features with a relationship to the network.

- **Flooding and water quality**
  Improve resilience to flooding and reducing flooding risks. Improve water quality through better environmental protection.

- **Landscape**
  Improve the quality of the landscape to better integrate the network into its surroundings and to take opportunities reduce the visual impact of our network on our neighbours.

- **Legacy**
  Activities and initiatives that support better design, enhanced environmental outcomes and contribute to an improved quality of life for those living near our network.

- **Noise**
  Reduce the noise impact created by the network to mitigate noise at 1,150 of approximately 2,500 noise important areas (NIAs).

**Fund:** Environment Designated Fund (EDF).

**Purpose:** Make our strategic road network (SRN) work more harmoniously with its surroundings to deliver an improved environment.

**Total fund allocation:** £225m of ring-fenced investment for delivering environmental improvements that go over and above the traditional focus of road investment. A further £100m is ring-fenced for air quality interventions, which is managed separately.

**Start date:** Our Environment Designated Fund was defined in our Road Investment Strategy 2015-2020 (RIS1).

**At a glance**

**Strategic links:** The Environment Designated Fund supports the Highways England strategic outcome of an improved environment and delivers interventions which support the Delivery Plan, Environmental Strategy and Biodiversity Action Plans.

**Progress to date (September 2018):**
- 422 noise important areas through the Noise Insulation Scheme
- 29 landscape improvements
- 17 LED lighting conversion projects
- 17 biodiversity improvements
- 7 flooding mitigations
Introduction

We are committed to making our strategic road network (SRN) work more harmoniously with its surroundings to deliver an improved environment.

Our purpose
The Environment Designated Fund supports the Highways England strategic outcome of an improved environment and delivers interventions which support the delivery plan, environmental strategy and biodiversity action plan.

Improving our environment
We have delivered some real improvements over the last 3 years, working with our partners and project teams. We are increasing biodiversity and preserving attractive landscape; enhancing human and environmental health with clean water; protecting historic assets and reducing the risk of flooding on or near our network.

Looking to the future
This year (2018-19) we will deliver 66 landscape and 61 biodiversity projects, 16 flooding and 15 water quality projects, 18 projects to reduce our carbon footprint and 5 noise barrier locations. We also plan to mitigate 300 noise impact areas with insulation solutions. And we will continue to enact conservation measures at those identified heritage assets most at risk, by the end of Road Period 1.

Planning for RIS2 is also underway, where efforts to make environmental improvements and reduce our impact will shape the future of our network.

We welcome proposals from internal and external partners. We’ll prioritise investment in things that can support the delivery of Road Period 1 schemes and those things that provide evaluation and investment in innovative solutions that offer the possibility of benefits in the longer term.

Mike Whitehead
Environment Designated Fund Lead

Connecting to the strategic ambition

Improving the environment is a key theme that runs throughout Highways England. Here’s how our Environmental Designated Fund (EDF) aligns with our strategic ambitions.

Road investment strategy
The EDF aligns with the RIS1 goals until 2020. Specific goals for environmental impacts and enhancements include:

- Advances in environmental mitigation measures
- Partnership with environmental bodies
- Redesigning or replacing parts of the network built when environmental issues were poorly understood
- Working with partners to take action to reduce noise and carbon, improve water and air quality, and improve the network’s impact on nearby landscapes, cultural heritage sites and biodiversity

- Delivering better environmental outcomes, including the mitigation of at least 1,150 noise important areas throughout Road Period 1 and demonstrating how it is reducing the net loss of biodiversity.

Our EDF also contributes to the strategic vision within the RIS for 2040, which includes:

- Over 90% fewer people impacted by noise from SRN
- Zero breaches of air quality regulations and major reductions in carbon emissions across the network
- Improved environmental outcomes, including net gain in biodiversity from Highways England activities.
Environmental strategy
The Highways England Environment Strategy was published in 2017. It sets out our environmental vision to 2040 and identifies 6 strategic levers to achieve the environmental vision of Highways England:

- Leadership and culture
- Health, safety and wellbeing
- Engaging stakeholders
- Design quality
- Asset knowledge
- Appraisal, evaluation and performance.

EDF projects will support delivery against all aspects of the environmental strategy and implementation of the strategic levers.

Delivery plan
The Highways England RIS1 delivery plan sets out in detail how we will deliver our strategic outcomes and how we will measure success.

The delivery plan also sets out how we are going to deliver our environmental key performance indicators (KPIs) and contribute towards performance indicators (PIs), as well as deliver improved environmental performance of the network.

The table below shows how each sub-topic of the EDF aligns to the delivery plan:

<table>
<thead>
<tr>
<th>Topic area</th>
<th>Key focus within the Highways England delivery plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noise</td>
<td>Mitigation of 1,150 Noise Important Areas through:</td>
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<tr>
<td></td>
<td>- Delivery of network modernisation eg road surfacing to reduce noise</td>
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<td></td>
<td>- Delivery of low noise surfacing</td>
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<td></td>
<td>- Delivery of stand-alone noise mitigation measures (eg noise barriers or insulation).</td>
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<tr>
<td></td>
<td>- Feasibility assessment of low-noise surfaces</td>
</tr>
<tr>
<td>Carbon</td>
<td>Reducing Highways England’s carbon footprint and working with suppliers to reduce emissions from network related activities.</td>
</tr>
<tr>
<td></td>
<td>Key focus of the plan includes:</td>
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<tr>
<td></td>
<td>- Feasibility of introducing a mixed fleet of ultra-low-emission vehicles (ULEV) for Traffic Officers</td>
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<tr>
<td></td>
<td>- Feasibility of solar panel provision on surplus land on Highways England estate</td>
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<td></td>
<td>- Develop a programme to support update of ULEVs through provision of rapid vehicle charging points.</td>
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<tr>
<td></td>
<td>- Upgrades to the Highways England depot network to reduce carbon usage.</td>
</tr>
<tr>
<td></td>
<td>- Upgrades to the lighting on motorways and in traffic signals to LED bulbs.</td>
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<tr>
<td>Flooding and water quality</td>
<td>Improve resilience to flooding and reduce flood risk to communities adjacent to the network</td>
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<tr>
<td></td>
<td>- Work with the Environment Agency to identify opportunities to deliver wider environmental benefits in partnership with other land-owners and communities.</td>
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<td></td>
<td>- Improve water quality through better environmental protection and specifically improve surface and groundwater quality by addressing priority locations of known pollution</td>
</tr>
<tr>
<td>Topic area</td>
<td>Key focus within the Highways England delivery plan</td>
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</tr>
<tr>
<td><strong>Landscape</strong></td>
<td>- Address existing environmental problems and specifically reduce visual intrusions to our neighbours</td>
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<td></td>
<td>- Amend the design of our roads where appropriate to better address national, regional and local priorities</td>
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<td></td>
<td>- Promote schemes that are better integrated with the surrounding environment at a landscape scale, in line with National Character Area profiles</td>
</tr>
<tr>
<td><strong>Cultural heritage</strong></td>
<td>- Review and confirm the at risk and unvalidated condition status for assets identified in the Department for Transport Historic Buildings Annual Report, and identify a programme of future interventions</td>
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<tr>
<td></td>
<td>- Enact conservation measures at those identified heritage assets most at risk by the end of RIS 1</td>
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<tr>
<td></td>
<td>- Review the influence of the network on the setting and condition of the historic environment with a relationship to the network, identify and deliver enhancement opportunities</td>
</tr>
<tr>
<td><strong>Biodiversity</strong></td>
<td>- Delivery of improved biodiversity as set out in Highways England’s biodiversity action plan:</td>
</tr>
<tr>
<td></td>
<td>- Review opportunities for specific measures to contribute to a coherent and resilient ecological network by enabling species to move between core areas</td>
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<tr>
<td></td>
<td>- Review opportunities for contributing to restoration areas such as NIA s</td>
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<tr>
<td></td>
<td>- Review opportunities for contributing to SSSIs or core areas of high nature conservation value</td>
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<tr>
<td></td>
<td>- Increase the amount of species rich grassland present on our network to 3,500 hectares by the end of 2021</td>
</tr>
<tr>
<td><strong>Legacy</strong></td>
<td>- Go beyond our standard design methods to deliver environmental benefits that would not normally be incorporated in highway projects</td>
</tr>
</tbody>
</table>

**Biodiversity action plan**

The Highways England biodiversity action plan was published in 2015. It sets out how we plan to protect and increase biodiversity on the SRN. The expectation is for us to deliver:

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome 1: Ourselves and our suppliers are equipped to produce good biodiversity performance</td>
<td></td>
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<tr>
<td>Outcome 2: We manage the SRN in a way that supports biodiversity</td>
<td></td>
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<tr>
<td>Outcome 3: We deliver biodiversity enhancements while implementing a capital programme of network improvement</td>
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<tr>
<td>Outcome 4: We address the legacy of biodiversity problems on our network via a targeted programme of investment</td>
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<tr>
<td>Outcome 5: We are fully transparent about our biodiversity performance</td>
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</tbody>
</table>

The biodiversity action plan also sets out the following outcomes which provide a context to delivering biodiversity improvements on the SRN:

- Landscape scale biodiversity projects
- New projects which enhance biodiversity value of land and therefore reduce impacts
- An increased number of SSSIs which are in favourable or recovering condition
- Managed woodland areas that are meeting their intended purpose: landscape screening, connectivity or biodiversity
- Grassland areas that are managed appropriately with litter and debris removed
- 3500 hectares of grassland rich in wildflower species and therefore supporting a wide range of pollinating insects

The biodiversity action plan also sets out the following outcomes which provide a context to delivering biodiversity improvements on the SRN:
## Fund objectives

<table>
<thead>
<tr>
<th>Topic area</th>
<th>Objectives</th>
<th>Link with wider strategic Highways England objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noise</td>
<td>Reduce the noise impact of the strategic road network (SRN) on those people most affected.</td>
<td>- RIS1 KPI – Number of noise important areas mitigated&lt;br&gt;- Interventions to support the RIS 1 delivery plan&lt;br&gt;- RIS strategic vision for 90% less people impacted by noise from the SRN by 2040</td>
</tr>
<tr>
<td>Carbon</td>
<td>Reduce the carbon footprint of the SRN and Highways England (comprising Highways England direct emissions, the network, our suppliers and users of the network).</td>
<td>- RIS strategic vision sets out a vision for major reductions in carbon emissions by 2040&lt;br&gt;- Interventions to support the RIS 1 delivery plan</td>
</tr>
<tr>
<td>Flooding and water quality</td>
<td>Improve resilience of the SRN to flooding and reducing flood risk to communities adjacent to the network. Improve water quality through better environmental protection to receiving waterbodies, specifically improve surface and groundwater quality.</td>
<td>- RIS 1 PI - The number of flooding hotspots and culverts (high risk and very high risk) mitigated&lt;br&gt;- Interventions to support the RIS 1 delivery plan&lt;br&gt;- RIS 1 PI - The number of outfalls and soakaways (high risk and very high risk) mitigated&lt;br&gt;- Interventions to support the RIS 1 delivery plan</td>
</tr>
<tr>
<td>Landscape</td>
<td>Improve landscape character and quality to address existing environmental problems on the SRN, where feasibly possible, and specifically reduce visual intrusion to adjacent residents and communities.</td>
<td>- Interventions to support the RIS 1 delivery plan</td>
</tr>
<tr>
<td>Cultural heritage</td>
<td>Reduce the impact of the network on the historic environment. Conserve and enhance the setting (and condition) of cultural heritage and historic features either within Highways England ownership or in proximity to the SRN.</td>
<td>- Interventions to support the RIS 1 delivery plan&lt;br&gt;- Complying with the requirements of the Protocol for the Care of the Government Historic Estate</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>Deliver (where relevant) the actions contained within Highways England’s biodiversity action plan. Work with other sectors within Highways England and external stakeholders to enhance the biodiversity value of land owned or managed by Highways England, and those areas of wildlife value where our operations have left a long term detrimental legacy.</td>
<td>- RIS 1 KPI – Delivery of improved biodiversity as set out in the company’s biodiversity action plan&lt;br&gt;- By 2020, Highways England must halt the loss of biodiversity, and that by 2040 it must deliver a net gain in biodiversity&lt;br&gt;- Interventions to support the RIS 1 delivery plan</td>
</tr>
<tr>
<td>Legacy</td>
<td>The objective of legacy is deliberately broad and identifies contributory benefits that extend beyond Highways England’s standard remit in operating and maintaining the trunk road and motorway network.</td>
<td>- Interventions to support the RIS 1 delivery plan</td>
</tr>
</tbody>
</table>
Funding criteria

Key principles
We will assess your proposal for funding against these key principles. Your proposal must:

- Demonstrate it is an activity deemed beyond business as usual and adds value to our schemes
- Align with one or more of the seven topics and should clearly identify the primary environmental benefit being addressed
- Be a capital scheme leading to environmental improvement on the ground. Higher priority will be given to schemes that contribute directly towards Highways England’s KPIs and Performance Indicators
- Be on the Highways England estate or have a clear relationship with it
- Clearly demonstrate that any proposal relating to our estate and/or any additional land can be secured by agreement
- Be deliverable by the end of 2020 or 2021
- Result in a measurable improvement in the network’s environmental performance and be clear how these benefits are going to be monitoring post-delivery
- Maximise opportunities for joint funding or partnership
- Demonstrate value for money

Exceptional considerations
We will consider other criteria, which our environment fund lead and/or regional environmental advisors will approve.

- Accelerated delivery of recognised business as usual activities in support of company environmental performance indicators or targets
- Delivery of projects that include activities that are both beyond business as usual and business as usual activities. In some exceptional cases some routine maintenance activities may be essential to support the delivery of an EDF proposal eg scrub clearance, jetting of drains but have not been prioritised on its own for funding under the maintenance/renewals programme. In such cases EDF funding is available where it is demonstrated a significant proportion of the costs ie 70% of the scheme costs are for defined improvements that are beyond business as usual
- Project submissions where a clearly defined environmental impact/ enhancement have been demonstrated for the SRN but which doesn’t fit some of the standard criteria set out above. The fund lead will consider the merits on a case by case basis
Partnership proposals
We welcome proposals from our partners that:

- Align with one or more of the topic areas identified in the table
- Are a capital project leading to environmental improvement on the ground. We will not fund other types of project, eg IT related projects or for provision of staff
- Require capital works that are on our estate, or have a relationship with our estate. While this would usually involve a physical connection to our estate, this wouldn’t necessarily be the case if a project was aimed at mitigating impact from or onto the SRN, i.e. projects can be located on land off our estate
- Result in a measurable improvement in the environmental performance of the SRN
- Demonstrate value for money

Partners in proposals will need to show some funding or benefit provided by the third party to delivery mutual, greater or improved outcomes.

For example:
- Part-funding of project
- Provision of labour
- Expertise
- Land to complete the project
- Future maintenance of the improvement

Funding goals
You’ll need to meet at least one of the key criteria for the EDF sub-topic which is the primary benefit of the scheme and comply with all the key principles. We welcome proposals from both internal and external bodies.

<table>
<thead>
<tr>
<th>Topic area</th>
<th>Funding criteria for potential projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noise</td>
<td>- Schemes must be along those sections of the SRN where properties are exposed to the highest noise levels, within NIAs (Noise Important Areas) as identified through work carried out under the Environmental Noise Directive (2002/49/EC) - Schemes must provide the outcome for each important area as set out within EnviS, an online map. This data is also held on the noise database which is distributed to the regional intelligence units</td>
</tr>
<tr>
<td>Carbon</td>
<td>- Ultra-low emission vehicles (ULEVs) for the Traffic Officer Service - Solar farms on surplus land or suitable nearby land - Installation of electric vehicle charging points - Low energy lighting and central management control systems for motorway road lighting (LED and CMS) - LED traffic signal heads and extra low voltage controllers for signalised junctions (LED and ELV controllers) - Energy saving measures for maintenance depots - greening of maintenance depots</td>
</tr>
<tr>
<td>Topic area</td>
<td>Funding criteria for potential projects</td>
</tr>
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</tr>
</tbody>
</table>
| Flooding and water quality | - The scheme must implement suitable interventions to reduce the risk of flooding at a validated category A or B priority culvert identified on drainage data management system (DDMS)  
- The scheme must implement suitable interventions to reduce the risk of flooding at a category A1, A or B flood hotspot identified on DDMS  
- The scheme must investigate and where necessary implement suitable interventions in response to a formal third party representation of identified flood risk associates with the SRN: eg from the Environment Agency, a lead local flood authority, an internal drainage board, a water company or other risk management authority (see flood and water management act)  
- The scheme must implement suitable interventions to reduce the risk of pollution of the receiving waterbody at a ‘validated’ category A or B priority outfall or soakaway location.  
- The scheme must implement suitable interventions in response to validated outfall locations requiring pollution treatment into the canal and river trust network  
- The scheme must investigate and where necessary implement suitable interventions in response to a formal third party representation of identified water pollution arising from the SRN: eg from the Environment Agency, an internal drainage board, a water company or a local authority |
| Landscape                  | **Enhancing landscape character**                                                                                                                                                                                                                               |
|                           | - The scheme must implement suitable interventions to reduce sites identified as having a significant impact or support enhancement on landscape character and quality  
- Mitigating poor landscape character or enhancing landscape character can be considered as follows:  
  - Integrating the road better into the landscape  
  - Developing a sequence of views  
  - Extending views both from the road and from the landscape  
  - Providing landscape structure  
  - Inappropriate planning/vegetation  
  - Improving tranquility  
  - Reduction in light pollution  
  - Using alternative bulbs  
  - Installation of hoods  
  - Gateway or iconic features |
| Visual impact              | - The scheme must implement interventions to reduce visual impact at priority locations identified on the visual severity impact register with a score greater than 7; and a visual screening assessment must be completed  
- The scheme must investigate and where necessary implement suitable interventions in response to a formal third party representation of equivalent visual impacts arising from the SRN |
| Landscape                  | **Cultural heritage**                                                                                                                                                                                                                                           |
|                           | - The heritage asset identified by the Cultural Heritage Asset Management Plan (CHAMP) or other means to be in red condition – at risk, or  
- The heritage asset is classified as a null condition – condition unknown, and/or  
- Partnership opportunities or third party contributions identified to enhance/develop the heritage asset within Highways England’s ownership or in proximity to the SRN |
**Biodiversity**

- **Special Sites of Scientific Interest (SSSI):**
  Support better and more resilient places for nature by contributing to the SSSI or core area of high nature conservation value, which contain rare or important habitats or ecosystem services. EDF will focus on approximately 70 SSSIs which are either within, or immediately adjacent to our land holdings which are not in favourable condition.

- **Maximising habitat connectivity:**
  Enabling species to move between core wildlife areas, by reconnecting habitats and ecosystems to deliver restoration and connection on a significant (landscape) scale.

- **Nature improvement areas (NIAs):**
  Contributing to work being undertaken by stakeholders in the restoration and enhancement of nature improvement areas (NIAs). Projects should be able to identify a clear link to the strategic road network.

- **National pollinator strategy:**
  A commitment to deliver 3,500 hectares by 2021. In total, EnVIS shows that Highways England has an area of approximately 9,075 hectares of grassland available for conversion. This grassland includes the following EnVIS habitat types: amenity grassland; grassland with bulbs; and open grassland. See Appendix 6 of the biodiversity guidelines for the regional grassland targets. Visit the Highways England website for details www.highwaysengland.co.uk/designated-funds on the environment fund plan page.

**Legacy**

EDF Legacy is focused solely on our Major Projects improvement programme. All of the following must be met in order for funding under legacy:

- Enhance and/or maximise environmental and societal benefits along and adjacent to the improvement scheme. Adjacency is not strictly defined; legacy projects do not need to physically adjoin an improvement scheme but should be broadly within communities or environmental features or sites which do.

- Projects are fully supported and promoted in partnership with key stakeholders. Match funding opportunities should be clearly identified and it is strongly encouraged to seek match funding, although this is not an absolute pre-requisite for legacy projects.

- Projects must not be essential mitigation as part of the design scheme – this should be addressed under business as usual.

- Projects must not be designed to meet minimum legislative requirements.

- Projects are feasible: Interventions need to be feasible, ie they are technically achievable within known constraints.

- Offer value for money: Interventions need to be able to clearly demonstrate value for money using robust appraisal methodologies. We will appraise any proposals with our own appraisal process tool but appreciate this will not always be appropriate, and in such circumstances a bespoke approach may be necessary to demonstrate value for money.

- Projects are measurable: Interventions need to be outcome focused and measurable ie they will make a discernible difference.
### Examples of potential interventions

<table>
<thead>
<tr>
<th>Topic area</th>
<th>Example of EDF intervention</th>
<th>Example of a scheme that is not acceptable under EDF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noise</td>
<td>Noise barrier extension to benefit a Noise Important Area</td>
<td>Road resurfacing outside a Noise Important Area</td>
</tr>
<tr>
<td>Carbon</td>
<td>Provision of LED lighting retrofitting on sections of the network</td>
<td>Provision of Environmental Management Systems for third party organisations</td>
</tr>
<tr>
<td>Flooding and water quality</td>
<td>Provision of improvements to an asset to reduce flood risk to the SRN or flood impacts caused by SRN eg</td>
<td>Routine management measures for drainage assets eg</td>
</tr>
<tr>
<td></td>
<td>- Flood attenuation reservoirs</td>
<td>- Gulley cleaning</td>
</tr>
<tr>
<td></td>
<td>- Hydro brakes</td>
<td>- Pipe jetting</td>
</tr>
<tr>
<td></td>
<td>- Balancing ponds</td>
<td>- Routine balancing pond maintenance</td>
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<tr>
<td></td>
<td>Implementation of sustainable drainage systems to treat run off eg:</td>
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<tr>
<td></td>
<td>- Swales</td>
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<tr>
<td></td>
<td>- Wetlands</td>
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<td></td>
<td>- Grit separators</td>
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</tr>
<tr>
<td>Landscape</td>
<td>Landscaping measures on SRN to support objectives within the national character areas profiles.</td>
<td>Routine scrub clearance</td>
</tr>
</tbody>
</table>

### Cultural heritage
- Interventions to reduce risk to heritage assets within Highways England ownership
- Interventions on heritage assets outside Highways England ownership or not adversely impacted by the operation of the SRN unless a clear relationship can be identified between the SRN and the heritage asset.

### Biodiversity
- Species-rich grassland interventions
- Provision of a habitat connectivity on/over or under the SRN between key areas of biodiversity eg designated sites
- Reducing negative impact of SRN on adjacent SSSI
- Routine scrub clearance

### Legacy
- Townscape regeneration following de-trunking
- Community centre construction
- Archaeological museum for finds during a major project
- N/A. Legacy criteria are intentionally broad and will be reviewed on a case by case basis.

### Partnership scheme
- Highways England contributing to the construction of a flood attenuation pond to alleviate flooding on the SRN and local residences
- Providing funds for partners to hire employees or produce IT systems.
Funding process

We will support you throughout the funding process. Whether you are a Highways England project team involved in delivering a scheme, already a partner of ours or not yet working with us, our designated funds team are here to help.

Your proposal will go through stages from project concept to delivery and ongoing monitoring and evaluation. There are defined output requirements for each stage of the EDF appraisal process:

The stages are:
1. Project concept and screening
2. Feasibility and preliminary design
3. Detailed design
4. Delivery and establishment
5. Reporting
6. Monitoring and evaluation

We use an appraisal tool to appraise the relevant benefits and detractors of the scheme against the costs. We update the appraisal tool at every stage of the process. There are two steps to the appraisal tool. Step 1 which is completed for concept and screening, and Step 2 which is completed during feasibility, preliminary design and detailed design.

There are different requirements for each stage of the process. Progression through the process depends on what sub-topic your proposal relates to.

Please note, we use a separate appraisal process for biodiversity schemes. And for landscape scheme proposals, a landscape enhancement scoring tool needs to be completed at the end of the feasibility stage.

Funding approval

All projects require approval by the designated funds investment decision committee (IDC) at each stage of the process. They will make decisions based on whether your proposal aligns with the EDF criteria, strategic fit with delivery of the RIS, value for money as well as the wider benefits of the scheme.

For the IDC to review your proposal, the project team will produce a project summary form (PSF) which has been endorsed by the technical fund lead and programme fund lead.

Our regional teams submit their annual programmes to the designated funds IDC for approval at the end of the preceding financial year.

The IDC will approve on an ad-hoc basis, any new schemes that develop or are proposed outside the annual allocation for that year.

Designated funds proposals must follow the Highways England investment approval process.

Further details of the funding process are on the designated funds page of our website at www.highwaysengland.co.uk/designated-funds.
1. Project Concept
This stage tests your proposal for compliance with the EDF criteria. You’ll need to provide a summary technical note (including a map) that summarises any supporting technical data.

You’ll also need to provide details on approximate funding requirements to undertake feasibility, design and delivery. Once the concept is approved, feasibility funding is granted.

2. Feasibility and preliminary design
Here you identify a preferred option for your proposed works, specific options, key partners and funding requirements for detailed design and delivery and assess value for money. A summary technical note or feasibility study report is produced to cover any supporting information.

For landscape projects we’ll complete the landscape enhancement scoring tool. Schemes are presented for approval at a regional value management workshop. If approval is granted, the EDF appraisal tool is updated and you can progress to the design stage.

Appraisal
Our EDF appraisal scheme tool is completed in two steps. The first step is completed during the concept and screening stages and the second part is completed during feasibility and preliminary design and updated during detailed design stages.

Step 1 gives an overview of the proposed scheme (e.g., project description, location etc.) and to determine whether the scheme aligns with EDF criteria and strategic goals.

Step 2 appraises how the scheme will benefit the criteria set out in the sub-topic. There is also further appraisal guidance for biodiversity projects and for partnership projects.
Value for money
We follow the Department for Transport (DfT) WebTAG guidance. This methodology involves calculating a benefit cost ratio (BCR) which is then categorised using the banding in the table below to determine value for money:

<table>
<thead>
<tr>
<th>VfM</th>
<th>BCR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>&lt;1.0</td>
</tr>
<tr>
<td>Low</td>
<td>1.0-1.5</td>
</tr>
<tr>
<td>Medium</td>
<td>1.5-2.0</td>
</tr>
<tr>
<td>High</td>
<td>2.0-4.0</td>
</tr>
<tr>
<td>Very high</td>
<td>&gt;4.0</td>
</tr>
</tbody>
</table>

The benefit cost ratio is calculated using our EDF appraisal tool which produces a ratio based on the cost of the proposed scheme, the likely benefit, and any detractors associated with construction or operation of the scheme. Not all environmental topics can be monetised however and where this is the case a qualitative assessment is undertaken to formulate a view of value for money.

We also assess value for money through a value management workshop at the end of feasibility and preliminary design stages and at the gateway reviews at the end of the detailed design stage.

Specifically for biodiversity projects, value for money is assessed by Highways England biodiversity specialists. For grassland creation schemes to support the national pollinator strategy (available on the Gov.uk website) there is currently a £25-£30k per hectare guide price to gauge value for money.

Legacy schemes value for money will be determined on a case by case basis.

3. Detailed design
By the end of detailed design, you’ll need to have completed step two of the EDF appraisal tool and provided an updated benefit/cost ratio. You’ll also need to provide any supporting information and detailed design documents and outputs. If the cost of the scheme has changed since the feasibility stage, this will need to be reviewed and potentially go through change control, subject to the Highways England IDC (investment decision committee) approval.

Following completed detailed designs, and assuming no significant changes to the benefits or costs of the project are identified, the project will be approved for delivery.

4. Delivery and establishment
Before your project can be delivered, you’ll need all necessary permissions and consent to be in place. You may need to provide additional documents, such as environmental impact assessments to support a planning application. Regional environmental advisors can provide more information on a scheme by scheme basis.
5. Reporting
These are the performance measures that you need to report on. Delivery of our Environmental Designated Fund contributes to the following performance metrics for RIS1 (available on the gov.uk website):

KPIs
- Number of noise important areas mitigated
- Delivery of improved biodiversity as set out in the companies biodiversity action plan

PIs
- Carbon dioxide equivalent (or CO₂e) in tonnes associated with Highways England’s activities
- Carbon dioxide equivalent (or CO₂e) in tonnes associated with the supply chain’s activities
- The number of flooding hotspots and culverts (high risk and very high risk) mitigated
- The number of outfalls and soakaways (high risk and very high risk) mitigated

6. Monitoring and evaluation
You need to state how you will monitor and evaluate your proposal. This needs to be considered at the feasibility stage and costed for, confirmed at the detailed design stage and reported on according to the specific project or topic.

You are required to produce a post-opening project evaluation (POPE) report for each project delivered through the EDF. Monitoring requirements are defined on a project by project basis. Your project manager will make sure you have all the relevant monitoring and evaluation information and templates.

Get in touch
To discuss an idea, find out more about the appraisal process or to submit a proposal please email designatedfundscheme@highwaysengland.co.uk in the first instance.

The relevant Fund Manager will then get in touch with you.

If you are already working with Highways England, contact your relevant programme or project manager, who has access to more detailed information about the EDF scheme and appraisal process.

Visit the Highways England website at www.highwaysengland.co.uk for supporting information including:
- Information requirements for biodiversity projects
- Application guidelines for biodiversity projects
- Partnership guidance and application form
- EDF appraisal tool
If you need help accessing this or any other Highways England information, please call 0300 123 5000 and we will help you.