



Department for
Transport

From the Secretary of State

Great Minster House
76 Marsham Street
London SW1P 4DR

Tel: 020 7944 3011
Fax: 020 7944 4399
E-Mail: philip.hammond@dft.gsi.gov.uk

Web site: www.dft.gov.uk

9 February 2011

Dear Colleague,

You may have received an email from the Stop HS2 Campaign inviting you to attend their national convention in Stoneleigh on 19 February. It contains a number of incorrect statements regarding the Government's plans for high speed rail and I thought it would be helpful to set the record straight.

First, the costings for high speed rail given in the email are incorrect, stating the cost for the first phase of the project to be £34.7 billion. In fact, the cost of the first phase of the project is estimated to be between £15.8 billion and £17.4 billion. Phases I and II together, including the network from London to Manchester and Leeds, is estimated at around £33 billion. These figures are calculated factoring in construction risk and optimism bias in accordance with Treasury methodology. While the costs of a new high speed line are clearly significant, they would be spread out over the next 15 years, with the overwhelming majority being spent during the next Parliament and the subsequent one, after the public finances are scheduled to be back in balance. We expect high speed rail to deliver benefits for the country well in excess of its costs. A revised business case will be published with the forthcoming consultation documents.

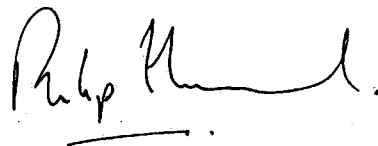
Secondly, the email from the Stop HS2 campaign states that high speed rail will not be carbon efficient. In fact, our proposed London-West Midlands line is expected to be broadly carbon neutral, even allowing for the significant increase in demand that it would cater for, and its consequential economic benefits. No other option for increasing rail capacity can offer a similar balance of economic and environmental benefits. Our wider high speed network to Manchester and Leeds, with through-running services to Scotland, could also provide an attractive alternative for many journeys which would otherwise be made by short-haul aviation. The proposed connections to Heathrow airport and to HS1 and the Channel Tunnel will further increase the attraction of rail for short-haul European destinations.

The Stop HS2 campaign also claim that householders and business owners affected by the route have had no form of formal communication from the Government telling them that their property has been included in the plans. In fact the proposed route has been very well publicised, including adverts in local and regional media. We will be writing to all property owners potentially affected by the proposed new line at the launch of the forthcoming consultation. To avoid spreading blight, it would only be following consultation and subject to the Government taking a final decision that we would identify who exactly would be affected. The Government is determined to protect the legitimate interests of private property owners affected by the route, and we have already launched a scheme to support those affected who have a pressing need to sell their property.

In summary, it is the Government's strong belief that high speed rail will be one of the crucial elements to ensuring the economic success of our country in the decades ahead. Britain cannot afford to be left behind as our competitors develop modern infrastructure. A national high speed rail network from London to Birmingham, with onward legs to Leeds and Manchester, will help us secure the growth, the jobs, and the investment that will drive our prosperity in the future. It provides an opportunity to tackle the longstanding North-South divide, ensuring that every part of the country contributes to, and benefits from, future growth and prosperity. With a high speed rail line, the Midlands and the North will be much better able to access and benefit from the magnet effect of London's economy, transforming the way Britain works and competes in the 21st century.

The consultation we are launching in the next few weeks will be a comprehensive undertaking to ensure that everyone potentially affected, positively or negatively, will be able to have their say and fully engage in the project. An updated business case will be published alongside the consultation, which will encompass not only the detailed line of route that has been outlined for the initial London to West Midlands phase, but also the Government's overall strategy for a national high speed rail network. As part of the process, roadshows will be held along the length of the preferred route from London to the West Midlands to ensure that local people have the opportunity to discuss specific concerns.

Yours ever

A handwritten signature in black ink, appearing to read 'Philip Hammond', with a horizontal line underneath the name.

PHILIP HAMMOND