



Department
for Transport

From the Permanent Secretary
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Ruth Cadbury MP
Chair of the Transport Select Committee
House of Commons
London
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02 March 2026

Dear Ruth,

Updating the Estimate Structure of DfT

Following feedback from the Committee on how the Department's spending plans are presented in our Supply Estimates, we have conducted a review of DfT's estimate structure. DfT officials have worked with clerks from the Transport Select Committee, HM Treasury colleagues, and the Parliamentary Scrutiny Unit to collaboratively review DfT's estimate structure and ensure it better represents our spending plans and strategic objectives.

Input from HM Treasury colleagues and the Parliamentary Scrutiny Unit has ensured that the proposed changes align with broader government financial reporting standards and parliamentary expectations, providing a robust foundation for enhanced transparency and scrutiny.

It has been several years since the departmental estimate rows were last reviewed, necessitating several updates to ensure alignment with current government priorities and the latest Spending Review settlement. Each adjustment is designed to improve clarity and support the Committee's ability to scrutinise spending in relation to the Department's objectives:

- The current estimate row B "Local Authority Transport" will be renamed "Local Roads & Local Transport Spend". This change will bring together Local Transport spending across the Department, reflecting the move to simplify and consolidate government funding to Local Authorities. This will make it simpler to track spending against stated objectives and providing greater visibility over how funds are allocated within local transport.
- Estimate row F "Sustainable Travel" will be renamed "Decarbonisation & Sustainable Travel". The updated name reflects the Department's commitment to decarbonisation, making it clearer how spending supports both sustainable travel and environmental objectives, therefore facilitating targeted scrutiny of these priorities.

- Estimate row G “Bus Subsidies & Concessionary Fares” will be renamed “Support for Buses”. This change reflects the wider support we provide to the bus sector including fare cap policies. Concessionary fares funding sits in MHCLG so is not represented in the DfT Supply Estimates.
- Estimate row H “GLA Transport Grants” will be renamed “TfL Funding”. The revised description aligns with how this funding is referred to publicly and at Spending Reviews, making it easier for the Committee to identify and monitor funding announced for Transport for London at fiscal events.
- Estimate row P “High Speed Rail” will be renamed “Major Rail Projects” to reflect all the major rail infrastructure projects the Department is delivering alongside HS2. This line will now include spend on Northern Powerhouse Rail and Euston, as well as HS2 Land and Property. HS2 Ltd is an Arms Length Body of the Department and has its own Estimate Line.
- Estimate row Q “Transport Development Fund” will no longer be used. The Transport Development Fund is a legacy programme, so its closure eliminates potential confusion. The underlying expenditure will be moved to estimate row B “Local Roads & Local Transport Spend”.

We will use the accompanying Estimate Memorandum to guide the select committee to more detailed spending plans. This will include Annex A of the Estimates Memorandum, which will provide a detailed breakdown of each estimate row and offer a clear line of sight from estimate rows to specific spending plans, further supporting the Committee’s scrutiny role.

In addition to these presentational changes, we will enhance the information provided in the Estimate Memorandum, particularly regarding the link between expenditure, outcomes, and objectives in line with the House of Commons Scrutiny Unit’s [updated Estimates guidance](#). This should make it easier for Committee members to assess how spending aligns with the Department’s stated objectives and intended outcomes.

I hope that changes will substantially increase transparency and enable the Select Committee to scrutinise spending plans more effectively. We would like to implement these changes from Main Estimate 2026/27 if possible, and we are happy to engage with you and your officials to make this possible.

I am copying this letter to both HM Treasury colleagues and the Parliamentary Scrutiny Unit.

Yours sincerely,

Jo Shanmugalingam



PERMANENT SECRETARY