Holding the strategic highways company to account

Glossary

The table below provides a glossary of terms used in this document to aid clarity and transparency.

Definitions of terms used in this document

Term	Definition
Accounting Officer (National Highways)	Responsible for managing and overseeing the financial operations of the company.
Assurance reviews by independent third parties	Deep-dives commissioned by ORR to evaluate National Highways' capability/performance/delivery (and sometimes data quality/ assurance), with published reports informing monitoring.
Baseline	The starting configuration of funding (total level, assumptions, and

Term	Definition
assumptions	disaggregation) and deliverables against which ORR assesses National Highways' progress and changes during the road period.
Benchmarking	Comparing projected or actual costs, performance, and outcomes against similar projects/organisations to ensure value for money and improve delivery.
Biodiversity credits scheme	A government mechanism under the Environment Act 2021 that lets developers buy credits from Natural England when they cannot deliver the required 10% biodiversity net gain on-site or off-site. Funds from these credits are used for long-term nature recovery projects, ensuring development still contributes to biodiversity improvement.
Board (ORR)	Governance body that sets strategy and provides assurance on the quality of ORR's advice/decisions. Appointed by the Secretary of State for Transport.
Carltona principle	When a statutory power is conferred on a minister, it can be exercised by officials within that minister's department, and the decision is legally treated as the minister's own.
Case to answer letter	The letter issued when ORR's assessment (often following investigation) indicates actual or past non-compliance with the RIS and/or SD&G. It invites National Highways' formal representations, evidence, and the remedial steps it will take.

Term	Definition
Change control	A formal mechanism, owned by DfT, used to approve and document small-scale changes to the published Road Investment Strategy (RIS) or to National Highways' Delivery Plan (including any annual updates), as defined in the National Highways Licence and Framework.
Consolidated Fund	The central Government account where fines paid by NH under the Infrastructure Act 2015 are remitted by the Secretary of State.
Competent bodies	Organisations with primary regulatory/enforcement responsibilities. Within this document this primarily refers to organisations with safety or environmental regulation responsibilities.
Data sharing agreement (ORR-National Highways)	The arrangement underpinning ORR's expectation that National Highways shares timely, appropriately assured data.
Delivery plan	NH's operational plan for the road period, updated annually, translating RIS requirements (targets, plans, commitments) into time-bound activities and outputs that it must deliver.
Designated Funds	Ring-fenced budgets within the RIS, allocated to National Highways to deliver improvements that go beyond the core operation, maintenance, and enhancement of the SRN.

Term	Definition
Efficiency improvements	ORR distinguishes genuine productivity gains from reduced scope/ deferral; National Highways must evidence movements in unit costs, case studies of how efficiencies are achieved, and what outputs/ outcomes are delivered for the post-efficient funding envelope.
Enforcement	Statutory enforcement action that ORR may take under our powers in section 11 of the Infrastructure Act 2015 – see chapter 4 of holding to account (March 2026).
Enhanced monitoring	ORR's method of resolving concerns early, tailored case-by-case using a "toolbox approach" (from information requests and senior-level meetings to hearings and external expert reviews) aimed at rectifying issues without statutory enforcement.
Enhancements	Capital projects that add new capacity to or upgrade the SRN.
Functions	National Highways' functions are those matters specified or delegated to the company under legislation including but not limited to the Highways Act 1980, the Infrastructure Act 2015 etc.
Funders	The UK government is the primary, direct funder of the SRN.
Growth Duty	Government policy requiring regulators to have regard to promoting economic growth when exercising their functions.

Term	Definition
Headwinds / Tailwinds	External cost pressures / reliefs (e.g., inflation variance versus assumptions) that National Highways must account for when explaining efficiency outturns and variances to funding and delivery baselines.
Highways Committee	A committee of the ORR Board that supports and advises the Board in its responsibilities on matters related to National Highways and the SRN.
Highways monitor	ORR, as established under section 10 of the Infrastructure Act 2015 to ensure that the strategic highways company complies with the RIS and SD&G. The highways monitor holds regulatory enforcement powers under the act.
Improvement plan (non-statutory)	A plan ORR asks National Highways to design/implement to remedy specific or systemic issues identified in enhanced monitoring; distinct from plans explicitly specified in the RIS/SD&G. May later be required as part of a statutory notice if non-compliance is established.
Infrastructure Act 2015	The Act that established the Roads Reform framework, creating the strategic highways company, ORR's monitoring role and the Watchdog and provided for the RIS.
KPI	Key Performance indicators – metrics to measure the strategic highways company's performance. In most cases a numerical target.

Term	Definition
	We monitor National Highways' performance against these targets.
Licence	The document that establishes permission from the Secretary of State for National Highways to undertake its functions and sets out requirements for it to act in certain ways, subject to certain conditions, and subject to monitoring and enforcement by ORR. The licence is in the form of SD&G issued by the Secretary of State for Transport to the strategic highways company under section 6 of the Infrastructure Act 2015, setting out how it must exercise its functions.
Macrory Principles	Six well-established principles of regulatory justice that ORR would consider when deciding on penalties (e.g., proportionality, deterrence, targeting).
Major schemes portfolio	National Highways' portfolio of enhancements and large renewals forming the capital specification.
MoU	Memorandum of Understanding – a formal written document that records the intentions and shared understanding between two or more parties about how they will cooperate or work together. Non-binding.
MRG	Monitoring Reporting Guidelines – ORR's specification of the form, cadence, and content of regular reporting it expects from National

Term	Definition
	Highways.
OMM	Operational Metrics Manual – National Highways' internal manual setting how operational metrics (including efficiency evidence flows) are captured/reported.
PI	Performance indicators – untargeted metrics that enable ORR to scrutinise more aspects of National Highways' performance beyond the headline KPIs.
PMS	Performance Monitoring Statements – National Highways' annual evidence package (template issued by ORR) providing detailed outturns and narrative across performance, delivery, efficiency, and licence compliance.
Renewals	Major works to restore existing assets, such as road surfacing, bridges, tunnels, and other structures, when they have reached the end of their optimal life or are life-expired.
Reparations	Payments instead of a fine that go towards investing back into the network.
RIS	Road investment strategy – the multi-year statement of requirements and funds available for the strategic highways company to deliver under section 3 of the Infrastructure Act 2015.

Term	Definition
	ORR has the statutory duty to monitor how and at what cost a strategic highways company has achieved its objectives under a Road Investment Strategy under section 10(2)(a) of the Act and has regulatory powers to ensure that the company complies with the RIS, up to and including enforcement.
Roads Reform	Framework set up in 2015 and given legal reality by the Infrastructure Act 2015 to drive economic growth, boost innovation, and give roads users more for their money.
RP	Road period – A defined multi-year cycle, typically five years, corresponding to a specific road investment strategy (RIS), during which National Highways must deliver the objectives, outputs and funding commitments set by the Secretary of State.
SD&G	Statutory directions and guidance issued to National Highways by the Secretary of State for Transport under section 6 of the Infrastructure Act 2015. This includes the company's licence. ORR has the statutory duty to hold the company to account to comply with or have regard to (as the case may be) SD&G under section 11(1)(b) of the Act.
SoFA	Statement of Funds Available – the funding that government has made available to deliver the RIS
SRN	Strategic road network in England – the motorways and major A

Term	Definition
	roads for which the strategic highways company is the highways authority.
SRUS	Strategic Road User Survey – Transport Focus' survey providing user-satisfaction evidence. Used for ORR's holding-to-account work against RIS commitments and for understanding user priorities and experience (e.g., signage, litter, accessibility).
Stakeholders	Any individual or organisation that uses, is affected by, or is part of the supply chain for the SRN.
Statutory duties	Legal obligations imposed by legislation that an organisation or authority must comply with when carrying out its functions. In the context of Roads Reform, these duties are defined primarily in the Infrastructure Act 2015.
Statutory enforcement notice	A notice under section 11(2) of the Infrastructure Act 2015 specifying the contravention, facts, and the steps/timeframes that National Highways must take to remedy non-compliance; ORR monitors compliance and may consider fines if remediation fails.
Statutory fine	A monetary penalty ORR can impose on National Highways (with or without prior notice) for non-compliance. ORR publishes intent and amount; the final notification states legal basis, facts, payment method, and due date (≥14 days post-publication). Fines are paid to the Secretary of State and into the Consolidated Fund.

Term	Definition
Strategic business plan (SBP)	National Highways' plans setting out how it will deliver the requirements in the RIS.
Strategic highways company	The government-owned company appointed and licensed under the Infrastructure Act 2015 to operate, maintain, renew and improve the SRN. Currently National Highways.
Watchdog	Transport Focus, as established by section 9 of the Infrastructure Act 2015 to protect and promote the interests of users of the SRN.

- ← Previous Annex A: High level overview of holding to account