



National Audit Office

Department for Transport 2025-26

October 2026

OVERVIEW



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C&AG introduction

In 2025, we set out our [new five-year strategy](#). In delivering our statutory responsibilities, we aim to maximise our contribution to two outcomes – more productive and resilient public services and better financial management and reporting in government.

Our overviews summarise the key information and insights from our examinations of departments and from their annual report and accounts, and explore departments' progress against these crucial outcomes, highlighting positive examples and opportunities to improve.

If you would like more information about our work, or to arrange a briefing with me or one of my teams, please contact our Parliamentary Relations team at parliament@nao.org.uk.

Financial position

The Department for Transport's (DfT's) overall net spend in 2025-26 was £41.9 billion. It represents a real-terms decrease in net spend compared with 2024-25. The overall spend was made up of:

- £21.2 billion net capital spend; and
- £20.7 billion net resource spend.

Financial management

- The High Speed Two programme (HS2) is forecast to cost more and complete later than envisaged in 2020. The current forecast completion cost is now between £87.7 billion and £102.7 billion, around double its 2020 estimate, and completion is delayed by between around three and 13 years.
- DfT has committed to reduce day-to-day spend by 5% between 2024-25 and 2028-29, while capital investment continues to increase. It plans to achieve this through lower subsidies to rail passenger services, workforce and operational efficiencies, and rail reform.
- DfT has a historic pattern of significantly underspending against its resource plans (by between 12% and 17% over the years 2021-22 to 2025-26). The main reason for this is that depreciation has consistently been lower than forecast, primarily due to revaluations of rail and road network assets.

Resilience

- The Climate Change Committee published a 2026 risk assessment which concluded that climate risks are increasing, and adaptation action is not keeping pace with the scale of risk.
- Much of the UK's transport infrastructure, such as roads, rail, power and data centres, is not currently designed to withstand the increasing frequency and intensity of extreme weather events.
- For the 2024-2029 funding period, Network Rail plans to invest £2.8 billion in strengthening the railway's resilience to extreme weather and climate change.

Productivity

- As part of the Spending Review 2025, DfT plans to deliver £663 million of efficiency savings per year by 2028-29.
- This will be delivered through a combination of corporate efficiencies, regulated settlements with Network Rail and National Highways, and reform in its executive agencies.

DfT works with its agencies and other bodies to support the transport network that helps people and goods get to where they need to go. DfT plans and invests in transport infrastructure to keep the UK on the move. DfT governs the operation of the English transport network and maintains limited powers for Scotland, Wales and Northern Ireland, where devolved powers are in place.

DfT’s priority outcomes

DfT reported against the strategic outcomes below in its 2025-26 Annual Report and Accounts.

1. **Enhancing Growth and Place:** Enhancing economic growth by transforming the transport system. DfT will do this by maintaining and renewing existing roads and railways and developing new infrastructure, tailored to the needs and opportunities of different places and delivered through local partnerships.
2. **Improving Journeys for People:** Improving the transport system to prioritise people’s needs, ensuring that journeys are seamlessly integrated and affordable, dependable, accessible, inclusive and safe. This will enable everyone to travel with confidence and convenience, while accessing work, essential services, and opportunities.
3. **Delivering Green and Healthy Transport:** Delivering greener transport to cut emissions, improve air quality, and boost public health, supporting walking, wheeling and cycling, and strengthening climate resilience.

Figure 1
The Department for Transport’s (DfT’s) key responsibilities

DfT’s responsibilities vary by transport mode: in most cases, DfT sets policy and investment priorities and provides guidance; DfT also supports the development and delivery of major infrastructure projects

Area of responsibility	Description
Local transport	Provides policy, guidance and funding to local authorities to help run and maintain road networks, improve passenger and freight travel, and develop new major transport schemes.
Roads	Invests in, maintains and operates over 4,500 miles of motorways and trunk roads in England through National Highways. Promotes lower-carbon transport, including cycling and walking, to make roads less congested and less polluted.
Rail	Sets the strategic direction for the rail industry in England and Wales. Funds investment in infrastructure through Network Rail and high-speed rail projects, manages passenger rail service contracts and regulates rail fares.
Buses	Sets the bus policy framework, provides capital and revenue funding to local authorities and operators to support bus services, and develops legislation.
Shipping	Produces the overall strategy for the maritime sector and sets planning policy for ports in England and Wales.
Aviation	Sets national aviation policy, working with airlines, airports, the Civil Aviation Authority and National Air Traffic Services, the main provider of air traffic control services in the UK.

Source: National Audit Office analysis of Department for Transport data



DfT is overseen by the Secretary of State, ministers and one permanent secretary. Much of DfT’s work is conducted with and through its public bodies. There is a framework document in place between DfT and each of its public bodies, which sets out respective responsibilities, accountabilities, governance arrangements and financial management.

Figure 2
How the Department for Transport (DfT) is structured as of September 2026

DfT conducts its work through seven departmental groups and a range of delivery bodies

Secretary of State and ministers Permanent Secretary						
Departmental groups						
Rail Group	Major Rail Projects Group	Road Transport Group	Aviation, Maritime and Security Group	Public Transport and Local Group	Decarbonisation, Technology and Strategy Group	Corporate Delivery Group
Leads on overall strategy for rail, including rail reform and the set-up and design of Great British Railways, and supports the provision of passenger rail services.	Responsible for overseeing the High Speed Two, Euston and Northern Powerhouse Rail programmes.	Leads on driving and road-related matters.	Leads on aviation, maritime, safety and security.	Manages relationships with local government and local transport operators. Leads on accessibility and inclusion.	Leads on environmental and technology policy.	Leads on corporate activities.
Key DfT delivery bodies ¹						
Network Rail	High Speed Two (HS2) Ltd	National Highways	Maritime and Coastguard Agency	Transport Focus Group		
East West Railway Company Ltd		Driver and Vehicle Standards Agency	Civil Aviation Authority	British Transport Police Authority		
DfT Operator Ltd – train operating companies under public ownership ²		Driver and Vehicle Licensing Agency Vehicle Certification Agency	Accident investigation branches (air, rail and marine)	Active Travel England		

Notes

1 This list does not include all of DfT’s public bodies. A full list can be found in DfT’s Annual Report and Accounts 2025-26.

2 As at September 2026, DfT owned 10 train operating companies through DfT Operator Ltd: c2c; Greater Anglia; GTR (operating as Thameslink, Southern, Great Northern and Gatwick Express); London North Eastern Railway; Northern; Southeastern; South Western Railway; TransPennine Express; West Midlands Trains (operating as both London Northwestern Railway and West Midlands Railway); and Chiltern Railways

In 2025-26, DfT's overall (net) spend was £41.9 billion. Several agencies and arm's-length bodies offset their expenditure with operating revenues, which (along with other income received by DfT and its bodies) totalled £7.2 billion in income for DfT.

DfT's largest area of spend was on the rail sector (£27.6 billion), most of which was on operating, maintaining and renewing the national rail infrastructure through Network Rail (£18.0 billion) and High Speed Two Ltd (£6.8 billion). A further £2.3 billion was spent on subsidies and support for passenger train services.

DfT has two other main areas of spend.

- Strategic road management and enhancements in England through National Highways (£6.5 billion).
- Funding to local authorities in England for their management of local transport (£6.4 billion) including road maintenance, bus subsidies and concessionary fares.

Figure 3
Department for Transport's (DfT's) net spend in 2025-26

DfT spent £41.9 billion in 2025-26



Notes

- 1 Spend is proportional by area. Figures are based on total combined resource and capital spend in DfT's Statement of Parliamentary Supply. All figures are net of income.
- 2 Figures include £11.1 billion of depreciation, impairment charges and non-cash movement in derivatives. This relates to assets already recognised through capital spend on acquisition.
- 3 'High speed rail' includes net expenditure by High Speed Two Ltd of £6.8 billion.
- 4 'Local authority transport' is a mix of non-ring-fenced funding (which may include spend on non-transport projects) and grants for specific transport projects.
- 5 'Other rail' includes spend on East West Rail and Crossrail.
- 6 'Roads' includes £6.5 billion on National Highways (net of £189 million income from road charging schemes), and a net £173 million spend on motoring agencies.
- 7 'Other' includes £388 million on central administration and £40 million on science, research and support functions.
- 8 Values may not sum due to rounding.

DfT's total spend is made up of resource and capital spend. Resource spend is for programme and administration budgets, while capital spend is used for assets and investments. DfT's total spend fell by 2% in real terms to £41.9 billion in 2025-26.

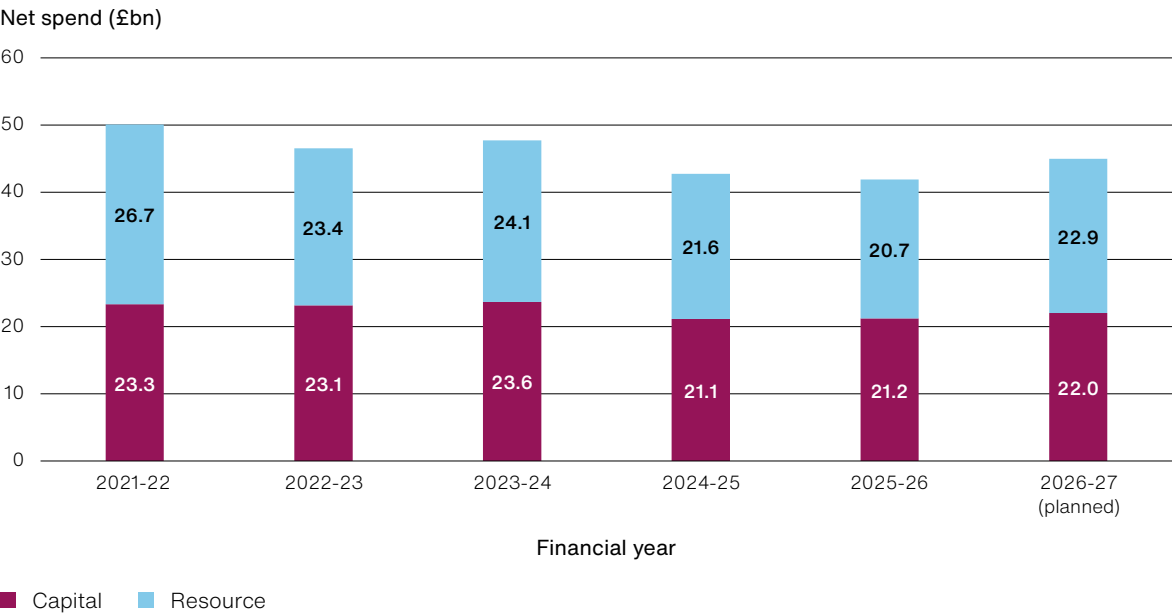
Net resource spend reduced to £20.7 billion in 2025-26, a 4% real-terms decrease from 2024-25. DfT has a historic pattern of significantly underspending against its resource plans (by between 12% and 17% over the years 2021-22 to 2025-26). The main reason for this is that depreciation has consistently been lower than forecast. In any year, depreciation is significant, but hard to predict as it is affected by revaluations of rail and road network assets. DfT's forecast resource spend for 2026-27 is an 11% real-terms increase from its 2025-26 outturn. However, this represents a 5% decrease from its forecast for 2025-26.¹

Net capital spend increased slightly to £21.2 billion in 2025-26, a 0.3% annual increase in real terms. The main areas of capital spend are set out on the following page.

DfT plans to increase capital spend in 2026-27 by 4% in real terms to £22.0 billion. This does not include 1% savings from its capital budget or savings of up to £700 million from its roads funding, which, in June 2026, the government asked DfT to make to fund the Defence Investment Plan.

Figure 4
Department for Transport's (DfT's) net spend between 2021-22 and 2026-27 in real terms

DfT's net spend has continued its downward trend



Notes

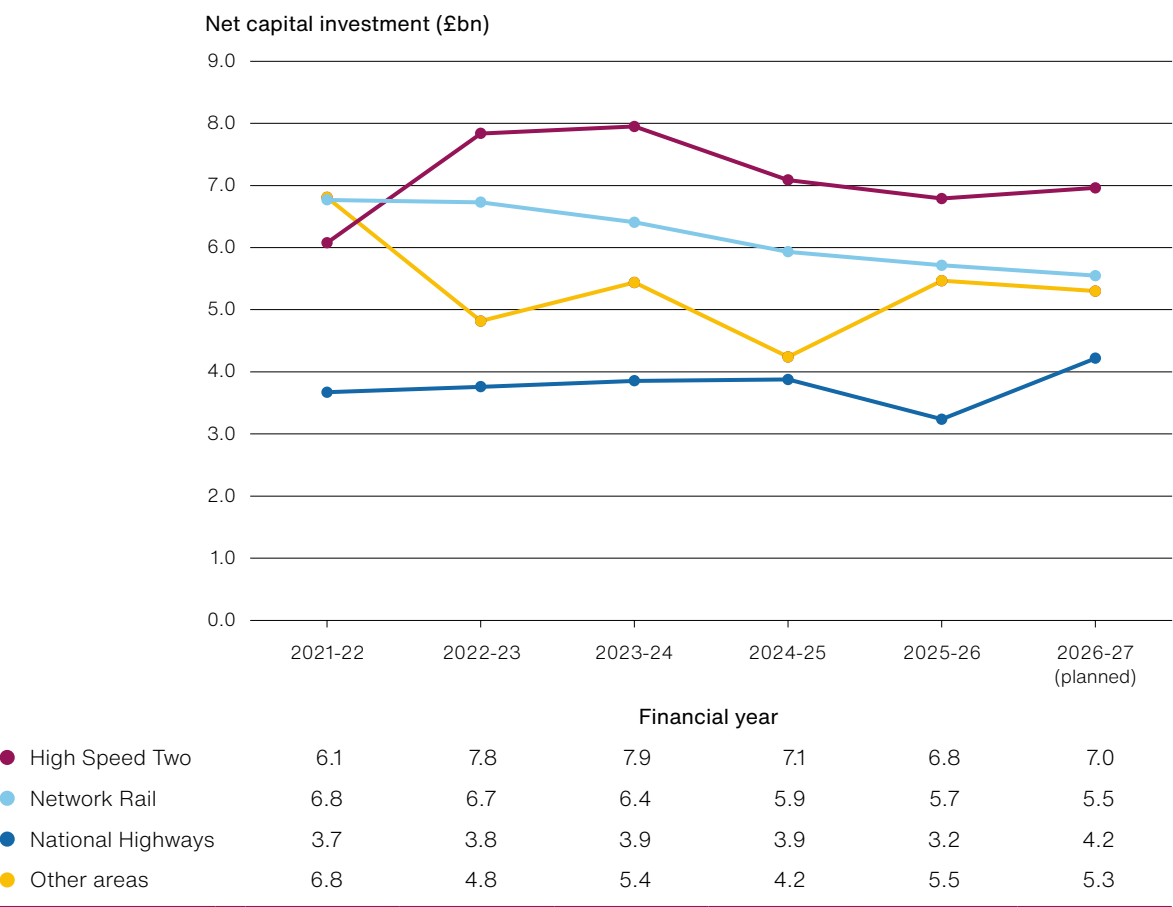
- 1 The spend shown for 2026-27 is planned net spend. The capital amount does not include 1% savings from its capital budget or savings of up to £700 million from its roads funding, which, in June 2026, the government asked DfT to make to fund the Defence Investment Plan.
- 2 The planned spend for 2026-27 includes an estimate for depreciation which, in previous years, has proved to be a significant overestimation.
- 3 Values have been adjusted for inflation to 2025-26 prices using the GDP deflators published alongside the Office for National Statistics Quarterly Accounts for June 2026. These were the latest available deflators as at September 2026.
- 4 Values may not sum due to rounding.

Source: National Audit Office analysis of Department for Transport Annual Reports and Accounts, 2021-22 to 2025-26

¹ DfT's forecast spend for 2025-26 and 2026-27 have not been audited.

Figure 5
Department for Transport's (DfT's) net capital investment in real terms by main area of spend, 2021-22 to 2026-27

DfT's capital spending is focused in three main areas: High Speed Two, Network Rail and National Highways



DfT has three main areas of capital spend.

- The HS2 programme (£6.8 billion in 2025-26).
- Network Rail (£5.7 billion in 2025-26).
- National Highways (£3.2 billion in 2025-26).

The HS2 programme is now smaller than originally planned but is costing more and will take longer to complete. In January 2025, DfT and HS2 Ltd began a reset of the programme to avoid further cost increases and delays.

DfT's funding for Network Rail's capital investment fell from £5.9 billion in 2024-25 to £5.7 billion in 2025-26 in real terms, largely due to a reduction in spend on upgrading the railway.

National Highways' capital investment is increasingly focused on renewing existing infrastructure rather than building new roads. In 2025-26 it invested £3.2 billion in capital projects, of which around 45% was spent on enhancement schemes and around 40% on renewals.

Notes

- 1 Values have been adjusted for inflation to 2025-26 prices using the GDP deflators published alongside the Office for National Statistics Quarterly Accounts for June 2026. These were the latest available deflators as of September 2026.
- 2 Other areas of spend include local authority transport, the Transport Development Fund and sustainable travel.
- 3 This graph shows capital spend recorded by DfT at the time, some of which it subsequently wrote off (meaning it determined that the expenditure would no longer deliver the expected value). In 2023-24, the government cancelled Phase 2 of High Speed Two. This resulted in £1.0 billion of previous capital spend being written off. In 2021-22, there was a write-off of £106 million relating to a design change for Euston station.
- 4 DfT's planned spending for 2026-27 does not include 1% savings from its capital budget or savings of up to £700 million from its roads funding which, in June 2026, the government asked DfT to make from its capital budget to fund the Defence Investment Plan.

Source: National Audit Office analysis of Department for Transport Annual Reports and Accounts, 2021-22 to 2025-26

Strong financial management is essential to delivering priorities, managing risks and securing value for money. For DfT, this is particularly important as it seeks to deliver major investment programmes while reducing day-to-day costs.

Affordability and reducing costs

DfT has committed to reduce day-to-day spend by 5% between 2024-25 and 2028-29 (a reduction of around £400 million, not adjusting for inflation), while capital investment, excluding spend on HS2, continues to increase. It plans to achieve this through lower rail subsidy requirements, workforce and operational efficiencies, and rail reform.

Use of private finance for major projects

DfT is considering the use of private finance for some major projects. It plans for the new HS2 station at Euston to be privately financed with its preferred option being a public-private partnership that will design, build, finance and maintain the station. DfT began market engagement on this approach in February 2026. It intends to bring in a private finance partner in the early 2030s, towards the end of design work, with trains beginning to run from the new station between May 2040 and December 2043.

DfT also plans to use private finance to construct and operate the Lower Thames Crossing, linking Tilbury in Essex to Gravesend in Kent beneath the River Thames. The preferred model is the regulated asset base model, which allows for a regulated private entity to finance, build, operate and maintain the crossing under long-term oversight by an independent regulator.

In our report, [*Lessons learned: private finance for infrastructure*](#), we highlight key considerations for decision-makers. These relate to creating the right conditions to support investor and public confidence, making the right decisions at policy and project levels, and adopting a commercial strategy to deliver successful outcomes.

HS2 contract renegotiation

Effective contract management is a key enabler for successful delivery of public infrastructure.

On 31 July 2026, DfT announced that it had renegotiated contracts with two of the civil engineering joint-ventures building the new railway as part of the HS2 programme reset. The previous contracts were ineffective at encouraging efficient delivery of civil engineering works, placing almost all risk on the taxpayer. After unsuccessful initial attempts to renegotiate contracts with its supply chain in 2024, HS2 Ltd revised its approach and aims to save around £2 billion, including by avoiding costs it would incur if work took longer. The new contracts aim to reward efficient delivery and cost control through a revised payment structure to incentivise the contractors to deliver on time and budget, in line with the £93.2 billion cost ambition announced by the government in May 2026.

It is also renegotiating contracts for two stations where costs have doubled and is considering what changes may be needed to the contracts for trains as a result of the cancellation of Phase 2 of HS2. It is expected to make a decision by 2028.

Insights from our 2025-26 financial audits

Dartford-Thurrock river crossing write-off: DfT has written off £111 million of unrecoverable road user charging and penalty charge notices (PCNs). This is nearly double the amount written off in 2024-25. This was due to an increase in active PCNs following a backlog caused by operational issues during a migration to a new service model.

Cancelled National Highways road schemes: Following the June 2025 Spending Review, the government cancelled two planned road schemes: the A12 to A120 widening scheme and the A47 Wansford to Sutton dualling scheme. The majority of these works were in the development and pre-construction phases of work with losses recorded at £252 million.

HS2 exit packages: HS2 Ltd has spent £2.5 million on exit packages as part of its continuous organisational changes following the ongoing reset. Of this expenditure, 88% (£2.2 million) related to 'payments in lieu of notice', where staff were not required to work their notice period. In our audit certificate, we highlighted that such payments can create a risk that public funds are not used as efficiently as possible because HS2 Ltd does not receive the benefit of staff working during their notice period.

DfT has chosen metrics to measure its performance against its three strategic outcomes. DfT publishes a lot of information on its activities against these metrics, but its assessment of its overall performance can be difficult to interpret, as there are no indicators of intended performance or targets.

Figure 6
Department for Transport's (DfT's) core metrics for measuring its performance over 2025-26

DfT has 14 metrics to measure its performance against its three strategic outcomes

Strategic outcome	Core metric	Description
Enhancing growth and place	Overall connectivity	DfT has introduced a measure of how easy it is for people to get to where they want to go. It is a 0–100 index, with a score of 100 representing the most connected areas. Scores for England in 2024 (latest data available) vary from 56 in the South West to 84 in London. The overall score for England was 65. The score for Wales was 53.
	Connectivity to employment	DfT has also introduced a new measure of connectivity specifically to employment. Scores for England in 2024 (latest data available) vary from 48 in the South West to 89 in London. The overall score for England was 61. The score for Wales was 45.
	Road surface conditions	The road surface condition metric measures the percentage of roads in England where maintenance should have been considered. In 2026, DfT introduced a rating system measuring how well each local highway authority is maintaining its local roads and making use of its increased government funding. The percentage of roads in poor condition (defined by DfT as ones showing considerable deterioration which may need maintenance within the next 12 months) has remained relatively stable across B and C roads (7% in 2024–25) but increased for A roads and motorways (from 4% in 2023–24 to 5% in 2024–25). However, we have previously reported issues with the data collected.
	Strategic road network delays	Average delays have been increasing, from 9.4 seconds per vehicle mile in 2019–20 to 11.8 in 2024–25.
Improving journeys for people	Public satisfaction by mode of transport	User satisfaction data measuring how well the transport system meets people's needs. Between 2019 and 2024, satisfaction levels increased for walking, but decreased to varying degrees for cycling provision, major roads, local roads, trains and local buses.
	Rail cancellations	In 2025–26, 3.5% of services were fully or partially cancelled, compared with 3.4% in 2019–20.
	Rail punctuality	The percentage of trains arriving within three minutes was 84.8% in 2025–26, compared with 84.0% in 2019–20.
	Public transport trips	The percentage of all trips made by public transport dropped during the pandemic. While it has increased year-on-year since, it remains below pre-pandemic levels (8.9% in 2024 compared with 10.2% in 2019).
	Satisfaction of disabled and older users on bus journeys	Measures satisfaction with bus journeys among disabled people and those aged 60 or older. Satisfaction of disabled, non-disabled, older and younger people rose between 2023–24 and 2024–25.
	Road casualties	In 2024–25, 87 people were killed or seriously injured per billion miles travelled. This rate has remained relatively stable between 2019–20 and 2024–25.
Delivering green and healthy transport	Greenhouse gas emissions	Greenhouse gas emissions from all domestic transport, as well as from refuelling from UK airports and ports, have been increasing since the pandemic, although they are still lower than they were in 2019 (154 MtCO ₂ e compared with 165 MtCO ₂ e). ²
	Air quality	The air quality metric used measures the percentage change in annual PM _{2.5} emissions (airborne particles with diameter 2.5 micrometres or less) from domestic transport compared with a baseline level of emissions in 2005. The 2024 data showed a 58% decrease compared with 2005 largely due to improved vehicle emission standards. ³
	Zero-emission vehicles uptake	Uptake has increased, with 3.7% of all vehicles on UK roads being zero emission in 2024–25, compared with 0.3% in 2019–20.
	Active travel	The average number of walking and wheeling segments of a journey in 2024–25 is higher than it was in 2019–20 (339 compared with 332). For cycling, it is slightly lower (16 compared with 17).

Notes

1 This table draws on DfT's order and categorisation of strategic outcomes and relevant core metrics as of March 2026 (July 2026 for the air quality metric). Where metrics will have been affected by pandemic-related changes in travel patterns, we make comparisons with 2019–20, which is the last year before the COVID-19 pandemic, where these data are available.

2 MtCO₂e is the standard unit used to quantify and compare emissions of various greenhouse gases. It stands for 'million metric tonnes of carbon dioxide equivalent'.

3 This percentage is slightly different to that reported in DfT's published annual report and accounts for 2025–26 as the final data were not available when this was published. This is due to a variety of factors, including that statistics include overseas territories such as Gibraltar.

DfT has identified the top risks it faces and has managed and mitigated these risks throughout the year. Robust and effective risk management is essential to achieving the government's ambitions and objectives and securing long-term value for money.² While collaborative risk management arrangements are in place, they are not yet implemented consistently across the full DfT system. In our good practice guide [Overcoming challenges to managing risks in government](#), we note that a holistic approach to risk management enables interdependent and interconnected risks to be identified and managed in a robust and integrated manner.

2 The Orange Book sets out the key principles and concepts for how risk should be managed by central government organisations.



Figure 7
Department for Transport's (DfT's) principal risks in 2025-26

DfT has identified nine principal risks that it faces, with five risks stable and two worsening

Principal risk	Description of risk	Direction of risk trend at year end
Affordability	Drivers and assumptions for costs and revenues deviate from plan without being addressed, leading to a mismatch between DfT's delivery commitments and priorities and the funding available to deliver these.	↓
Projects/programmes	Major projects and programmes in the DfT portfolio are not delivered to schedule, cost and/or quality, undermining the achievement of government priorities.	↔
Environmental	DfT does not act sufficiently to reduce greenhouse gas and air pollutant emissions from vehicles (all modes) in line with agreed targets and as required by law.	↓
People capability and capacity	DfT (or its public bodies) does not have the capacity and/or capability to deliver its priorities and objectives across all modes and sectors or minimise industrial action.	↔
Strategy	DfT does not adequately anticipate or plan for future technological developments in the transport system, resulting in ineffective decision-making and an incoherent transport landscape.	↔
Performance of the transport system	The performance of the transport system declines, and DfT is unable to influence or improve it. As a result, the system does not deliver for people or businesses.	↔
Property	Failure to maintain the condition of the transport infrastructure system to a sufficient level, including to adapt to climate change, results in infrastructure degradation and an increased risk of experiencing asset failures.	↔
Security, resilience and international crises	The transport system does not have the capability to mitigate or respond to safety, security or resilience threats and hazards, both domestic and international in origin.	Not disclosed ¹
Cyber threats	DfT is unable to mitigate the risks of cyber-attack, leading to disruption of services, with potentially significant impact on passengers and transport operators.	Not disclosed ¹

Note

¹ Due to security sensitivities, DfT does not disclose the status of these risks in its Annual Report and Accounts.

Source: National Audit Office analysis of Department for Transport *Annual Report and Accounts, 2025-26*

It is vital that the transport system is resilient to risks and threats, so that it is safe and secure for people to use. Some of the key resilience issues facing the UK transport network include the following.

Extreme weather

Extreme weather events have become more frequent and severe due to climate change. Extreme weather can damage infrastructure, cause safety risks, disrupt services and increase costs to operators. Disruption to the transport network results in costs to the economy in terms of lost revenue, repair costs, and it inconveniences users. The Climate Change Committee's 2026 climate risk assessment concluded that climate risks are becoming more severe and that the government is not adapting quickly enough to match the growing risks. The Committee identified heat, flooding, drought and wildfire as growing climate hazards and highlighted risks of cascading impacts across critical infrastructure systems.

Much of the UK's transport infrastructure, such as roads, rail, and power and data centres, is not currently designed to withstand the increasing frequency and intensity of extreme weather events. Adaptation and mitigation alongside maintenance of existing infrastructure is therefore needed to improve the resilience of the transport network.

In December 2025, DfT published its [Climate adaptation strategy for transport](#) (CAST) setting out the long-term direction for adapting the transport system to climate change. The strategy includes actions to implement resilience standards by 2030 and embed climate adaptation into business-as-usual activities.

DfT's major arm's-length bodies are also increasing their focus on resilience.

- **Network Rail's** Greener Railway Strategy includes commitments to climate adaptation and weather resilience. For the 2024–2029 funding period, Network Rail plans to invest £2.8 billion in strengthening the railway's resilience to extreme weather and climate change.
- **National Highways'** Road Investment Strategy 3 (RIS3) settlement places greater emphasis on proactive asset management and preventative maintenance, reflecting growing climate and resilience risks.

Climate-related financial disclosures

For the first time in 2025-26, DfT reported climate-related financial disclosures.

DfT complied with the Task Force on Climate-related Disclosures recommended disclosures around governance, risk management, metrics and targets. It has partially complied with the recommended disclosures on strategy.

DfT's arm's-length bodies are increasingly embedding climate risk into their core processes. Network Rail reported that, in 2025-26, it paid around £40 million in compensation to train operating companies for bad weather. The cost of insuring against weather-related failure (increased by climate change) has added around 0.5% to Network Rail's annual running costs.

Resilience to security and cyber threats

In 2025-26, under the National Security Risk Assessment, DfT worked with the Cabinet Office and other stakeholders to develop a plan against reasonable worst-case scenarios. This included participating in Exercise Pegasus, the UK's largest pandemic preparedness exercise.

In July 2026, the Cabinet Office issued [guidance on the UK's national security through public procurement](#). Many transport projects are critical for national security. Therefore, DfT and its arms-length bodies will need to consider whether their procurement strategies support national resilience and secure supply chains.

Our 2025 report [Government cyber resilience](#) found that the cyber threat to the government is severe and evolving quickly, including IT systems and technology embedded in the transport system. It concluded that the government's resilience to cyber threats is lower than it had previously thought.

For transport, the main challenges are protecting complex critical infrastructure, managing supplier and ecosystem risks, addressing legacy technology issues, and improving resilience across highly interconnected transport networks. There is now a greater concern for systemic and supply chain risks and for risks related to Artificial Intelligence, in addition to legacy related vulnerabilities.

DfT is seeking to improve productivity while undertaking significant organisational change. As part of the 2025 Spending Review, it agreed to deliver £663 million of annual efficiency savings by 2028-29 through a combination of corporate initiatives, regulated settlements with Network Rail and National Highways, and reform to its executive agencies.

Outcome-focused working across central government and with local government

Achieving productivity and growth outcomes requires aligning transport infrastructure investment with other cross-cutting areas such as housing, employment and trade. Doing so involves DfT working closely with other parts of national government and supporting and enabling local government to ensure that transport projects achieve wider strategic aims and joint outcomes. DfT is devolving more funding to local areas, providing local leaders with flexibility to focus on the outcomes that will meet local needs. As DfT does so, it has opportunities to support improvements in local government capacity and capability, so local areas are better equipped to deliver these outcomes.

Realising efficiencies from rail reform

DfT is undertaking a major organisational change. Rail reform is its largest structural reform, intended to improve productivity and reduce inefficiencies in the rail sector. In 2025, DfT introduced the Railways Bill in Parliament, which aims to refocus the sector on providing a good service for passengers by establishing a single public body, Great British Railways, to be accountable for the services it delivers.

Improved delivery of major infrastructure projects

Major transport infrastructure projects aim to boost the UK's long-term productivity through improving connectivity between cities and towns. As well as new projects, there is activity to improve resilience of existing infrastructure. DfT has several major rail and road connectivity projects at various stages of development and delivery, such as HS2, Lower Thames Crossing and Northern Powerhouse Rail (see pages 15-17). Successful delivery of projects to schedule and cost is essential to achieving the intended benefits and productivity gains for people and businesses. Our 2023 lessons learned report [*Resetting major programmes*](#) found that recognising the need to undertake a reset as soon as possible could reduce cost and wasted effort. A May 2026 Competition and Markets Authority report found that a short-term and fragmented approach to procurement in road and rail is driving up costs, slowing delivery and holding back innovation. The National Infrastructure Commission, now the National Infrastructure and Service Transformation Authority (NISTA), also identified areas (including supply chain constraints) that, if addressed, could translate into reductions of

between 10% and 25% of outturn costs across a portfolio of enhancement projects. DfT has sponsored a new industry standard intended to improve infrastructure productivity and is implementing changes arising from the Stewart Review to strengthen project governance, capability, cost control and planning.

Regulated settlements

DfT expects a proportion of its planned efficiencies to be delivered through the regulated settlements for Network Rail (CP7) and National Highways (RIS3). These settlements are subject to independent scrutiny by the Office of Rail and Road (ORR). For Network Rail, ORR sets efficiency expectations through the Periodic Review 2023 settlement and monitors delivery through annual efficiency assessments. For National Highways, ORR undertakes an efficiency review of the company's plans as part of the RIS3 settlement process.

Managing assets to ensure productivity

In May 2026, DfT updated its [*Strategic Asset Management Plan*](#). It focuses on better use of estate, disposal of surplus assets, cost minimisation and income generation. Most of DfT's assets are held by its delivery bodies. This is a complex range of assets and DfT is working to identify opportunities to dispose of surplus land and unlock housing, regeneration and growth.

DfT has identified innovation as a key enabler to achieving its strategic outcomes. It plans to spend approximately £1.1 billion on innovation activities between 2022-23 and 2029-30. DfT supports innovation through funding, partnerships and commercial influence, regulation and procurement.

Our 2026 report on *Innovation in transport* found that DfT has strengthened its approach to supporting innovation in recent years, raising its profile within the department, and widening the type of interventions it makes. However, the report highlighted several areas where DfT can improve what it does to continue this positive trajectory and ensure it achieves good value for money.

Innovation requires organisations to take well-managed risks, because the route to successful outcomes is often uncertain. Some failure is unavoidable and can show that an organisation is testing new approaches responsibly. We found that DfT needs to define more clearly how much risk it is willing to accept and collect the information it requires to manage and assess its innovation activity.

The report also found that DfT could improve how it prioritises innovation funding and that coordination with and between its arm’s-length bodies has been limited. It also faces challenges in procurement and in scaling innovation beyond pilots into wider deployment.

In spring 2027, we will explore how different departments across government approach procurement of innovative solutions in our planned review of *procurement innovation in government*.

Figure 8
Examples of how the Department for Transport (DfT) has used different interventions in combination to support innovation

There are a number of ways DfT has used a combination of its interventions to support innovation

Combination of interventions	How they work together	Example of where DfT has done this
Investment and regulation	Funding of pilot activity with changes to regulation to allow real-world testing	Drone trials: a controlled environment was set to test new technology against regulatory frameworks, with trials funded by innovation grants
Partnerships and commercial influence	Designing solutions with industry alongside approaching procurement in a way that supports uptake	Zero emission buses: local authorities have worked with small and medium-sized businesses to introduce zero emission buses
Regulation and investment	Regulations, including standards, to guide innovation, supported by funding	Electric vehicle chargepoints: DfT developed regulations and standards for public chargepoints, with the roll-out of public chargepoints supported by funding
Partnerships, investment and regulation	Collaborating with academia and industry to fund trials and inform future regulation	Autonomous vehicles: the Connected and Autonomous Mobility Testbed UK provides facilities to test and develop technologies for the development of connected and self-driving vehicles

Note
1 DfT has identified four key interventions it expects staff to consider when developing or delivering activity that can support innovation: partnerships and collaboration; investment; regulation; and procurement and commercial influence.

DfT has one of the largest major projects portfolios in government. Some of these are expected to take decades to fund and complete, such as Northern Powerhouse Rail, which is currently forecast to take nearly 30 years from its initiation to completion. The government has categorised High Speed Two as a mega-project. This requires bespoke decision-making, assurance processes and scrutiny.

The number of DfT projects on the Government Major Projects Portfolio (GMPP) has reduced from 18 last year to 11 in April 2026. The National Infrastructure and Service Transformation Authority (NISTA) has reduced the size of the GMPP. To be included in the GMPP, projects must now meet criteria that include having whole-life costs of more than £1 billion and being likely to benefit most from central support and scrutiny. These changes aim to allow NISTA to target expert advice and assurance where it adds most value. Although projects removed from the GMPP will no longer be subject to NISTA's scrutiny, DfT remains responsible for their successful delivery. The department will therefore need to rely more heavily on its own assurance arrangements for these projects. As a result, DfT's own delivery capacity, capability, and portfolio management arrangements become even more important to achieving successful project outcomes.



Figure 9

Delivery confidence assessment ratings for the Department for Transport's (DfT's) major projects, as at April 2026

As at April 2026, two out of 11 projects are rated as 'red', six as 'amber', two are exempt and for one, no rating is available yet

Project	Sector	Description	DfT's estimated whole-life cost (£mn)	Reported Delivery Confidence Assessment
High Speed Two Phase 1	Rail	A new railway connecting London to Birmingham.	87,700 to 102,700	Red
Transpennine Route Upgrade	Rail	A major multi-billion-pound programme of railway improvements between Manchester, Huddersfield, Leeds and York.	10,659	Amber
Midlands Rail Hub	Rail	A programme aiming to improve rail connectivity and boost economic growth across the Midlands and towards the South West through a series of projects across the region.	948	Amber
East West Rail Connection Stage 1	Rail	The East West Rail scheme aims to support economic growth, housing development and job creation in the region between Oxford and Cambridge. The scheme to create a rail link between Oxford and Cambridge is structured in several stages. Stage 1 relates to delivering services between Oxford and Bletchley/Milton Keynes.	Exempt	Exempt
East West Rail Connection Stages 2 and 3	Rail	The East West Rail scheme to create a rail link between Oxford and Cambridge is structured in several stages. Stage 2 is the upgrading of existing infrastructure between Bletchley and Bedford to allow services between Oxford and Bedford. Stage 3 involves building a new line between Bedford and Cambridge.	Exempt	Amber
Redevelopment at Euston Station	Rail	Updating the current Euston station to meet current and future passenger demand.	Exempt	Exempt
Rail Sector Transformation Programme	Rail	The establishment of Great British Railways to unify track and train under a single public body.	No information yet available	Red
Northern Powerhouse Rail	Rail	The government's vision to transform rail connectivity to provide faster and more frequent services between the North's key economic centres. The government has set a funding cap of £45 billion (2025 prices) on programme spend from 2026-27, which it will adjust for inflation over time, but an estimate for the whole life cost of the programme is still being assessed.	No information yet available	Amber
Lower Thames Crossing	Road	A proposed new expressway connecting Kent, Thurrock and Essex through twin-bored tunnels under the Thames.	9,900	Amber
A66 Northern Trans-Pennine	Road	Dualling of the six remaining single-carriageway sections of the A66 between M6 junction 40 Penrith and A1M Scotch Corner.	Exempt	Amber
Heathrow Expansion Programme	Aviation	The programme aims to improve connectivity across the UK, expand to international markets, create local jobs and support growth. A public consultation on the framework for future planning decisions is under way.	No information yet available	No rating available yet

Notes

- The delivery confidence assessments are an evaluation from the National Infrastructure and Service Transformation Authority (NISTA) or the Senior Responsible Owner of a project's likelihood of achieving its aims and objectives and doing so on time and on budget. Score definitions: Red – successful delivery of project appears unachievable. The project may need rescoping and/or reassessing its overall viability. Amber – successful delivery appears feasible but significant issues already exist, requiring management attention.
- Project information can be exempted by NISTA from being released publicly for a range of reasons, such as commercial or national security concerns.
- DfT estimated whole-life costs are presented in 2024-25 real prices. The exception to this is for High Speed Two Phase 1. In May 2026, DfT announced an updated estimate of the cost of completing the HS2 programme. It now stands at between £87.7 billion and £102.7 billion (mixed price base).

Source: National Audit Office analysis of the National Infrastructure and Service Transformation Authority Annual Report 2025-26 and publicly available Government Major Projects Portfolio data from 1 April 2026

High Speed Two

The High Speed Two (HS2) programme aims to deliver a high-speed, high-capacity railway between London and Birmingham. As at the end of March 2026, DfT has spent £46.8 billion (nominal prices) on the programme.

In January 2025, DfT and HS2 Ltd began a reset of the programme to avoid further cost increases and delays. There is also work underway to reset work at Euston, the central London terminus for HS2, and to close down Phase 2. In July 2026, DfT announced it renegotiated two civil engineering contracts to better incentivise delivery on time and on budget.

However, the programme is now smaller than originally planned, following the cancellation of Phase 2 beyond Birmingham in 2023. It is also costing more and taking longer to complete, with DfT estimating in May 2026 that:

- the cost of completing the revised HS2 railway is now around double its 2020 estimate, between £87.7 billion and £102.7 billion; and
- the completion of the railway will take longer than expected; services on the full railway are expected to begin operating between May 2040 and December 2043, which is between around three and 13 years later than originally planned.

The programme has been designated as a mega-project. In 2025, the government announced changes to how it will manage mega-projects. This includes streamlined and bespoke decision-making processes and integrated assurance plans which coordinate all assurance and approvals throughout the project.

Our June 2026 report, [High Speed Two reset](#), found that DfT and HS2 Ltd are taking a considered approach to the reset, but significant work remains before they can complete it in spring 2027. This includes finalising the cost and schedule, completing commercial renegotiations, developing plans at Euston and ensuring that the right skills are in place to deliver successfully.

We concluded that it is crucial that DfT and HS2 Ltd get the reset right this time following past failures and that they should ensure that they do not proceed with putting their revised plans into action until they are confident everything is in place to deliver against them.

Northern Powerhouse Rail and the Transpennine Route Upgrade

The Northern Powerhouse Rail programme aims to improve transport connectivity across the north of England to support economic growth.

In January 2026, the government announced its plans for Northern Powerhouse Rail. The programme will involve building new rail lines and stations, as well as upgrades to existing lines and stations. It builds upon an existing rail upgrade programme in the region, the Transpennine Route Upgrade between Manchester and York.

Our March 2026 report [Northern Powerhouse Rail](#) found that DfT has begun taking steps to set up the programme for success, including identifying key lessons from other programmes to incorporate into its management.

To achieve the government's vision for economic growth in the North, DfT will need to ensure that the programme aligns with both national and local growth plans. Realising the intended benefits within available resources will also require effective coordination across government and with local partners.

East West Rail

Following the government's autumn 2024 commitment to deliver East West Rail as part of the Oxford to Cambridge Growth Corridor, East West Rail Company Ltd (EWR Co) updated its plans in November 2025 and April 2026. This included proposals for new stations and enhancements to existing infrastructure.

In 2026, EWR Co ran its final public consultation on future stages of the route. This is ahead of its application for a development consent order in 2027, which will give it the authority to build the railway. In response to public feedback, EWR Co announced changes, including a new station to support Universal Studios' proposals for a theme park in Bedfordshire.

DfT is implementing a programme of rail reform to simplify rail operations, improve reliability and services for passengers, strengthen accountability, and deliver better value for money for taxpayers.

Our 2024 report [Rail Reform: the rail transformation programme](#) concluded that DfT was not set up yet to secure value for money from its work to reform rail. We recommended clear understanding of what DfT needs to deliver and realistic delivery plans.

Why the rail system needs reform

DfT recognises that the rail system needs reform to address issues of fragmentation, unclear accountability and a lack of robust long-term planning within the sector. This has led to:

- unreliable services;
- unhappy customers; and
- poor value for money for taxpayers.

Establishing Great British Railways

In November 2025, the Railways Bill was introduced to Parliament. This will establish a new body, Great British Railways (GBR) and set out wider rail reform. Most passenger train operations and the responsibilities of Network Rail for track and other infrastructure will come together under GBR. DfT expects GBR to be established around 12 months after the legislation receives Royal Assent.

GBR will act as a 'directing mind' for the railway, providing a single point of leadership and accountability. It will be responsible for infrastructure, passenger services, and key operational decisions. It will be accountable to passengers for the service it delivers, with targets for performance and consequences where these are not met.

DfT, Network Rail and DfT Operator Ltd (DFTO) expect to publish information in autumn 2026 on their plans for standing up GBR and the target timings.

Transition of passenger services to public ownership

Alongside the creation of GBR, the government is transferring passenger rail services into public ownership as existing contracts expire.

As of September 2026, 10 train operating companies are owned by DFTO. DfT is aiming to complete the transfer of the services of the remaining train operators under contract with DfT by the end of 2027. Once established, the passenger operators held within DFTO are expected to transfer to GBR.

Timeline of train operating companies transfer to public ownership

2018–2023: London North Eastern Railway (June 2018); Northern Trains (March 2020); Southeastern (October 2021); TransPennine Express (May 2023)

2025: South Western Railway (May); c2c (July); Greater Anglia (October)

2026: West Midlands Trains (February); Govia Thameslink Railway (June); Chiltern Railways (September), Great Western Railway (December)

2027: Avanti West Coast, CrossCountry and East Midlands Railway (exact dates yet to be announced)

DfT subsidises the train operating companies' allowable costs, net of operating revenues. Operating revenues were around £2 billion in 2025–26, a small decrease from 2024–25. DfT intends to reduce its net subsidy for rail passenger services, although this is dependent on uncertain future passenger volumes and revenues.

The expansion of public ownership is increasing the responsibilities carried by DFTO and the wider department. In April 2026, 182 civil servants transferred from DfT to DFTO to support the growing portfolio of operators and prepare for GBR. DFTO is working to ensure the right capability is in place to support its growing responsibilities and improve passenger services. The extent to which the reforms improve value for money will depend on whether they achieve the intended improvements in performance while increasing efficiency and reducing reliance on taxpayer subsidy.

Oversight and long-term strategy

The Office of Rail and Road will monitor GBR's performance and will provide independent advice to government on this. In June 2026, DfT published the policy paper [Railway Bill factsheet: the Long-Term Rail Strategy](#). It has committed to publishing the full strategy in autumn 2027.

Strategic road network

The strategic road network in England includes over 4,500 miles of motorway and major 'A' roads. DfT funds National Highways, which is responsible for the enhancement, renewal, maintenance and operation of the strategic road network. Since 2015, DfT has provided funding in five-year periods.

Many of the existing assets on the road network, such as road surfaces, bridges and drainage, are operating beyond their original design life, while facing increased traffic demand and the impacts of climate change.

Road Investment Strategy 3 (2026-2031)

The Road Investment Strategy 3 (RIS3) covers 2026 to 2031 and commits over £27 billion.

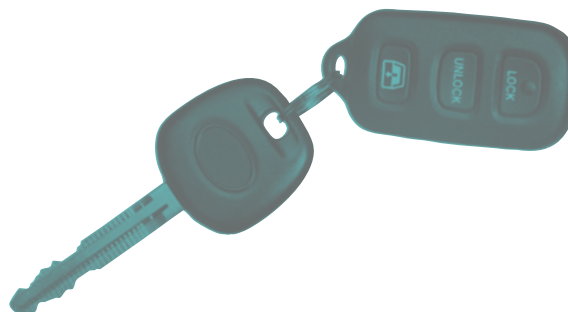
In our 2022 report [*Road enhancements: progress with the second road investment strategy \(2020 to 2025\)*](#), we recommended that National Highways and DfT review the projects already planned for RIS3 and assess their feasibility and affordability. The Transport Select Committee recommended that future portfolios should prioritise investment in maintenance over new projects. RIS3 does have an increased focus on renewals and maintenance. It includes increased investment into renewals of £8.4 billion.

In June 2026, the government asked DfT to provide savings of up to £700 million from its roads funding in addition to 1% from its capital budget, to fund the Defence Investment Plan. The Department is consulting on reductions to RIS3.

Local roads

Local roads make up 98% of the total road network in England. Our July 2024 report [*The condition and maintenance of local roads in England*](#) found that DfT did not have sufficient understanding of the condition of local roads and was not using the data it held to allocate funding as effectively as possible. We also found that DfT's funding for local road maintenance had been short-term. We recommended that DfT make better use of incentivised funding to improve outcomes.

In November 2025, DfT announced £7.3 billion of capital funding for local highway maintenance between 2026-27 and 2029-30. This aims to give local highway authorities greater funding certainty, enabling them to better plan and invest in preventative maintenance. As in 2025-26, a proportion of this funding is allocated through an incentive funding mechanism, with local highway authorities required to meet specified requirements in order to receive the full allocation. DfT published a new traffic light rating system in January 2026 on how well local highway authorities are maintaining local roads.



Driver and Vehicle Licensing Agency (DVLA)

Vehicle Excise Duty (VED) is a tax levied on every vehicle using public roads. VED revenue increased to £9.0 billion in 2025-26, up £0.7 billion (8%) from 2024-25. This increase reflects, in part, the removal of the exemption for zero-emission vehicles from April 2025.

A new 'pay-per-mile' tax for electric and plug-in hybrid vehicles – eVED – will be introduced from April 2028. DVLA is working with HM Treasury and other stakeholders across government to refine plans for the eVED project. Given the nature of the tax, which requires submissions of mileage readings to assess the amount owed, there is an inherent risk of fraud. DVLA and HM Treasury have been considering the potential for fraud when assessing different design options. It will be important to ensure that all relevant fraud risks are identified and assessed to support compliance and maximise revenue collection.

Car driving tests

The Driver and Vehicle Standards Agency (DVSA) is an executive agency of DfT, responsible for conducting driving tests. The average waiting time for booking a test in Great Britain was 22 weeks in September 2025, up from just over five weeks in February 2020. Our December 2025 audit [*Investigation into car driving test waiting times*](#) identified issues at DVSA that have led to this situation. These include failure to recruit and retain enough examiners, and to identify the underlying causes of increases in demand.

In July 2026, the government published [Rewiring the State](#), which sets out its vision for devolution in England. The proposals have implications across central government and include greater devolution of transport responsibilities to local authorities, with increased autonomy over locally funded transport schemes and support for more integrated local transport systems. Separately, the government announced a £2 cap on single bus fares. Further detail on the proposed reforms and implementation timetables are expected alongside the Autumn Budget 2026.

Devolution

Through devolution of responsibilities from central government to local government bodies in England, the government aims to give local areas greater powers and resources, allowing them to tailor policies to their specific circumstances and support growth locally. In July 2026, we published our report [Devolution in England: funding and accountability](#).

Local transport is a key strand of cross-departmental integrated funding settlements. These were launched with Greater Manchester and the West Midlands Combined Authority in April 2025. From April 2026, five further Mayoral Strategic Authorities will receive Integrated Settlements. The Integrated Settlements devolve longer-term funding and responsibility to a local level, providing greater flexibility for local leaders to decide how best to spend it. DfT will assess progress against an outcomes framework.

Integrated transport strategy

In April 2026, DfT published [Better Connected: A Strategy for Integrated Transport](#). It emphasises integration across transport modes, such as through integrated ticketing, and empowering and supporting local leaders to deliver the strategy in a way which best meets local needs. DfT plans to align local transport authority outcome frameworks with this strategy.

Local buses

In 2025, we published our report [Local Bus Services in England](#). Since then, DfT has made progress on areas we highlighted, including the following.

- **Clearly and consistently communicating its long-term strategic ambitions and deciding what information it needs to monitor the bus services system:** In April 2026, DfT published its [vision for buses and approach to delivery](#). It outlines plans to oversee how funding is used and what outcomes it achieves, with local transport authorities reporting progress against outcomes indicators.
- **Providing longer-term, consolidated funding to the bus sector:** DfT has consolidated major bus grants and announced multi-year allocations for local authorities. Seven Mayoral Strategic Authorities with Integrated Settlements are now receiving this funding. Other Mayoral Strategic Authorities now have a Mayoral Transport Fund, consolidating nearly all local transport funding. DfT sees this consolidation as giving local authorities flexibility to use funding more effectively and efficiently.

- **Improving support to local transport authorities:** DfT is expanding the role of the Bus Centre of Excellence, supported by a substantial funding uplift. DfT also plans to use information on local transport authorities' capability needs, alongside outcomes data, to identify where support is most needed.

The government's Bus Services Bill became law in October 2025. It aims to provide further powers to local transport authorities to improve bus services and grow usage, including through measures to simplify the process for local transport authorities to pursue franchising.

In August 2026, the Prime Minister announced that the government will lift time restrictions on free bus travel for eligible disabled people.

Active travel

DfT published [Active Travel – Active England: the Third Cycling and Walking Investment Strategy](#) in June 2026. It set out a vision for walking, wheeling and cycling to be safe, easy and accessible choices for everyone. It set a target for 55% of all short stages in towns and cities to be walked or cycled by 2035. The strategy focusses on enabling children to walk or cycle to school.

The strategy seeks to complement DfT's wider strategy for integrated transport. The government estimates that it will invest over £4.5 billion in active travel over the next five years.

Since 2015, domestic transport has been the largest emitting sector of greenhouse gases in the UK. In 2025, it accounted for 31% of all UK emissions with most emissions coming from road transport.

In July 2021, DfT published [*Decarbonising Transport: A Better, Greener Britain*](#), its plan to achieve net zero emissions in the transport sector by 2050. Across different transport modes, DfT has made mixed progress on decarbonisation.

DfT will need to balance the trade-offs between growth through transport expansion and managing its environmental and climate targets.

Decarbonising road transport

Since DfT published [*Taking charge: the electric vehicle infrastructure strategy*](#), it has invested in the rollout of charging infrastructure and committed to phase out new cars that rely solely on internal combustion engines by 2030. The government's aim is that all new cars and vans will be zero-emission from 2035. Sales of new petrol and diesel cars will end in 2030, while hybrids and conventional vans will continue to be sold until 2035.

The government's Zero Emission Vehicles mandate gradually increases the share of zero-emission vehicles manufacturers must sell before 2030 and beyond. Under the current rules, 80% of all new cars registered in the UK need to be electric by 2030. Flexibilities within the regulations, such as allowing manufacturers to 'borrow' allowances from future years to cover shortfalls, mean that the requirements can be met without necessarily meeting the mandate's headline target for that specific year. In 2025, 23% of new cars sold were electric but full compliance data are not yet available.

Based on provisional data, DfT expects the market as a whole to exceed the 2025 requirements.

The government is also supporting the switch to electric vehicles through its £2 billion Electric Car Grant scheme and funding for charging infrastructure. Our 2024 report [*Public chargepoints for electric vehicles*](#) concluded that chargepoint numbers have increased in line with what is needed by 2030, but that the government needed to manage delivery risks to its supporting programmes. The Climate Change Committee reported a continued growth in the number of public charge points, which increased by 19% in 2025 to reach 88,000.

Decarbonising rail

Rail is one of the lowest-emission transport modes, but progress towards decarbonisation remains slow. In 2025, 39% of the network in Great Britain was electrified and 19% of all trains remained diesel-only.

In 2026, the Transport Select Committee concluded that "electrification exemplifies the consequences of stop-start investment, with past failures eroding confidence and inflating costs".

Decarbonising aviation

The government expects aviation to be one of the most difficult sectors to decarbonise. Provisional data suggests that greenhouse gas emissions from international flights departing UK airports decreased by 1% between 2024 and 2025, and were at very similar levels to 2019.

Sustainable aviation fuels (SAFs) reduce greenhouse gas emissions compared with conventional jet fuel. DfT has supported the development of SAF technologies through grant funding. It has also supported SAF uptake through the UK's SAF Mandate, introduced in 2025, which requires fuel suppliers to blend an increasing proportion of SAF into overall aviation fuel. In addition, the UK's SAF revenue certainty mechanism aims to provide price stability for producers. The UK exceeded its 2025 SAF supply target of 2%.

Decarbonising maritime

Provisional data suggests that greenhouse gas emissions from ships on international voyages refuelling at UK ports fell by 6% between 2024 and 2025 and were 21% lower than in 2019. The UK SHORE programme remains DfT's main programme for supporting cleaner maritime technologies. DfT expects the programme to cost £674 million by the end of 2029-30.

Air quality

The UK is continuing to make progress in reducing air pollution. UK domestic transport emissions have fallen, with the latest figures for 2024 showing reductions in transport emissions of NO_x (33%), PM10 (13%), and PM2.5 (18%) compared with 2019. DfT is also expecting the transition to zero-emission vehicles to continue delivering improvements in air quality from reductions in exhaust emissions.

The National Audit Office (NAO) is the UK's independent public spending watchdog and is responsible for scrutinising public spending for Parliament. We audit the financial accounts of all departments, executive agencies, arm's-length bodies, some companies and charities, and other public bodies. We also examine and report on the value for money of how public money has been spent.

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About this report

This report has been produced to provide an overview of the NAO's examination of the spending and performance of the Department for Transport (DfT).

It is intended to support the House of Commons' Transport Committee and members across the House in their examination of DfT.

This report updates our previous report, [An Overview of the Department for Transport 2024-25](#) published on 4 November 2025.

How we have prepared this report

The information in this report draws on the findings and recommendations from our financial audit and value-for-money work, including the annual report and accounts of DfT and its partner organisations. In some cases, to provide the most up-to-date information, we have drawn on information from publicly available documents. We have cited these sources throughout the guide to enable readers to seek further information if required.

Where analysis has been taken directly from our value-for-money or other reports, details of our audit approach can be found in the Appendix of each report, including any evaluative criteria and the evidence base used. Other analysis in the guide has been directly drawn from publicly available data and includes the relevant source as well as any appropriate notes to help the reader understand our analysis.