

Feras Alshaker
Director Planning and Performance



Duncan Smith
Chief Operating Officer
National Highways

Paul McMahon
Director Planning & Regulation
Network Rail Infrastructure Limited

By email only

22 April 2026

Dear Duncan and Paul,

Review of how National Highways and Network Rail manage large renewal projects

Between September 2025 and February 2026, we carried out an in-depth review of how large renewal projects evolve across the early development and planning stages of the project lifecycle – across both National Highways and Network Rail.

This letter provides an update on our work, summarises key findings and sets out our proposed approach to taking forward the recommendations from the review.

The review focused on governance, schedule and, where applicable, project cost. It included:

- identifying and evidencing the drivers for project changes for both road and rail projects;
- identifying where efficiencies could be achieved;
- understanding how cost and schedule evolve through the project stages and how these estimates mature; and
- reviewing the governance in place for large renewals and evaluating whether these arrangements provide effective oversight and assurance.

National Highways and Network Rail were engaged throughout the review at working level. Both organisations were consulted on the interim findings and given the opportunity to provide feedback on the draft report's findings and recommendations. I would like to thank your teams for their contributions.

The report highlighted several areas for improvement in the management of large renewals projects across both organisations. It also identified several cross-cutting, joint recommendations where there may be opportunities to share organisational learning and best practice.

Key findings:

National Highways performed well in the evaluation of its contracting approaches, policy, tools and programme management. However, the review identified inconsistencies in the application of new governance processes introduced for the large renewals programme. Also, there is a need to strengthen the internal cost and schedule change control processes, particularly in the early stages of a scheme lifecycle.

Network Rail demonstrated that the governance, systems and processes for delivering large renewals schemes are generally well understood, however their application is not consistently embedded. The case studies identified inconsistencies, both nationally and regionally, particularly in relation to estimating, benchmarking, risk and contingency management and the integration of lessons learned.

Recommendations:

For National Highways the review recommended that the new governance process for large renewals needs to be standardised and fully embedded across all regions. It also recommended that the company's internal change control processes need to be strengthened and embedded.

For Network Rail the report recommended considering the adaptation of PACE products to better suit renewals workbanks, improvement of sharing lessons learned and the strengthening of benchmarking and estimating in the early project stages.

The report also recommended several joint recommendations, such as establishing a joint knowledge sharing framework and a cross-organisation forum - where both organisations could work collaboratively to share best practice and lessons learned.

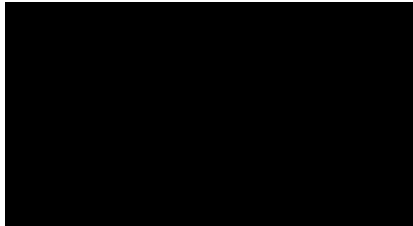
We have shared the final report and an executive summary with both organisations, and we intend to publish the executive summary on our website.

Before we publish the executive summary, I would like to invite you to review the report's findings and would welcome suggestions on how the most impactful recommendations might be taken forward, as well as how best to facilitate the sharing of lessons learned and best practice across both organisations. We will continue to engage with your teams in National Highways and Network Rail on next steps.

I would be grateful if you could respond by Friday 22 May.

This letter will be published on our website.

Yours sincerely



Feras Alshaker