

**Feras Alshaker**  
Director – Planning and Performance



Elliot Shaw  
Chief Customer and Strategy Officer  
National Highways

Via email

Dear Elliot,

22 September 2025

## **Coming back into compliance post-2024 investigation: National Highways' progress implementing its improvement plan and next steps**

In February 2024, ORR launched an investigation into National Highways' performance, delivery and capability. Over the nine years to that point, the company had been generally successful in achieving its aims and delivering for road users, taxpayers and communities. However, over 2023-24 we observed a number of areas where performance had dipped and some of the risks that we identified in our previous annual assessment had crystallised. While individual items of concern were manageable on a case-by-case basis, the number and breadth of our concerns and the proximity to the end of the road period led us to conclude that a more formal approach to assessing the company's performance was necessary.

Our investigation was aimed at understanding the root causes of National Highways' dip in performance, and whether it was taking every action that could reasonably be expected of it to achieve its targets by the end of the second road period (RP2) in March 2025.

On 28 June 2024, after an extensive process and based on the evidence submitted by National Highways and representations it made, we wrote to you setting out our decision that the company was non-compliant with condition 7.3(e) of its licence in respect to the provision of data and information to allow us to perform our statutory duty. We chose not to take enforcement action at that time. The [letter](#) set out our decision in full and the basis on which we reached that decision.

We conveyed to National Highways that engaging with us, finalising and implementing a formal, timebound improvement plan was how it should demonstrate to us that it was coming into compliance with condition 7.3(e). We said that failure to

do so could see this matter return to the ORR Board for enforcement consideration at a later date.

We noted that the plan should:

- support additional improvements identified by ORR in the investigation and by National Highways in its response to our case to answer letter;
- have positive longer-term impacts; and
- help to set up National Highways for success in the future.

On 19 September 2024, National Highways shared with us the final version of its plan to bring it into compliance with its licence (condition 7.3(e)) and to implement wider improvements to address the broader findings of our investigation. This was followed by a six-month update plan on 21 March 2025. The [plan](#) and the [six-month update](#) have since been published on your website.

I am writing to you, 12 months on from the launch of your improvement plan, to set out our decision as to whether you have come into compliance with your licence and to look ahead as to our expectations for the next road period.

### **Coming back into compliance with condition 7.3(e) and implementation of the improvement plan**

In our decision letter, we set out the three reasons why we had determined that National Highways was non-compliant. In brief, these were that:

- we did not consider that National Highways had correctly understood condition 7.3(e);
- National Highways acknowledged that some of the information provided to ORR in the investigation could have been provided earlier and that it needed to address its 'perceived reticence' to share specific data and information; and
- the examples under this condition that we provided to National Highways in the [case to answer letter](#), that were identified during the investigation, showing evidence of non-compliance with regards to the provision of data and information to ORR.

Overall, we are content that National Highways now understands its duty under condition 7.3(e) of its licence and is endeavouring to comply with it. It has also acknowledged and addressed the 'perceived reticence' to provide data and information and the examples of non-compliance that we highlighted in our case to answer letter. We are content that on this basis the company has returned to compliance with its licence. In line with our [Holding to Account policy](#), we will take

any instances of potential non-compliance on a case-by-case basis moving forwards and treat them appropriately.

Our decision reflects the fact that National Highways has substantially implemented its improvement plan and that activities are currently being embedded in the business. The activities outstanding are ongoing business as usual, and we note your proposal to fold these into a new plan for the third road period (RP3) to ensure that momentum is not lost.

Since National Highways began implementing its plan, we have noticed a marked improvement in its willingness to proactively bring information to our attention and an openness to respond to data requests as part of our enhanced monitoring and business as usual. We have also noted that the ORR Relations Team (ORT) has made some positive steps to move from being largely a mediator of information to becoming a facilitator of discussions and evidence gathering between ORR and the experts in your business.

More widely, we have seen clear progress on issues related to capability and culture. In particular:

- National Highways has developed and implemented a new decision-making framework (DMF). It has built this into its business plan commissioning, linked it to quarterly business review (QBR) meetings and is supporting and promoting this through an internal communications campaign of activities; and
- the information and training materials developed, shared and promoted as part of the plan describing ORR and our role and the importance of understanding, having named owners for and reporting against National Highways' licence conditions have contributed to positive culture change, more openness and transparency.

This represents considerable progress made by the company in the past 12 months.

### **Looking ahead to the third road period (RP3)**

In conversations with us on the end of the second road period (RP2) and in bringing the investigation to a close, National Highways proactively raised the idea of developing another plan to build on its work over the past 12 months and support continuous improvement. This aligns with our view, set out in our 2024-25 annual assessment of the company's performance, that it is important that the company continues to improve how it uses evidence to demonstrate that it is making the best use of public funds as it prioritises its activities, and to do so in the form of a plan.



We will continue to work with you on your plans to learn the lessons of RP2 and support National Highways to set itself up for success in RP3 and beyond. We will endeavour to build on the positive steps already taken, to optimise our relationship with you and ensure that the processes we follow and the requests we make of you continue to be targeted and proportionate.

Finally, I would like to acknowledge the effort that has been put in since the investigation that has contributed to a positive and constructive outcome for road users and taxpayers.

We will publish this letter on our website.

Yours sincerely

**Feras Alshaker**  
Director of Planning and Performance

CC: Kate Cohen – Department for Transport