

From the Permanent Secretary

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Dame Meg Hillier MP
Chair
Public Accounts Committee

[Sent via email]

Dear Chair,

Publication of High Speed Two (HS2) Parliamentary Report

I am writing to inform you of the publication of the sixth written update to Parliament on the progress of HS2. This report, which covers data reported by HS2 Ltd to the end of February 2023, provides information about its development and achievements as well as the risks and challenges which have been facing the programme.

This continues the Government's ongoing commitment to regular reporting on HS2, keeping Parliamentarians abreast of the UK's largest infrastructure project. The report shows how this Government is continuing to invest in our future infrastructure. HS2 will drive economic growth and opportunities across the country, provide a low-carbon alternative to car travel and domestic flights, and train a skilled workforce for the UK's future construction industry.

As the report indicates, the programme has seen some significant challenges in the past six months, including excess inflation needing to be managed within a tight fiscal environment and an unaffordable proposed cost of £4.8bn for Euston station. The Secretary of State's statement of 9 March set out how the programme would be rephased in response.

The report also highlights the important work currently underway to review and assure comprehensively the projected costs against the budget for Phase One, noting that significant judgments remain in any projection. I will update Parliament further once this important work has been concluded and assured.

Challenges aside, however, there are also many notable milestones of the HS2 programme in this reporting period. For example, HS2 Ltd and its supply chain have now begun over 1,200 apprenticeships, more than halfway to the target, with the programme now supporting over 28,500 jobs as of March 2023.

In addition, there are now 19 diesel-free work sites on the HS2 programme. This is a significant step towards the project's aim to cut carbon emissions during construction and improve air quality for workers and local communities.

In North Warwickshire, the Marston Box Rail Bridge – the world's longest box slide – was successfully installed over the M42 motorway. During a short closure of the M42 over

Christmas 2022, 450 people worked to move the 12,600-tonne box structure 165 metres across the motorway into position.

Lastly, on 9 February, Sir Jon Thompson was appointed as the Chair of HS2 Ltd following an extensive search. Sir Jon's appointment brings new permanent leadership and strong financial experience to the Board at this critical time.

The Report can be read in full at here.

Yours sincerely,

Dame Bernadette Kelly DCB

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Permanent Secretary, Department for Transport