



Department
for Transport

Dame Bernadette Kelly DCB

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30 July 2024

From the Permanent Secretary

PAC Clerks

Public Accounts Committee

[Sent via email]

Dear Clerks,

Northern Powerhouse Rail: Value for Money

I am writing regarding an Accounting Officer Assessment (AOA) for Northern Powerhouse Rail (NPR) which I undertook prior to the general election.

Under the previous Government, I was in the process of completing an AOA for this GMPP project. This was based on the scope of the scheme as set out in the 2021 Integrated Rail Plan. The cost and scope of this programme were materially changed in October 2023 as a result of decisions announced in Network North and I had completed a revised AOA including a summary AOA for publication. I was about to notify this to the Public Accounts Committee when the general election was called.

The new Government is now considering options for northern rail infrastructure investment and it is expected this will form part of the Government's wider conclusions on infrastructure priorities. However I consider it is appropriate to publish the summary AOA as it relates to

continuing spend in the current financial year and because it sets out some conclusions on Value for Money (VfM) relevant to continuing work. This assessment most immediately addresses the continuing spend of £54m development funding on NPR anticipated to the end of 2024/25. I am satisfied that continuing with this spend is consistent with Managing Public Money (MPM) and is justified in order to further develop the analysis of options, delivery model, construction methodology and cost estimates for northern rail infrastructure investment going forward.

It notes however wider VfM challenges with NPR given a low BCR, and sets out actions needed to address as part of further work.

A summary version of this AOA is attached. This will be published on 30 July 2024.

Clearly, subject to the decisions of the new Government, I will need to update this assessment accordingly.

Yours sincerely,

A handwritten signature in black ink that reads "Bernadette Kelly". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Dame Bernadette Kelly DCB
Permanent Secretary, Department for Transport