

# Annual update on Crossrail 2019

It has been a challenging year for the Crossrail project. Since August 2018 when Crossrail Ltd, a wholly owned subsidiary of Transport for London (TfL), announced that the opening of the Elizabeth Line through central London would be delayed, the project has been fully reviewed and reset.

Crossrail Ltd, TfL and the Department for Transport (DfT) have taken significant action in response to issues raised in the independent reviews by KPMG, as well as the reports from the National Audit Office, the Public Accounts Committee and the London Assembly's Transport Committee. Lessons have been learned and Crossrail Ltd and both project sponsors, DfT and TfL, remain fully committed to the completion of the project which will transform London rail transport, and carry around 200 million passengers per year.

Actions taken this year have included:

The commissioning and completion of 2 wide ranging and detailed independent reviews into the project's governance, commercial and financial agreements with all recommendations acted upon by June 2019.

The agreement in December 2018 to an additional £2.15 billion financing package to deliver the final stages of the project in a way that is fair to the UK taxpayer.

The appointment of a new executive leadership team within Crossrail Ltd, a review of the organisational structure to ensure maximum efficiency, and the strengthening of the Crossrail Board to ensure the right skills are in place right across the organisation and its Board. The announcement in April 2019 of a revised schedule which confirmed a 6 month window for delivery of the central tunnel section between Abbey Wood and Paddington (not including Bond Street), with a mid-point in December 2020, with more certainty to follow as testing progresses.

The publication in April 2019 of a joint report by the Department for Transport and the Infrastructure Projects Authority (IPA) on lessons learned from the sponsorship of major projects including Crossrail.

Despite the challenges, the project has seen some key achievements during this year. Main dynamic testing of the trains commenced in January, and Crossrail Ltd recently achieved a further milestone with the commencement of close-headway testing of multiple trains in June.

Fifteen new class 345 trains are in operation on the eastern and western parts of the route, building reliability and achieving a high standard of performance. Testing of the trains in the Heathrow tunnels is continuing and a TfL Rail service between Paddington and Reading is planned to commence in December of this year. This will be another important stepping stone to the opening of the full railway as soon as possible after the central section is completed.

The Network Rail (NR) on network works on the eastern and western sections of the Crossrail route are well advanced. Over the past year, work completed has included the installation of the steelwork for new accessible footbridges, stairs and lift shafts at Ealing Broadway, West Ealing and Acton Main Line. The contracts to build and upgrade 6 ticket halls between Acton Main Line and West Drayton have been awarded, and the new ticket halls at Forest Gate and Gidea Park have now opened to the public.

Updated costings for Network Rail's programme show that the costs are now forecast at around £2.8 billion. The additional costs are the result of some work taking longer than planned and have been managed by Network Rail from within its own internal budgets. No further funding has been provided from Government, and this has not had an impact on any other programmes.

Further details on Crossrail Limited's funding and finances in the period to 29 May 2019 are set out in the table below.

The coming months will be critical for the project as Crossrail Ltd work to complete the installation and integration of the tunnel, stations and signalling systems, and Network Rail continue their works on surface sections of the route. It remains a hugely complex project and uncertainty and risk remains across the programme, with significant testing and integration work remaining. The new leadership team has committed to being fully open and transparent as it works through the final stages of the project, which is supported by the Department and TfL. However, it is positive that Crossrail Ltd now has a new plan in place to complete the outstanding works and bring the Elizabeth Line into passenger service at the earliest possible date. When complete, the Elizabeth Line will transform the rail network in London, reducing overcrowding and increasing central London rail capacity by 10%.

During the passage of the Crossrail Bill through Parliament, a commitment was given that an annual statement would be published until the completion of the construction of Crossrail, setting out information about the project's funding and finances. The relevant information is as follows:

Total funding amounts provided to Crossrail Limited by the Department for Transport and TfL in relation to the construction of Crossrail to the end of the period (22 July 2008 to 29 May 2019)	£13,165,913,790
Expenditure incurred (including committed land and property spend not yet paid out) by Crossrail Limited in relation to the construction of Crossrail in the period (30 May 2018 to 29 May 2019) (excluding recoverable VAT on Land and Property purchases)	£1,481,243,170
Total expenditure incurred (including committed land and property spend not yet paid out) by Crossrail Limited in relation to the construction of Crossrail to the end of the period (22 July 2008 to 29 May 2019) (excluding recoverable VAT on Land and Property purchases)	£13,958,459,007

The amounts realised by the disposal of any land or property for the purposes of the construction of Crossrail by the Secretary of State, TfL or Crossrail Limited in the period covered by the statement. £143,778,674

The numbers above are drawn from Crossrail Limited's books of account and have been prepared on a consistent basis with the update provided last year. The figure for expenditure incurred includes monies already paid out in relevant period, including committed land and property expenditure where this has not yet been paid. It does not include future expenditure on contracts that have been awarded.