



Department  
for Transport

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From the Secretary of State  
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16<sup>th</sup> April 2024

Dear Amanda,

As you know, my Department has been working with Alstom for several months as it has sought to secure a sustainable long-term future for its train manufacturing plant at Litchurch Lane in Derby.

There is currently a strong pipeline of orders for new trains over the next 2-3 years. The Rail Minister, Huw Merriman MP, wrote to train manufacturers in January 2024 to outline the pipeline of current and expected orders for new trains. These included details of current competitions for Northern, SouthEastern, Chiltern, TransPennine Express and an expected procurement by Great Western Railway. These contracts are worth an estimated £3.6bn, with over 2,000 vehicles to be procured over the coming years alongside significant future maintenance and refurbishment opportunities.

However, as I know you are aware, Alstom faces a gap in its order book once its existing work comes to an end later this year. It has been seeking additional short-term work to enable manufacturing to continue at Litchurch Lane until confirmed new work on HS2 comes onstream in early 2026, and until it has the opportunity to compete for new orders in the market. We have been in discussion with Alstom to explore a range of options to enable it to maintain a sustainable, "right size" capacity at Litchurch Lane, in line with the company's wider plans. This has not been an easy process, as we have had to assess all options thoroughly to confirm a clear market need for the trains and to comply with the law. Nonetheless, in March this year, we were able to confirm HM Treasury funding for five additional Elizabeth Line trains by Transport for London.

I am pleased to say that my Department has now secured approval in principle to support funding for five further Elizabeth Line trains, in addition to the five

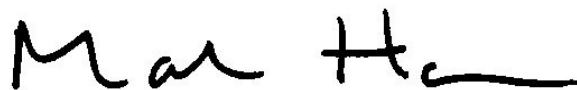
trains confirmed in March, making a total of ten trains. This has been made possible by strong performance and high levels of demand on the Elizabeth Line since its opening in May 2022. Subject to securing the necessary commercial agreements between TfL and Alstom and confirming a business case for the additional trains that represents value for money for the taxpayer, this would enable Alstom to maintain sufficient capacity at Litchurch Lane until the confirmed new HS2 work comes onstream and until it is able to compete for new orders in the market.

I had a constructive meeting earlier today with Alstom's Chairman and Chief Executive Officer, Henri Poupart-Lafarge, and its UK & Ireland Director, Nick Crossfield, to discuss this. I made clear to them that the onus is now on Alstom to provide competitive pricing for the work and full transparency on its costings to enable this to progress to satisfactory and swift closure. I also asked them to confirm in writing their long-term commitment to invest in Derby, including confirmation that Alstom will host the design, development and manufacture of its Adessia platform at Litchurch Lane, as they had previously offered to do. While a considerable amount of work remains to conclude the negotiations and confirm the business case, I am confident that Alstom understands what now needs to be done and that a solution is now in sight.

I would of course be pleased to meet with you to discuss this further, do contact my office should you wish to organise a meeting.

I am writing in similar terms to Margaret Beckett, Heather Wheeler and Pauline Latham. My officials have also updated Unite union.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Harper', with a stylized flourish at the end.

**The Rt Hon Mark Harper MP**

**SECRETARY OF STATE FOR TRANSPORT**