



Public Accounts Committee

**Addressed to Jo Shanmugalingam
Interim Permanent Secretary
Department for Transport
Great Minister House
33 Horseferry Road
London
SW1P 4DR**

24 June 2025

Treasury minute response - HS2 update following the Northern Leg cancellation

Dear Permanent Secretary,

Thank you for your Department's response to the Committee's report on *HS2: update following the Northern Leg cancellation*, which was published in February. I was pleased to see the commitments that the Department and HS2 Ltd have made to provide further information in response to a number of our recommendations, either writing to us before the summer recess or in the next six-monthly update. The Committee looks forward to receiving these in due course.

However, the Committee is disappointed with your lack of response in two areas. These are:

- **Recommendation 3**: as part of our recommendation on construction contract renegotiations we requested that HS2 Ltd should write to the committee before the 2025 summer recess, setting out what steps it will take if the contracts cannot be negotiated on more favourable terms. However, you make no mention of this as part of your response. Given further work is now needed around the renegotiations, it is even more important that the alternative steps are set out to the Committee and, as this does not relate to the contract negotiations themselves, I would not expect commercial sensitivity to be an issue. If the Department does have any sensitivity concerns, I would ask that you provide both a public response and one for the Committee in confidence.
- **Recommendation 7a**: you set out that the Department is undertaking a review of the portfolio of land that was previously acquired for Phase 2 as part of preparatory work on a disposals programme. However, you do not set out when this would be done by so that former owners may have the right to buy back, only that it will take time to develop the disposals programme. The Committee was clear that things have been moving too slowly around the disposal of land and property and your lack of response provides yet another example of this. The Department should confirm when it expects that people who previously owned property that is no longer needed can finally have clarity and the opportunity to buy back where possible.

I would be grateful if you could write back on these points by **Friday 4 July**, as I will be guesting at the Transport Select Committee session on HS2 the following week and intend to follow-up these areas as part of the session.



Public Accounts Committee

I am copying this letter to the Comptroller and Auditor General and to the Treasury Officer of Accounts.

Sir Geoffrey Clifton-Brown MP
Chair of the Committee of Public Accounts

Cc'd
Gareth Davies, Comptroller and Auditor General
David Fairbrother OBE, Treasury Officer of Accounts