

Cllr Tim Oliver

From the Secretary of State The Rt. Hon. Grant Shapps

Great Minster House 33 Horseferry Road London SW1P 4DR

Tel: 0300 330 3000 E-Mail: grant.shapps@dft.gov.uk

Web site: www.gov.uk/dft

Our Ref: MC/264960

0 2 SFP 2019

Den Allr, Oliver.

Thank you for your letter of 13 August 2019 about the proposed Southern Rail Link to Heathrow Airport and for your kind words regarding my appointment as Secretary of State.

I welcome your continued support for a Southern Rail Link to Heathrow (SRLtH) and appreciate Surrey County Council's engagement with my Department on this project.

I recognise the importance of rail access to airports and the benefits that new connectivity can provide for the communities they serve, enabling greener journeys by reducing road traffic congestion and providing regeneration opportunities.

I am grateful to Surrey County Council for feeding into last year's market sounding exercise. The SRLtH Market Sounding Findings Report, published in December 2018, did not demonstrate the case for a feasible Market Led approach without government support such as direct subsidy or infrastructure usage guarantees. However, it did indicate significant interest for private sector development and financing of a southern access scheme. This interest from the market aligns with our intention that this project is an opportunity to harness new and innovative ideas and funding from the private sector for future private sector involvement.

I would like to reassure you that following the report publication, the Department has been working to fulfil the recommendations set out in it including:

- extensive engagement with stakeholders,
- · developing detailed Strategic Objectives,

- developing the case for change via a light touch pre-Strategic Outline Business Case,
- developing new 'market-involved' commercial model for taking the scheme forward.

In developing this commercial approach, the Government must remain mindful of the necessary balance of risk and the need to ensure value for money to the fare payer, the scheme proposer and the taxpayer. We intend to provide further information on our planned commercial approach to the market in early 2020.

We have greatly valued the contribution from the Heathrow Strategic Planning Group into the development of the Strategic Objectives. My officials have been continuing to engage with the group to finalise these including recently attending the Transport Sub-Group meeting on 7 August and the Officers Meeting on 15 August.

Thank you once again for Surrey County Council's continued interest in this scheme and I hope this reply is helpful.

Yours sincerely,

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT