House of Commons

Committee of Public Accounts

The Sale of Eurostar

Sixteenth Report of Session 2015–16

HC 564

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Sixteenth Report of Session 2015–16

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The Committee of Public Accounts

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Contacts

All correspondence should be addressed to the Clerk of the Committee of Public Accounts, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 4099; the Committee's email address is pubaccom@parliament.uk

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Summary

In March 2015 HM Treasury agreed to sell its 40% stake in Eurostar for £585.1 million, almost double the valuations produced before the sale by both the government's project team and UBS its financial adviser. While some of this difference may be explained by the successful sale process and favourable market conditions, it is also further evidence of the government and its advisers undervaluing assets. We are also concerned about the seeming over–reliance by government on a small pool of costly advisers for asset sales. For example, UBS, the financial adviser for this transaction, was also involved in the sale of the Royal Mail and High Speed 1 (HS1). Eurostar also agreed, in a separate transaction, to redeem the government's preference share, providing a further £172 million for the taxpayer. The sale of the UK government's entire financial interest in Eurostar therefore generated proceeds of £757.1 million, significantly less than taxpayers' total financial investment in Eurostar which is estimated to have been some £3 billion.

In October 2015, some two years later than expected, the Department for Transport published an evaluation of the economic impact and regeneration benefits for HS1. We are concerned that this delay has prevented the evaluation, which shows that the costs of HS1 far outweigh its quantified benefits, from being used to aid the scrutiny of other projects such as High Speed 2. Despite the results of its own evaluation, which it described as "world class," the Department maintains that there are further "wider wider benefits" from HS1 that it cannot yet value which make the investment worthwhile.

Introduction

Eurostar is the sole operator of passenger rail services between London and continental Europe via the Channel Tunnel. Previously the UK arm of Eurostar was part of a consortium London and Continental Railways (LCR)) which planned to privately finance a new high speed line (now known as HS1) between London and the Channel Tunnel. However, passenger numbers through the Channel Tunnel were significantly lower than forecast and taxpayer support for the company was required. Following a number of restructurings a new Eurostar company was formed in 2010 of which the UK government owned a 40% stake alongside the national rail operators of France, SNCF (55% stake) and Belgium, SNCB (5% stake). In March 2015, following a competitive auction, HM Treasury sold its 40% stake in Eurostar for £585.1 million to Patina Rail LLP, a consortium made up of Caisse de dépôt et placement du Québec (CDPQ), a Canadian investment fund, and Hermes Infrastructure (Hermes), a UK-based fund.

When the previous Committee examined the HS1 project - the high speed railway linking London and the Channel Tunnel in 2012—it concluded that the Department for Transport did not have "sufficient understanding of the economic impact and regeneration benefits of transport infrastructure" and "gives insufficient attention to evaluating its major projects".[1] The Committee recommended that the Department "develop a full evaluation framework urgently, including an assessment of the economic impact and regeneration benefits for HS1".[2] The Government accepted this recommendation. The evaluation was expected to be published in summer 2013. However, the evaluation report was not released until October 2015.

1 Committee of Public Accounts, The completion and sale of High Speed 1, Fourth Report of Session 2012-13, June 2012, HC 464, paras 1 and 2

2 Ibid

Conclusions and recommendations

1. **The sale process, which took place during benign market conditions, was well handled and secured a good return for the taxpayer.** Changes to the shareholder agreement secured before the sale made the investment attractive to a wide range of investors, such as pension funds. The sale process ensured that there was competitive tension between the bidders. The information provided to potential bidders on the company's past performance and future prospects, combined with the meetings with management and SNCF (the majority shareholder) had the desired effect, enabling bidders to gain confidence in the prospects of the business and encouraging higher bids. The three final-round bids were around a third higher than these bidders' first round bids.

   Recommendation: ***HM Treasury should ensure that good practice from this sale, particularly in preparing assets for sale to attract a wide pool of credible bidders and maximise sale proceeds, and ensuring that competitive tension is maintained throughout the sale process, is followed in future sales of government assets.***

2. **The government has a track record of undervaluing assets it is selling.** The price achieved for the Eurostar shares, £585.1million, was almost double the pre-sale valuations by HM Treasury (based on retaining the asset) and UBS (of what it would be worth to a reasonable investor) both of which valued the shares at £305 million. The government's over cautious assumptions that a competitor to Eurostar would emerge to run trains on the same track and that a discount of 20% should be applied to reflect the fact that a minority holding in the company was being sold depressed its valuation of the asset. We are concerned that there has been a pattern of undervaluing publicly owned assets prior to sale. For example, the valuations of Royal Mail prepared in advance of the sale were significantly below the market price achieved.

   Recommendation: ***HM Treasury need to examine the underlying causes of the repeated tendency for government and its advisers to undervalue assets that it is selling. It should consider revising its Green Book asset sale valuation guidance to ensure it produces more realistic valuations which protect the taxpayer from selling assets too cheaply. It should produce a hold and a sale valuation for all assets it is selling - the sale valuation must be a robust estimate of the price likely bidders are willing to pay for the asset at the time of the sale. It should report on progress by September 2016.***

3. **There is an over-reliance on a small pool of financial and legal advisers in some government asset sales and projects.** The Government's financial adviser, UBS, also advised LCR on the sale of HS1 and one of its predecessor banks, SG Warburg, was a member of the original LCR investor consortium. UBS was also involved in the sale of Royal Mail as was Freshfields, the Government's legal adviser for the Eurostar sale. Although we are not questioning the integrity of the appointment process and have no reason to doubt the professionalism and expertise of these advisers, we are concerned that a small number of advisers are engaged so frequently.

Recommendation: ***HM Treasury need to ensure that a wider pool of financial and legal advisers are used to prevent a limited number of firms and banks being the only source of advice for certain types of projects.***

4. **The government relies heavily on external advisers to provide corporate finance skills and expertise.** The Shareholder Executive, whose Chief Executive is the head of the corporate finance profession in the civil service, did not know how much the government was spending on its own in-house corporate finance specialist staff. It also conceded that it was spending too much on external advice in general. HM Treasury has already expressed concerns about the cost of the legal advice for this sale–these fees were not capped and amounted to some £2.8 million. The Shareholder Executive told us that it wanted to develop internal expertise although a recently issued procurement framework for up to £130 million for corporate finance services suggests that significant sums will still be spent on external advice in the coming years.

Recommendation: ***The creation of UK Government Investments (UKGI), through the merger of the Shareholder Executive and UK Financial Investments, provides an opportunity for the government to consider how it can get best value from internal staff and external advisers for corporate finance deals. UKGI firstly needs to improve its understanding of the costs and value of this work. UKGI should consider the business case for reducing its reliance on expensive external advice by investing more in internal staff and also explore the use of capped fee contracts for legal work.***

5. **The Department for Transport does not accept the results of its own "world class" evaluation of HS1 shows that the project was poor value for money.** The Department's evaluation of the project estimates that the costs of HS1 significantly outweigh the quantified benefits—a benefit cost ratio of 0.64 to 1. Using the Department's own criteria, this suggests HS1 was poor value for money. The evaluation included a value for wider economic benefits, but the Department asserted that there were other "wider, wider benefits" which had not been included because its methodology, which the Department considers is "world class", does not factor how investments will transform places through regeneration and development. We are concerned that the evidence provided by the Department implies that its own methodology, which it uses to justify new investments such as High Speed 2, is inadequate.

Recommendation: ***The Department for Transport must improve its understanding of the benefits of transport projects by developing a robust way to evaluate the full economic impact of its investments. It should report on progress by September 2016.***

6. **The two year delay in publishing the HS1 evaluation is unacceptable.** It meant that important information that could have been used by Parliament to consider other projects, such as HS2, was not available. The Department for Transport told the previous Committee in 2012 that it would publish its evaluation on HS1 in summer 2013. But the report was not published until October 2015. The Department for Transport said that the complexity of the work led to the delay. However, we are concerned that publishing the evaluation was clearly not a priority

for the Department and that this may have been linked to the unfavourable result it contained.

Recommendation: ***We expect the Department for Transport to provide an assurance that delays of this nature will not occur again and that it will make available all evaluations promptly regardless of their findings.***

1 The sale process

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from HM Treasury, the Shareholder Executive, and the Department for Transport on the sale of Eurostar.[3]

2. Eurostar is the sole operator of passenger rail services between London and continental Europe via the Channel Tunnel. The train service opened in 1994 as a joint venture between the UK, French and Belgian governments. In 1996 the UK arm of Eurostar was transferred to London & Continental Railways (LCR), a private sector consortium, which planned to finance the building and operation of a new high-speed rail link between St Pancras and the Channel Tunnel. However, as the number of passengers using Eurostar was significantly lower than expected, LCR could not raise the private finance needed to build the link (now called High Speed 1 (HS1)). To keep the project alive taxpayer support was provided to LCR and the company was eventually nationalised in 2008. In public ownership, LCR was restructured and split into 3 parts that could be sold: Eurostar UK (the passenger train service), HS1 Ltd (the track/infrastructure) and a property portfolio.[4]

3. In 2010 the entire Eurostar business was incorporated as a UK company jointly owned by the UK government (40% stake) and the national rail operators of France, SNCF (55% stake) and Belgium, SNCB (5% stake). A preference share was also issued by the company to the UK government at this time. Eurostar carried forward significant UK tax losses which could be offset against future taxable profits and thus reduce future UK corporation tax. The preference share was due to pay a dividend to the UK government as the tax losses were utilised over time.[5]

4. The government agreed to sell its 40% stake in Eurostar International Limited (Eurostar) for £585.1 million in March 2015. The winning bidder was Patina Rail LLP, a consortium made up of Caisse de dépôt et placement du Québec, a Canadian investment fund, and Hermes Infrastructure, a UK-based fund. Eurostar also agreed, in a separate transaction, to redeem the government's preference share, providing a further £172 million for the taxpayer. The total taxpayer investment in Eurostar, prior to its incorporation, is significantly greater than the proceeds generated from this sale. The National Audit Office estimate that UK taxpayers' financial investment in the Eurostar train service and its predecessors (including the write-off of losses incurred) amounts to approximately £3 billion.[6]

Sale timing and process

5. We asked HM Treasury and the Shareholder Executive whether the sale outcome had been the result of "more luck than judgement" as there had been potential risks to value for money posed by the timing of the sale. The sale timetable was tight and Eurostar was embarking on a significant investment in new trains which was forecast to increase profits significantly. There was a risk that these profit forecasts would not be fully factored into the prices bid for the shares.[7]

3 C&AG's Report, The sale of Eurostar, Session 2015-16, HC 490, 6 November 2015
4 C&AG's Report, para 2
5 C&AG's Report, para 3
6 C&AG's Report, para 1, 7
7 Q32; C&AG's Report, paras 19, 2.6, 3.14, Figure 5

6. The Shareholder Executive told us that there had been very good preparation for the sale. Changes to the shareholder agreement secured before the sale made the investment attractive to a wide range of investors, such as pension funds. There were over 20 expressions of interests, 7 initial bids for the shares and 3 final round bids. The information provided to potential bidders on the company's past performance and future prospects, combined with the meetings with management and SNCF (the majority shareholder) enabled bidders to gain confidence in the prospects of the business. The sale team were able to avoid giving exclusivity to any of the bidders at any stage during the sale process in part because of the comprehensive due diligence work that had been done as part of the preparation for the sale which was provided to the bidders. This meant there was competitive tension at all stages of the sale process with the "power of the auction" resulting in increasing bids during the sale process; the three final round bids were on average around a third higher than those bidders first round bids.[8]

7. HM Treasury did concede that there was an element of good fortune in the sale. It agreed with the Shareholder Executive about the "excellence" of the sale process but also noted that the timing of the sale coincided with "extraordinarily hot" investor appetite for buying an asset like Eurostar.[9]

8. Part of the rationale for the sale of the government's 40% stake in Eurostar was that the proceeds could be used to reduce government debt. This is because an illiquid asset like Eurostar is not valued in the National Accounts and therefore its value does not reduce the calculated amount of public sector net debt (PSND) yet when exchanged for cash (a liquid asset) it does reduce the recorded amount of net debt. The Treasury explained that it was "captive" to the national accounting standards that were set internationally. We asked whether these accounting rules were driving the sale of assets. The Treasury agreed that the accounting rules did have an impact on decisions but that this was not the only reason for asset sales–the government has a policy to sell assets as every pound tied up in an asset like Eurostar cannot be used for other purposes.[10] We note that the proceeds of £757.1 million amounted to less than 0.1% of public sector net debt (0.05% of the £1,486.5 billion outstanding at the end of March 2015).[11]

Valuation

9. Prior to selling any asset it is important to value it to ensure that selling, rather than holding it, is the right option and to gauge whether or not the price achieved in any sale process is fair. The price achieved for the Eurostar shares, £585.1million, was almost double (92% higher than) the central valuations prepared by both HM Treasury and its financial adviser (UBS). We asked the witnesses why there was such a significant discrepancy between these valuations and the market price achieved during the auction. HM Treasury told us that their central "hold" valuation of £305 million was based on the long-term view of what the shares were worth to the taxpayer. It considered that the government had a "possibly lower appetite for risk" than the bidders did.[12]

8 Q 32; C&AG's Report, para 10, 11, 13, 3.5, 3.14, Figure 13
9 Q 34
10 Qq 12, 13; C&AG's Report, para 8, 1.12, 5.6
11 Level of PSND at the end of 2014/15 taken from: House of Commons Library Briefing Paper Number 05745, Government borrowing, debt and debt interest: historical statistics and forecasts, November 2015.
12 Qq 1-2; C&AG's Report, para 4.4, Figure 14

HM Treasury told us that its hold valuation was not trying to assess what someone was willing to pay for it. However it also told us that it would be asking "are we selling this for more than fair value?"

10. HM Treasury chose to reduce its valuation of the shares to be sold by 20% to reflect the fact that they represented a minority share in the company which reduced the influence that went with them over the company's affairs. We asked why such a discount was needed given the strong financial protections for the minority shareholder that existed and the fact that the lead partner of the winning consortium, CDPQ, already had investments with the majority shareholder, SNCF. The Shareholder Executive noted that when a minority holder wants to take full control of a business it usually has to pay a premium to the other shareholders. It therefore considered that it was justified in applying a minority discount for the holder of a minority stake in the business.[13]

11. The valuation by UBS (the financial adviser) was a sale valuation—the Shareholder Executive told us that this was an attempt to estimate the value of the asset to a "reasonable investor". We noted that the financial adviser's earlier January 2014 valuation, prepared when pitching for the work, was significantly higher than the later valuation prepared for the sale process. The financial adviser's central valuation for the sale was £305 million—the same level as the governments hold valuation. The Shareholder Executive explained that this had been calculated by the adviser by assuming that an investor would require a 17% annual return from dividends over the long-term.[14] This proposed rate of return for a "reasonable investor" is significantly higher than the 5% dividend yield that potential investors told the financial adviser they would typically seek.[15]

12. Both the Treasury and the Shareholder Executive considered that the Eurostar service was a risky business. The Shareholder Executive noted that just this year there had been a number of events which had affected the business. It highlighted events such as terrorism, tunnel fires and the trespassing migrants. Nevertheless it did note that Eurostar had been very good at recovering from such incidents.[16]

13. Another risk to the business was the likelihood of a competitor emerging to run trains on the line. The Department for Transport noted that any new competititor would need to acquire a suitable fleet of trains as well as receiving a range of permissions and therefore it would take several years to enter the market. However, it did believe that the possibility of competition was real.[17] The Shareholder Executive told us that they had probability weighted different scenarios of the timing of competition arriving. The scenarios of competition arriving in 2022 and 2027 were assessed as being most likely. The Shareholder Executive considered that the central view it took of competition emerging in the 2020's was very logical but it did concede that buyers may have taken a different view.[18]

14. While the witnesses provided explanations for the assumptions used to value Eurostar, we are concerned that collectively these assumptions served to significantly undervalue the Eurostar shares. We have seen this pattern of undervaluation before and are concerned that the problem is systemic. For example, in the sale of Royal Mail the government's hold

13 Qq 6-7; C&AG's Report, para 4.13, 4.14
14 Qq 10-11; C&AG's Report Figure 15
15 C&AG's Report 4.16
16 Qq 2-3
17 Q 5
18 Qq 36-39

valuation amounted to 100 pence a share and the sale valuations prepared prior to the sale by it independent adviser, Lazard, and the joint book runners, UBS and Goldman Sachs ranged from 190 to 300 pence. All of these valuations were significantly below the 455 pence that the share price closed at on the first day of trading.[19]

19 Q9; National Audit Office, The Privatisation of Royal Mail, Session 2013-14, HC 1182, 27 March 2014, para 3.17, 4.12, Figure 9

2 Use of advisers

15. The government's 40% stake in Eurostar had originally been owned by the Department for Transport (in fact the shares were legally owned by its 100% owned subsidiary, London and Continental Railways) and the Department had initially taken the lead in planning for a potential sale. However Eurostar were part of a consortium bidding for the East Coast franchise in 2014 so the Accounting Officer of the Department for Transport considered that the shares needed to be transferred to a different department to mitigate the risk of a conflict of interest. Originally the plan had been to transfer the shares to the Department of Business, Innovation and Skills, but at a late stage a decision was taken to transfer the shares to HM Treasury instead.[20]

16. We asked the witnesses about the high level of legal costs incurred prior to the transfer of the shares to HM Treasury. The Department for Transport explained that the shares had had to be transferred to it from LCR and then to HM Treasury. The Shareholder Executive told us that some of the costs of £511,000 were related to preparatory work so that the actual transfer only cost was around £300,000. It also considered that some of this work was useful at a later stage so that it was not wasted spending.[21]

17. While it is difficult to apportion exactly the different elements of the legal work–the overall cost did cause HM Treasury concern. The fees paid to the legal adviser, Freshfields, for all work including the transfer, due diligence and sale amounted to £2.8 million.[22] We asked the witnesses why they had used a 'magic circle' law firm which charges high fees. The Shareholder Executive said that this transaction had been one of the "cleanest" that it had seen with minimal residual risk to the government. HM Treasury agreed that these firms can be expensive but considered that their attention to detail and the quality of their work can end up saving money for the taxpayer. We asked the witnesses whether they had considered having a capped fee arrangement for legal fees. The Shareholder Executive said that this was something it would look at.[23]

18. UBS, the financial adviser for the sale of the shares of Eurostar was also involved in the sale of HS1 and SG Warburg, which later became part of UBS, was one of the original shareholders of London and Continental Railways (LCR) and acted as its principal financial adviser. The Shareholder Executive told us that UBS were one of a number of bidders for the financial adviser position. The fact that UBS had been involved previously did help it get the appointment. The Shareholder Executive considered that UBS had had the best case in terms of its understanding of the business, but more importantly it understood the buyer universe.[24] As well as its involvement in this sale UBS has been involved in numerous other government asset sales. We note that UBS and Freshfields were both engaged in the privatisation of Royal Mail. The Shareholder Executive agreed that there was a risk of a "vicious circle" where only those firms and banks that have the experience can get the jobs. It said that where potential suppliers have equal scores in the procurement process it would "definitely try to prefer" those it had not worked with before. It is not clear whether or not this approach was used in the procurement process for the Eurostar sale–one bidder for the financial adviser position proposed a fee which

20 Q 17; C&AG's Report, para 2.8
21 Qq 14-19
22 Qq 19-20; C&AG's Report, 2.14, 2.16
23 Qq 21-23
24 Qq 26-30; C&AG's Report para 2.14, 2.15

was capped at £1 million, significantly less than the £3.7 million UBS received. However HM Treasury told us that UKFI (UK Financial Investments) had deliberately changed advisers at some points as it felt it was right, as a matter of principle, to use more than one over time.[25]

19. The Shareholder Executive agreed that the government was, in general, paying too much for advisers although it considered that the situation had improved.[26] The Shareholder Executive told us that it was undertaking work to strengthen internal capacity and capability in government, for example, it was encouraging Corporate Finance professionals within the various departments to link up and share best practice. It believed there were around 150 staff across central government working in corporate finance type work. It did not know how much these staff cost in total but noted that the cost of its own organisation was of the order of £12 million per year. The Shareholder Executive considered that it did need more internal capacity and might need to increase the numbers of corporate finance professionals over the next five years from 150 to 200 or perhaps 250. However it considered that it was not a "numbers game" rather it was a "quality game" of ensuring government had the right people with relevant corporate finance experience.[27]

25 Qq 51-55, 62; C&AG's Report para 2.14; National Audit Office, The Privatisation of Royal Mail, Session 2013-14, HC 1182, 27 March 2014, Figure 8

26 Qq 49, 56

27 Qq 46, 68, 82-85

3 HS1

Evaluation HS1

20. In October 2015 the Department for Transport published its interim evaluation of HS1. This showed that the costs of the project were significantly greater than the quantified benefits—the benefit cost ratio for the central case was assessed as 0.64 to 1.[28] The Department emphasised that this was an initial evaluation of HS1 completed eight years after the line opened, and noted that the evaluation looked 60 years ahead but that this asset could be operating in 100 to 150 years time. However the Department agreed that the level of passenger demand has been significantly lower than was forecast in the 1990's. The current level of demand from passengers using Eurostar is around 10 million a year. As we reported in 2012, international passenger numbers are two-thirds the number the Department forecast in 1998 and only a third of the number forecast by London & Continental Railways Limited (LCR) when it was awarded the competition to build the line in 1996. The Department considered that the reasons for the overestimation of demand were the international recession and also the impact of competition such as from low-cost aviation.[29]

21. The Department did not consider that there was a similar over-optimism with its passenger forecasts for High Speed 2 (HS2), in fact it believed that there was a risk that its projections for HS2 were on the "cautious side". It noted that much more data was available for it to assess demand of domestic services like HS2 rather than the international rail service on HS1 which the Department described as being a "wholly new form of travel" at the time. It explained that its central projection for HS2 was that long-run growth in demand for long-distance rail travel would be 2.2% a year compared to annual growth over the past 20 years of just under 5% a year.[30]

22. The Department's own value for money guidance states that projects like HS1, with a benefit cost ratio below 1.0, should be assessed as having poor value for money. However the Department did not accept that the project should not have been undertaken. It said that its evaluation (which it described as "world leading" and "world class") did "not include all the benefits that could be thought of" and that it was important not to focus on just a single point estimate of the benefit cost ratio.[31] The Department said that it was able to quantify some wider benefits, such as changes to labour markets which can lead to increased productivity. However, there were other "wider, wider benefits" from HS1 such as regeneration which were not quantified in its benefit cost ratio but were part of the overall assessment.[32]

23. We are concerned that the Department's evidence suggests that its methodology is inadequate for some types of transport projects and yet it continues to use it to assess new projects such as HS2. We pointed out that for HS2 the benefit cost ratio, which shows positive value for money, is taken very seriously and seen as very important when the project is scrutinised. The Department emphasised that it did need a methodology and it

28 Q 91; Supplementary note from the Department for Transport
29 Q 88; C&AG's Report, Figure 21; Committee of Public Accounts, The completion and sale of High Speed 1, Fourth Report of Session 2012-13; HC 464, June 2012
30 Q 90
31 Qq 91, 97, 100
32 Qq 91, 114, 115; Supplementary note from the Department for Transport

was proud of its methodology but that it had to be seen in a wider context which included potential strategic benefits. Subsequently the Department noted that it was looking to improve its methodology so that it could more fully capture the impacts of transport investment on economic performance. For example, it was working with local authorities to understand the possible changes that could occur around HS2 stations and these would be incorporated into the expected benefits of HS2.[33]

Delayed publication of evaluation

24. The Department for Transport told the previous Committee in 2012 that it would publish its evaluation on HS1 in summer 2013 in response to one of the Committee's recommendations.[34] The evaluation produced by Atkins, AECOM and Frontier Economics was finally published on 15 October 2015.[35] We asked the Department why it had taken over two years longer than planned to publish the evaluation. The Department told us that there had been a number of reasons for the delay. It had taken longer than expected to procure a supplier to undertake the evaluation. The Department said that the evaluation had also turned out to be more complex than expected and therefore it was only completed by 2014.[36]

25. We questioned whether the publication of this evaluation which assessed the project as poor value for money had been a priority. We note that the Department's decision that a peer review of the evaluation was required resulted in a delay of a year because it was only following the receipt of a peer review note from Oxera that the Department published the evaluation. It is also not clear why the Department had to wait so long for the completion of the peer review. The Department agreed that resourcing pressures probably did contribute to the delay but said that it was pleased the evaluation had now been published. It also noted that it had sought to strengthen its evaluation and monitoring programme.[37]

33 Qq 96-97; Supplementary note from the Department for Transport
34 HM Treasury, Treasury Minutes, Cm 8467, November 2012, page 24, para 2.2
35 Department for Transport, HS1: first interim evaluation, 15 October 2015.
36 Q 24; Department for Transport, HS1: peer review of first interim evaluation, 15 October 2015
37 Q 25

Formal Minutes

Wednesday 13 January 2016

Members present:

Meg Hillier, in the Chair

Mr Richard Bacon	Nigel Mills
Deidre Brock	David Mowat
Chris Evans	Steven Phillips
Caroline Flint	John Pugh
Mr Stewart Jackson	Mrs Anne-Marie Trevelyan

Draft Report (*The Sale of Eurostar*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 25 read and agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Summary agreed to.

Resolved, That the Report be the Sixteenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 18 January 2016 at 3.30pm

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Committee's inquiry page.

Wednesday 18 November 2015	*Question number*
John Kingman, Second Permanent Secretary, HM Treasury, **Roger Lowe**, Senior Responsible Officer for sale of Eurostar, Shareholder Executive, **Mark Russell**, Chief Executive, Shareholder Executive, and **Philip Rutnam**, Permanent Secretary, Department for Transport	Q1–120

Published written evidence

The following written evidence was received and can be viewed on the Committee's inquiry web page. EUR numbers are generated by the evidence processing system and so may not be complete.

1 Department for Transport (EUR0003)

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