



Department for Transport

From the Permanent Secretary

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28 July 2022

Meg Hillier MP
Chair
Committee of Public Accounts
House of Commons
London
SW1A 0AA

Dear Chair,

Follow-up to PAC hearing, High Speed 2: 2022 Spring Update

Thank you for your letter of 29 June further to our written update on HS2.

I have noted your observations on the topics that were discussed during the evidence session. I look forward to updating you on these issues, through our forthcoming Parliamentary Reports and during the next evidence session.

I would also like to note the following on the below topics:

Crossrail

In December 2020, the Government provided a funding package of £825m for the purposes of Crossrail. Of DfT's loan, there is £150m still available to Crossrail Ltd (CRL) to complete the project. Discussions with Transport for London (TfL) continue with regard to a capital funding settlement which includes provisions to allow for the completion of Crossrail. Both TfL and CRL are reviewing costs and schedule to determine a final amount for completing the project. To date, the target shortfall has been reduced with further opportunities identified. CRL will confirm the final shortfall amount in their updated Delivery Control Schedule expected by autumn 2022. Government continues to stand by the principle of 'London Pays' in any discussion regarding Crossrail funding. TfL have confirmed that they will continue to keep the Committee updated on project progress and will provide an update once agreement is reached on resolving the funding gap.

Relationship with Buckinghamshire Council

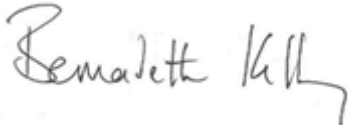
Both HS2 Ltd and officials working on High Speed Rail in the Department have engaged more closely with Buckinghamshire Council over recent months and we believe that these relationships have improved substantially as a result. Of course, there remain issues of concern for the Council, and we continue to discuss these and seek ways to minimise the impact of construction on local communities.

Conversely, we believe the Council now recognises more clearly the role that they must play in facilitating the smooth delivery of the project in the county, so that disruption to

communities is not extended. In relation to lorry routes, we await the judgment in the High Court's recent Judicial Review on this issue with interest.

I am sorry I was unable to join you at the recent site visit to Euston. I hope it was useful and informative. Mark Thurston, Clive Maxwell, and I stand ready to assist the Committee and the NAO as this element of the project proceeds.

Kind regards,

A handwritten signature in dark ink, appearing to read "Bernadette Kelly". The signature is written in a cursive, flowing style.

Dame Bernadette Kelly DCB
Permanent Secretary,
Department for Transport