



Department for Transport

From the Permanent Secretary

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9 June 2025

Sir Geoffrey Clifton-Brown FRICS MP
Chair of the Public Accounts Committee
House of Commons
London
SW1A 0AA

[Sent via email]

Dear Sir Geoffrey,

Local roads in England – Treasury Minute on Local Roads response

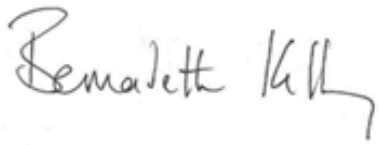
Thank you for the opportunity to provide further clarification on the Department's responses to the recommendations set out by the Committee, regarding the condition of local roads in England.

I am writing to clarify two points you have asked about:

- **Recommendation 4a:** You asked about the review of the highway maintenance funding formula, and particularly when DfT expects to conduct this review and when we would look to implement its findings. I can confirm that a lot of work has already taken place on this, and advice has been sent to Ministers setting out options and highlighting the advantages and disadvantages of various possible changes to different aspects of the formula. We are hoping to discuss this matter further with Ministers shortly and I am sure that in reaching decisions, they will want to take into account the views of the Committee. The earliest date any changes could be implemented is the financial year 2026/27, because the Department has already allocated funding for 2025/26. My successor will update the Committee further when we have agreed a way forward on options for change with Ministers.
- **Recommendation 5:** You asked if I could confirm DfT's commitment to conducting interim evaluations of local authority PFI schemes or, if we do not intend to do so, why we feel unable to implement this part of the Committee's recommendation. The Government agreed with the body of Committee's recommendation here, and is commissioning a feasibility study for an impact and value-for-money evaluation of local highways maintenance funding. One of its objectives is to explore the feasibility of evaluating the effectiveness of PFIs, including whether relevant data and appropriate methods can be identified to robustly measure their impact. The decision on whether to proceed with the evaluation depends on the outcome of this study which will report in late 2025. Once again, I suggest my successor updates the Committee further at that point.

I hope this is helpful.

Yours sincerely,

A handwritten signature in dark ink, reading "Bernadette Kelly". The signature is written in a cursive style with a large initial 'B' and a long, sweeping underline.

Dame Bernadette Kelly DCB
Permanent Secretary