

6th August 2021

Mr Chris Heaton-Harris MP
Minister for Rail
Department for Transport
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Dear Mr Heaton-Harris,

Western Rail Link to Heathrow (WRLtH)

We were very pleased to see recent reports of your intent to submit a funding bid for WRLtH to the Autumn Spending Review. We write both to highlight the most recent arguments for WRLtH and to offer our continued support.

On behalf of the Thames Valley Chamber of Commerce, its membership and our dedicated WRLtH working group, we wish to express our fear that a decision on a scheme will be deferred again despite its sound business case, its deliverability, and the much needed and well-evidenced economic and environmental returns to UK plc as well as the scheme's evidential ability to contribute to Her Majesty's Government (HMG) levelling-up agenda. We are concerned that the scheme has become enmeshed in a procedural and co-dependency knot.

We welcome your commitment, and that of HMG, to help cut through that knot and approve funding without further delay. In doing so HMG will show the decisive leadership we know it is capable of, avoid disproportionately mounting costs and risks, to show its commitment to 14 million people and to many thousands of businesses across many regions (see below), and enable the UK to meet its climate change targets.

The extensive benefits of WRLtH are well known to you and summarised below.

- A fully developed and costed project, capable of rapid delivery subject only to planning and final funding approval.
- Transformational – bringing substantive improvement in connectivity to those 14m people.
- A levelling-up project – serving and supporting regional economies in the South-West, south Wales, South Central and Midlands including those regions hardest hit by Covid 19 and addressing the Government's objective of Union Connectivity.
- A carbon reduction project – delivering UK climate change targets and mitigating the impact of Heathrow
- A vital stimulus to the recovery of the UK aviation industry.
- Value for money and with well-evidenced Return on Investment to HMG and business.
- A catalyst for the recovery of business confidence, inward investment, international trade, and inbound tourism across the benefitting areas.

The scheme has been promoted by the private and public sectors since 2009 and was adopted by Government in 2012 subject to agreement with the aviation industry. At this time a delivery date in the early 2020s was possible. This predated the Davies Commission and the case for a third runway.

The WRLtH business case, based on a two-runway airport, has always been very credible and has passed the Treasury tests for funding. Yet, we understand, HMG has required an escalating level of funding from Heathrow Airport Limited (HAL) for which both the obligation and ability to pay are largely dependent on a third runway. HAL fully support the scheme and we all understand their inability to commit currently.

We now understand that decision making for the next several years may be hampered by the misalignment of Government, HAL, and Civil Aviation Authority (CAA) business cycles and a reticence to fund a scheme where the benefits will not be realised until the 2030s. All strategic transport projects have similar deferred benefits and challenges. We ask HMG to square that circle and delay no more.

Further delay will add to cost to no value. We estimate that construction inflation will increase cost by circa £40m per year and that an added cost of circa £70 million will be incurred if a funding commitment is not made to WRLtH by autumn 2022 at the latest. This arises from the effective expiry of the agreement between CEMEX and Network Rail to accommodate spoil in restoration of CEMEX's nearby quarry and so avoid the costs and disruption of intensive road freight, environmental impacts, and public opposition.

From our own work, and that of other agencies, the scheme retains its multi-regional support and HMG has an opportunity to satisfy a challenging audience, post COVID-19, who are looking at schemes such as WRLtH to provide net-zero transport solutions. We are aware that about 10% of all submissions to the Hendy Review supported the case for WRLtH. In addition to ourselves and our London colleagues representing many thousands of UK and global businesses, this included all Chambers of Commerce in the south-west and south Wales, the Welsh Assembly, the Welsh CBI, strategic transport bodies in the south-west, Wales, and the south-east, several Local Enterprise Partnership's (LEPs) and several individual businesses.

TVCC, our members and partners wish to work with you to help to find a solution. We are mindful that, although the DfT review of delivery of infrastructure projects concluded that WRLtH was too far advanced to benefit from private sector investment, there may still be an opportunity to contribute to a financing gap. Early inquiry tells us that to develop such an opportunity, we need access to the Business Case. We believe that Network Rail and HAL will give their permission to use of their data but our requests to the DfT over at least two years have been repeatedly refused. We ask for your urgent assistance with this request.

We offer you our support and that of our many members and partners in moving the project forward.

Yours sincerely,



Paul Britton
Chief Executive

cc'd: Rt Hon Grant Shapps MP, Secretary of State for Transport