



Mr John Larkinson
Chief Executive
Office for Rail and Road
25 Cabot Square
London E14 4QZ

Sent by email to: john.larkinson@orr.gov.uk

26 August 2025

Dear Mr Larkinson,

National Highways' Designated Funds

I am writing on behalf of Transport Action Network (TAN) to invite you to investigate National Highways' use of its Designated Funds. Although we are very supportive of the founding principle of Designated Funds, we are concerned that 10 years after their creation they are often not being used for their intended purposes. As these funds totalled £870 million in the second Road Period (2020-25) and £89 million in the 2025-26 Interim Settlement period, this is a substantial amount of public funding and it is important that it is spent correctly.

In summary our concerns relate to:

1. National Highways not using Designated Funds for the purposes they are intended for:
 - a. Using Designated Funds to 'buy support' for controversial road projects (funding projects entirely unrelated to the criteria for Designated Funds such as dance classes and LGBT asylum seekers near the Lower Thames Crossing, and cricket clubs near the A428 Black Cat project)
 - b. Using Designated Funds to pay for mitigation and compensation schemes for new road projects, rather than paying for it out of the scheme budget, artificially suppressing and misrepresenting a scheme's costs (such as safety measures and conservation projects on the A417 Missing Link).
2. National Highways using the prospect of funding from Designated Funds to incentivise potential opponents of road projects to not challenge or scrutinise controversial road projects during DCO examinations, such as the A66.
3. The lack of transparency about what projects are being funded, the size of each grant, and how the outcomes are assessed for effectiveness and compatibility with Designated Funds objectives.

The first and second Road Investment Strategies (RIS1 and RIS2) were clear about the purposes of the Designated Funds, as was the Interim Settlement for 2025-26. However, it is hard to see how many projects recently funded through Designated Funds accord with these purposes.

Another example of National Highways' obstructive behaviour and deception can be seen with the M60 Simister Island scheme. Here the motorway is being widened and the Haweswater underpass (a potentially key active travel route, linking communities with schools and green space) lengthened as a result. The underpass is clearly part of the scheme, so National Highways should be funding improvements to the underpass within scheme costs. Despite widespread support for this, including from Transport for Greater Manchester, National Highways has refused to include it in the scheme design, and has done little more than suggest Designated Funds might be used for this some time in the future, with no guarantee these will be available. This is unacceptable on many fronts.

More detail about our concerns can be found in [an article](#) just published on our website which is also attached to this letter.

Section 11(2) of the Infrastructure Act 2015 requires the ORR to investigate whether National Highways has achieved its objectives under a Road Investment Strategy, which would include the Designated Funds.

Given the lack of information in the public domain and the lack of scrutiny of a budget close to £1bn, we invite you to investigate the issues raised in this letter and in our article. We believe the issues we raise go beyond the issues covered in your 2014 investigation into National Highways, which only superficially examined governance issues with the Designated Funds. We also invite you to press the government to make clear that National Highways must use the Designated Funds for the correct and intended purposes in the forthcoming draft third Road Investment Strategy (RIS3).

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink, reading "Chris Todd", with a long horizontal line extending from the end of the signature.

Chris Todd
Director
Transport Action Network