



Department for Transport

From the Permanent Secretary

Great Minster House
33 Horseferry Road
London SW1P 4DR

E-Mail: bernadette.kelly@dft.gov.uk

Web site: www.dft.gov.uk

8 January 2019

Meg Hillier MP
Chair, Committee of Public Accounts
House of Commons
London
SW1A 0AA

Dear Chair,

Accounting Officer Memorandum: East Coast Main Line Enhancements Programme

The Department for Transport has procured two major ongoing enhancements to the train services which operate on the East Coast Main Line (ECML): the Thameslink Programme and the Intercity Express Programme. The Department has also procured faster and more frequent train services between key locations on the ECML through its rail franchises.

The ongoing ECML Enhancement Programme will provide the infrastructure upgrades necessary to deliver these service improvements. This is a £1.2bn programme of work which entered the Government Major Projects Portfolio (GMPP) in Q2 2018/19.

As the Department's accounting officer, I have carried out an assessment of this programme and am satisfied that the investment meets the standards set out in *Managing Public Money*. Where the project in question falls within the GMPP, it is now standard practice for a summary of the accounting officer's assessment to be made available to Parliament.

Background and context

Programme title: East Coast Main Line Enhancements Programme

Main scheme stage: Full Business Case – approved May 2018

Objectives: The expected outcomes of the Programme, targeting completion in the early 2020s, are:

- The fastest journey between London and Edinburgh will be around 4 hours - about 15 minutes faster than today.
- The fastest journey between London and Leeds will be around 2 hours - about 10 minutes faster than today.
- The fastest journey between London and Newcastle will be around 10 minutes quicker than today.
- Long distance services will see around a 40% increase in seats per hour into London.
- There will be two more long distance services per hour operating between London and Doncaster and one more per hour operating between Doncaster and Newcastle.

The Programme consists of three categories of infrastructure interventions:

- Intercity Express Programme enabling works: These schemes are mostly delivered and consist of the works required to physically operate the government-led procurement of rolling stock for the Intercity Express Programme. This includes gauge clearance, platform lengthening and depot connections.
- Power supply upgrades: A power supply upgrade at the south end of the route is already delivered. An additional intervention will provide an increase in the capacity of the power supply from Doncaster to Edinburgh, enabling long distance and local services to be electrically powered.
- Capacity enabling works: This consists of a number of schemes focusing on resolving known bottlenecks at locations along the line of route, delivering an increase in track capacity for long distance high speed services.

These infrastructure works will create more track capacity, increasing service frequency and reducing journey times. Enabling the introduction of the bi-mode Intercity Express Trains will allow operators to offer new through services outside the electrified network. These changes will therefore allow the Department to fulfil public commitments to introduce services to new destinations, increase the frequency of existing services and improve journey times, providing a boost to economic growth and opportunity.

Assessment against the accounting officer standards

Regularity

The ECML Enhancements Programme is assessed as regular. It relies on existing primary legislation, specifically Schedule 4A of the Railways Act 1993 and Section 6 of the Railways Act 2005, and will comply with UK and European law. Expenditure

incurred by the Programme in 2018-19 and prior years has been provided for in the relevant Parliamentary Estimate. For future years (control period 6, 2019 to 2024), the scope set out in the Full Business Case is assessed as affordable when considered alongside the assumptions which underpin the government's Statements of Funds Available 2017¹. Therefore, expenditure forecast to be incurred by the Programme from 2019-20 onwards will be reflected in future Parliamentary Estimates.

Propriety

The Full Business Case for the ECML Enhancements Programme has been reviewed by a Tier 1 Investment Committee at DfT and it is anticipated that the Programme will not breach parliamentary control procedures or expectations.

Value for Money

The cost benefit analysis conducted for the Full Business Case in accordance with Transport Analysis Guidance shows that the ECML Enhancement Programme represents medium to high value for money. This categorisation range results from uncertainty in the extent to which passengers will transfer from the ECML to the High Speed 2 network in future years. However, taking this and other uncertainties into account, the analysis has shown that the Programme is a sound use of public funds that will deliver a significant level of benefits for passengers.

Feasibility

Approximately one third by value of this Programme has already been delivered successfully and delivery of the remaining works is within the capability of Network Rail and its subcontractors. A Project Assessment Review of the Programme, led by the Infrastructure and Projects Authority, was conducted in February 2018. The Review Team Delivery Confidence assessment for the Programme was Amber. The recommendations from the review were addressed prior to approval of the Full Business Case.

Conclusion

I have considered this assessment of the ECML Enhancements Programme against the four accounting officer standards of regularity, propriety, value for money and feasibility. I am satisfied the Programme relies on clear legal powers, meets the standards of Managing Public Money and accords with the generally understood principles of public life, represents good value for money for the Exchequer as a whole, and is feasible to deliver. I am therefore satisfied that the Programme is a good use of public resources.

As the Accounting Officer for the Department of Transport, I considered this assessment of the ECML Enhancements Programme and approved it on 8 January 2019.

¹ <https://www.gov.uk/government/publications/railways-statement-of-funds-available-2017>

I have prepared this summary to set out the key points which informed my assessment. If any of these factors change materially during the lifetime of this Programme, I undertake to prepare a revised summary.

This summary will be published on the government's website (GOV.UK). Copies will be deposited in the Library of the House of Commons, and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

Regards,

A handwritten signature in blue ink, consisting of the name 'Bernadette Kelly' written in a cursive style.

Bernadette Kelly CB
Permanent Secretary