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Analysis
Telephone
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Elliot Shaw
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Via email

Copied to:

Haroona Chughtai
Director for National Highways
Sponsorship
Department for Transport

24 July 2026

Dear Elliot

Holding National Highways to account in 2026-27

On 30 June 2026 the Prime Minister announced the Defence Investment Plan (DIP). The Department for Transport (the department) will provide £700 million to support the plan from its roads funding. It was announced that it would consult on reductions to the third road investment strategy (RIS3).

As a result, National Highways is currently unable to secure final approval for its RIS3 delivery plan from the Secretary of State for Transport. Consequently, several supporting documents that would ordinarily be finalised and published alongside the delivery plan are also delayed. Given this, I am writing to confirm how we intend to hold the company to account in the meantime. We understand that we need to continue to work in a pragmatic way while ensuring effective spend of public funds.

We will continue to work with National Highways in line with our published holding to account policy (March 2026) and having regard to the principles in section 12 of the Infrastructure Act 2015 that we carry out our regulatory activities in a way that is transparent, accountable, proportionate, consistent, and appropriately targeted. **Our approach is intended to assure road users, funders and the wider public that the company is delivering what government has asked it to for the funding available.**

We are required to hold National Highways to account against its publicly stated, statutory commitments as set under section 3 of the Infrastructure Act 2015. However, due to the circumstances set out above the company has not yet been able to finalise and publish its RIS3 delivery plan as required under its licence (condition 6.25). We will take this into consideration and take a flexible approach as

to how and what we are holding the company to account for, particularly having regard to what the company has been working to, not simply its statutory, publicly stated position.

Overall expectations and reporting

We expect that National Highways will publish its RIS3 delivery plan in autumn 2026. Until it is published, we will continue to hold the company to account for its delivery of the targets and commitments that are set out in RIS3 and, where appropriate, against the last publicly declared position. We also expect the company to be working to deliver against:

- a) the latest internally approved planning assumptions and delivery commitments shared with ORR;
- b) current versions of the improvement plans, other plans and strategies required by RIS3 and its licence but that will also not be published until this autumn; and
- c) the letter from the Secretary of State to Nick Joyce dated 14 July 2026 about variation of RIS3.

We expect National Highways to provide data, information and reporting in line with monitoring reporting guidelines and performance monitoring statement templates that we have shared with the company and that we will publish alongside the delivery plan. If the company anticipates that it will be unable to provide any of the information required in the templates at year end, we expect it to tell us proactively and as soon as possible:

- a) what it will be unable to report for 2026-27;
- b) why it will be unable to report it; and
- c) from what date it will be able to do so.

Enhancements and large renewals programmes

Pending publication of the RIS3 delivery plan, ORR will assess National Highways' delivery of enhancements and large renewals against the most recently declared position set out in its interim period reporting. Subsequent quarterly reporting provided by the company will supersede that position and form the basis on which



ORR assesses delivery. We consider this approach to be proportionate and appropriate in the current circumstances, while maintaining transparency for taxpayers, road users and affected communities

We will publish this letter on our website at a suitable time.

Yours sincerely

Graham Richards