

Sir Geoffrey Clifton-Brown MP
Chair, Committee of Public Accounts
House of Commons
London SW1A 0AA

cc: Sarah Olney MP; Rupert Lowe MP

18th September, 2026

Update to letter of 17th September.

Dear Sir Geoffrey,

Since writing my letter to the committee 'Delivering HS2 and Euston, HC 611 — oral evidence of 14-Sep-2026: the HS2 Phase 1 cancellation cost estimate' I have reviewed an FOI request provided by HS2 (15th September).

In his 'HS2 cancellation cost advice' of 19th May, Mark Wild states '*Given the huge uncertainties of this assessment, we have also applied an optimism bias of 66%*'. I had interpreted the 'we' in this sentence to refer to HS2.

The FOI (see next page) confirms that the 66% uplift to cancellation costs was applied by DfT not HS2. Had clarity on this point been provided under questioning at the PAC or if I had reviewed the FOI beforehand, I would have written a slightly different letter.

My suggestion is that the priority for an independent review recommendation is the 'High Speed 2 (HS2) Phase 1: decision to continue delivery following programme reset – Accounting Officer Assessment summary (May 2026)'. This document states that the Benefit to Cost Ratio 'exceeds 1.5'.

Yours sincerely,

Stephen Cresswell

7. Optimism bias determination

You confirmed that the upper-bound uplift for non-standard civil engineering (66%) was applied, informed by the HM Treasury Green Book supplementary guidance on optimism bias. That guidance provides for the uplift to be adjusted downwards from the upper bound according to an assessment of contributory factors and mitigations. Please confirm (yes/no) whether such an assessment of contributory factors was performed in determining the uplift to apply within the range for this category; if yes, please provide the date of that assessment and the title of the document in which it is recorded (title and date only — not the content).

No information held.

The Green Book optimism bias uplifts were applied by the Department for Transport as part of its wider appraisal process and did not form part of the HS2 Ltd estimate.

HS2 Ltd therefore does not hold information relating to any assessment of contributory factors undertaken to determine this uplift.

FOI-26-6339 – Annex A

8. Sensitivity.

The number of alternative optimism bias categorisations or uplift percentages tested in the course of the exercise, or confirmation that none were tested.

No alternative optimism bias categories or optimism bias uplift percentages were tested as part of the Cancellation & Remediation estimating exercise.