



Committee of Public Accounts

House of Commons, London SW1A 0AA

Tel 020 7219 5776 Email pubaccomm@parliament.uk Website www.parliament.uk/pac

Bernadette Kelly
Permanent Secretary
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

4 July 2019

Dear Permanent Secretary,

High Speed Two

Thank you for providing information on the progress of the High Speed Two programme at our evidence session on Crossrail on 15 May and in your letter of 30 May. Given the parallels between these two large and complex programmes, I am pleased that the Department is seeking to apply lessons, particularly around planning for systems integration and ensuring trust and transparency between the Department and HS2 Ltd. These are areas to which my Committee will no doubt return.

During the session we asked you when an updated business case will be published. We have heard that there is speculation that the current spending review may be delayed or paused. I am concerned about the potential for further delay in providing us with updated information on the strategic and economic case for the programme and how that has changed over time, and to reflect changes in the programme and the external environment. I would welcome confirmation of your plans for publishing the business case.

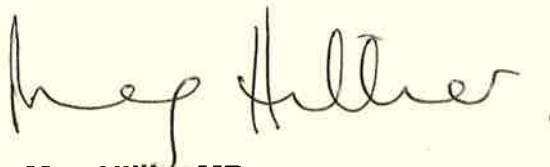
The Department has already delayed providing HS2 Ltd with notice to proceed with the main construction of Phase One a number of times already. It was originally expected in 2017, but now I understand that you are not expecting to reach this milestone until December 2019. In our evidence session you acknowledged that one of the lessons you had learned from Crossrail was that delivery dates set early on in a project can drive additional costs and inefficiencies. Given that the opening date for Phase One has not moved from 2026, I am increasingly concerned about compression in the schedule for High Speed 2 and what this means for the risks being carried in the programme. We would expect the Department to be undertaking a thorough review of the schedule, supported where necessary with independent assurance, to ensure that it is realistic and reflects recent programme progress.

In your letter to me of 30 May, you provided additional information in response to some of the Committee's queries. However, your response does not fully answer our concerns and we would welcome further information:

- We asked for an update on land and property acquisition budgets. In your letter you set out a summary of the NAO's findings from its September 2018 investigation. I would be grateful if you could provide an up to date position on how much has been spent to date in acquiring land and property, how the budget position has changed since the NAO reported and the reasons for these changes. It would also be helpful to understand the take-up and success of the Shimmer Relocation Assistance Scheme that was introduced in December 2018.
- Given that construction is due to begin on Phase One next year, it is disappointing that only 361 places out of the 1,200 available in 2019-20 have been filled at the National College for High Speed Rail. Please would you reply to us with information on how the Department, HS2 Ltd and the college are encouraging take up of the courses and how local agencies are working together to sign-post the opportunities that are available.

As you know, the Committee remains interested in how High Speed 2 is progressing and ensuring that it provides the taxpayer with value for money.

I am copying this letter to the Comptroller and Auditor General.

A handwritten signature in black ink, appearing to read 'Meg Hillier', written in a cursive style.

Meg Hillier MP
Chair of the Committee of Public Accounts