



Committee of Public Accounts

House of Commons, London SW1A 0AA

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

27 June 2019

Dear Bernadette,

RE: Treasury Minute response – Rail management and timetabling

Thank you for the response to the Committee's report on Rail management and timetabling.

I welcome the work the Department is doing to learn and share lessons across government from its delivery of major projects, particularly Crossrail. I look forward to receiving the updates that you have committed to providing later this year on the Committee's other recommendations.

However, I am disappointed that you did not set out in your response the profit cap the Department has applied to Govia Thameslink Railway. The Committee requested details of the cap during the evidence session in December and was promised a note. This note did not set out the cap but stated that it was subject to standard confidentiality provisions in the Franchise Agreement. The Treasury Minute response goes further and states that this information is market sensitive and its release would be prejudicial to the interests of the Department, the operators and their owning groups.

In your earlier note, and the Treasury Minute response, you set out Go Ahead's statement on its predicted margin over the franchise term. I therefore do not see why the profit cap is market sensitive and why it would not be in the interests of transparency to provide it. My concern remains that the Department is not appropriately holding franchise operators to account and ensuring that they do not make profits when their passengers are receiving a poor service. Neither your note, nor the Treasury minute sets out why the Department considers releasing the cap to be market sensitive, and how you think it would prejudice the interests of the Department, operators and their owning groups.

I would therefore be grateful if you could provide me with details of the profit cap, including how this will operate and how a decision was reached on the amount it was set at, or else provide a comprehensive explanation as to why and how it would harm the public interest to release this information.

I would be grateful for a response by *27 July 2019*. I am copying this letter to the Comptroller and Auditor General and the Treasury Officer of Accounts.

Meg Hillier

MEG HILLIER MP
CHAIR OF THE COMMITTEE OF PUBLIC ACCOUNTS