

To All MPs and Peers

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

10 March 2021

Dear Colleague,

Union Connectivity Review Interim Report

Today the Prime Minister set out his vision to build back better from coronavirus by boosting transport connectivity across and between the whole of the UK, as part of ambitions to truly level up across the country.

The announcement followed the interim report of Sir Peter Hendy's Union Connectivity Review, published today¹. This government is committed to renewing the ties that bind England, Scotland, Wales and Northern Ireland together, and to that end, in June, Sir Peter Hendy CBE was tasked by the Prime Minister with exploring ways in which transport can better connect our country together after coronavirus, ensuring people and businesses have the infrastructure they need to easily trade and travel across our whole country.

Leaving the European Union has meant we have also left behind the EU Trans-European Network for Transport. Despite investing hundreds of billions of euros into this network every year, the UK received relatively little in return. We now have the opportunity to replace this with a UK Network tailored to respond to the UK's needs including the levelling up agenda, and which could be used to put resource into better connectivity between England, Scotland, Wales and Northern Ireland.

Sir Peter Hendy's report sets out how a potential pan-UK Strategic Transport Network would help deliver this ambition. Such a network would significantly expand and upgrade direct transport connections in the UK across road, rail, sea and air, helping to reduce delays and bottlenecks, and stimulate economic growth. As well as considering how transport links can better connect the UK, the Prime Minister is committed to considering their environmental and social impact – taking into account how they will improve the quality of life of the people that use them.

The Network will now form the main focus of Sir Peter's continuing investigations, with his final report in the summer looking to identify specific transport upgrades that could form the backbone of the network's ambitions.

To jump-start some of the projects identified by Sir Peter, the Government has today committed £20 million towards exploring the development of projects, such as:

¹ https://www.gov.uk/government/publications/union-connectivity-review-interim-report

- Improved rail connectivity between the North coast of Wales and England
- Upgrading the A75 between Gretna, Dumfries and Stranraer, a key route for southwest Scotland and Northern Ireland but almost entirely single-carriageway
- Significantly faster rail links from England to Scotland
- Rail improvements in South-East Wales building on ideas from the Welsh Government's Burns Commission

The UK Government will work closely with relevant devolved administrations on development studies.

The Government will receive the final recommendations from the Union Connectivity Review ahead of the Spending Review, where it will consider and confirm funding plans for delivering improved connectivity across the UK.

The review into boosting the transport options connecting the UK sits squarely at the centre of the Government's plans to level up, with focus on providing high-quality transport infrastructure to communities that have been passed over for investment in previous decades, a key pillar of the plans.

While the review looks to the future, the Government continues to support current Union connectivity measures and recently provided a further £4.3 million to fund a two-year extension to the vital flight route between City of Derry Airport and London Stansted – beginning on 1 April which will boost local economies on both sides.

I am also pleased to inform you that the Government is also announcing today that the consultation on aviation tax reform, previewed at Budget 2020, will be published this spring. The consultation will include options to change the Air Passenger Duty treatment for domestic flights, such as reintroducing a return leg exemption or creation of a new lower domestic rate.

We will also continue to decarbonise domestic aviation as part of our commitment to achieve net zero by 2050, including through consulting on a blending mandate for sustainable aviation fuels.

As we build back better, this Government is determined to do so in a way which brings every corner of the United Kingdom closer together.

Yours ever,

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT