



Department
for Transport

From the Parliamentary
Under Secretary of State
Simon Lightwood MP

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000
E-Mail: Simon.Lightwood_MP@dft.gov.uk
Web site: www.gov.uk/dft

Cllr Paul Peacock
Castle House,
Great North Road,
Newark,
Notts, NG24 1BY

30 June 2026

Dear Paul,

Re: Defence Investment Plan contribution by the Department for Transport.

You will have received a letter from No.10 today following the Prime Minister's announcement this morning on the Defence Investment Plan (DIP). I wanted to follow up on that letter with more detail.

I've just returned from the front bench in the House of Commons, where I joined the Secretary of State for Defence in presenting the DIP.

The DIP contains an increase in defence funding from £54 billion a year under the previous government to almost £80 billion a year by 2029, and will see the UK's defence spending increase to 2.7% of GDP.

This means that by the end of the decade, the proportion of GDP spent on defence will now be higher than at any time during the last thirty years and puts the UK on track to meet NATO's defence spending targets by 2035. The major spending uplift will also create nearly 60,000 extra direct and indirect UK industry jobs by the end of the decade, taking forecasted defence spending-related jobs supported in the UK to more than half a million.

When the Prime Minister asked the Department to identify possible savings to fund the DIP, including from our roads budget, we felt it was our responsibility to put the defence of the nation first. I am proud that the Department of Transport has been able to play our role in enabling this record investment

which puts the security of the British public first, transforming our Armed Forces and giving them the funding and equipment they need to fight and defend our nation. But these weren't easy decisions to make.

The Department has protected key areas of spend, including funding to local authorities to mend potholes and repair their roads. And the Department has not touched support for bus or rail services, including for Northern Powerhouse Rail.

The priority has been to protect those areas of roads spend that have the greatest impact on those who use roads every day, as well as spend which is contractually committed.

To support the request from No10, the Department will:

- consult shortly on potential funding reductions to the third Road Investment Strategy (RIS3). This includes potential cancellations of the A38 Derby Junctions and A46 Newark Bypass schemes, and also potential limited reductions to other areas of as yet uncommitted spend by National Highways. The actual changes will depend on the outcome of the consultation.
- Make limited reductions in other areas of roads funding, over and above the possible changes to RIS3, on which the Department will say more shortly.

I recognise this will be disappointing news, but it was clear that the Prime Minister saw this cross-Government action was necessary in order to fully fund an investment plan.

Department for Transport officials will be in contact shortly to engage with you on the consultation. The Department will ensure that it consults appropriately on the changes, as required by the legislation, and will not make a final decision on any variation to RIS3 until after that process has concluded. As part of this, the Department will consider the schemes' value for money as well as their impacts on housing, growth, deliverability and other factors.

The Department for Transport will be consulting on the possible cancellation of the two schemes specifically because it is prioritising those already in construction or due to start construction in the near future. The two schemes are not in contract and are not as far progressed as the other enhancement schemes set out in RIS3. The Department has therefore proposed to consult on removing them from the programme. I should stress that no final decision has been taken.

The East Midlands region has benefited from, and will continue to benefit from, significant transport investment. Work is underway on the delivery plans for the A52 Nottingham Junctions scheme for completion in the next five years. RIS3 also includes the major reconstruction of the A46 from Six Hills to Widmerpool, south of Nottingham, providing a smoother and safer journey for all those who rely on it.

The Department has also given significant new devolved transport funding to the East Midlands. The East Midlands has had a Transport for City Regions settlement of around £2 billion, up to 10 per cent of which can be used for schemes that increase road capacity. This should enable the Mayor to support improvements to the roads in the region.

The Major Road Network programme also includes support for a number of transformative road enhancement schemes in the East Midlands. These include the A511 growth corridor scheme in Leicestershire; improvements to a number of junctions along the A614 and A6097; the North Hykeham Relief Road which will effectively form a ring-road around Lincoln; and the recently opened Melton Mowbray Eastern Distributor Road.

East Midlands Combined County Authority has also received £6m revenue as part of the Department for Transport's Better Connected – a strategy for integrated transport, to deliver a national demonstrator of integrated rural transport in the Hope Valley (Derbyshire).

Nevertheless, I appreciate today's news about roads funding is disappointing. The Department for Transport will say more shortly on next steps, particularly on its approach to consulting on the possible changes to RIS3. My officials stand ready to brief yours on next steps.

Yours sincerely,

A large black rectangular box redacting the signature of Simon Lightwood.

SIMON LIGHTWOOD MP
MINISTER FOR ROADS AND BUSES