



Department
for Transport

Rt Hon Michael Gove MP
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From the Secretary of State
The Rt. Hon. Grant Shapps

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Our Ref: MC/271353

Dear Michael,

29 OCT 2019

Thank you for your email of 14 August, regarding your meeting with Graham Cross and Neil Lindsay of Heathrow Southern Rail Limited. My apologies for the delay in replying to this email. This letter is further to the reply sent to you on 15 October by Paul Maynard in response to your letter of 25 September 2019.

The Southern Access to Heathrow (SAth) project is at an early stage of development with multiple route options. As referred to in Paul's letter, we are developing new commercial options for a 'market-involved' approach providing an exciting opportunity to harness new and innovative ideas from the private sector while reducing the burden on fare and taxpayers.

My officials have been working with HSRL on this project and I recognise the significant work they have put into the development of their proposal. However, as HSRL are aware, it is the Department's view that the commercial structuring of their proposal places significant risks with the Department.

I acknowledge that HSRL have attempted to address issues identified by the Department with their proposal, but it remains our view that a number of risks cannot realistically be transferred away from government and that we cannot support their proposal as it is currently structured.

The Department is continuing to develop its work to secure improved transport connections to Heathrow from the south. In doing so, we are committed to finding a way to significantly increase the involvement of the private sector in the development and delivery arrangements at an early stage.

We believe that SAtH's objectives will be best met through the development of a process that includes an open and competitive element to allow the selection of a partner that is best able to meet a set of detailed outcome-based objectives. We are currently developing such a model, which we intend to provide further detail on in early 2020.

Once again thank you for your recent correspondence regarding this matter and if you wish to receive a briefing on recent developments surrounding the scheme my officials would be able to facilitate this at a time and location convenient to you.

Yours ever,

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

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT