Department for Transport

From the Secretary of State
Rt Hon Heidi Alexander MP

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000
E-Mail:
Heidi.Alexander@dft.gov.uk

Web site: www.gov.uk/dft

Ruth Cadbury MP
Chair, Transport Committee
House of Commons
Palace of Westminster

22 April 2025

Dear Ruth,

Department for Transport Supplementary Estimate 2024/25

Thank you for your letter of 26 March requesting additional information on my Department's spending plans included within the 2024/25 Supplementary Estimates.

Please see responses below to each of your questions.

1. Your first question was about the need for an additional £1.8bn of non-cash Resource DEL (RDEL) budget cover. Valuation and condition assessments were conducted on the Railway Network and Strategic Road Network, which led to increased asset values and therefore higher depreciation charges. This was the over-riding reason rather than any change to useful economic life for which £1.3bn was allocated.

   Additionally, due to the cancellation of some road enhancement schemes as part of the HMT Spending Audit and Autumn Budget (including the A303 Stonehenge Tunnel, A27 schemes and A1 Morpeth to Ellingham) non-cash RDEL cover of £0.5bn was provided by HMT to cover required impairments of spend undertaken. Once the accounting impacts have been confirmed, they will be included in the Department's Annual Report and Accounts (due for publication pre Summer recess).

2. Secondly, you required more detail on additional RDEL costs relating to HS2. These costs relate to close out activities required following

the previous decision to cancel Phase 2 of the HS2 programme, including remediation works such as filling in boreholes and reinstating land back to its original state. This expenditure is not classified as a loss/special payment. Losses relating to the Phase 2 decision were accounted for in the previous financial year (2023/24).

3. Crossrail loan repayments from the Greater London Authority (GLA) and Transport for London (TfL) to the Department were incorrectly classified by HMT as RDEL rather than Capital DEL (CDEL) at Spending Review 2021 (SR21). HMT agreed to switch budget cover from CDEL to RDEL for each year of SR21 (22/23 to 24/25) through the Supplementary Estimate to rectify the initial incorrect classification; and this change reflects that amendment for 2024/25.
4. Lastly, you wanted more detail on the reduction of CDEL expenditure relating to science, research and support functions. The previous Government's Plan for Drivers allocated funding for a) the Intelligent Traffic Management Fund to optimise traffic flows and b) the National Parking Platform, which aims to simplify parking by creating a unified market. As part of HMT's Spending Audit in July 2024, Ministers took the decision to stop the Intelligent Traffic Management Fund and not to publicly fund the National Parking Platform, instead considering alternative delivery options funded by third parties.

I will ask my officials to work with the House of Commons Scrutiny Unit and HM Treasury to consider any changes to the presentation of the Department's Estimates.

Yours sincerely,

Heidi Alexander

Rt Hon Heidi Alexander MP

SECRETARY OF STATE FOR TRANSPORT