

Statement to parliament: Crossrail update, 10 December 2018

The government, the Mayor of London and Transport for London (TfL) have today (10 December 2018) confirmed a financing package to deliver the final stages of the [Crossrail project](#) and open the Elizabeth line to passengers.

Crossrail Ltd, a wholly owned subsidiary of TfL, announced in August 2018 that the opening of the Elizabeth line through central London would be delayed. Work is ongoing to identify the remaining works required to complete the infrastructure and then commence the extensive testing necessary to ensure the railway opens safely and reliably. Crossrail is a nationally significant infrastructure project which will add up to £42 billion to the UK economy and will transform travel in, to, and across London.

The government remains committed to the rapid completion of the project, in a way that is fair to UK taxpayers, and that enables London – as the primary beneficiary of Crossrail – to bear the additional costs. Independent reviews into Crossrail Ltd's assessment of ongoing funding requirements and governance arrangements are being undertaken by KPMG to ensure the right scrutiny and oversight are in place as the project enters its final phase.

The emerging findings of the KPMG reviews into Crossrail Ltd's finances indicate the likely range of additional capital cost due to the delayed opening of the central section could be in the region of between £1.6 billion and £2 billion. That includes the £300 million already contributed by the Department for Transport and TfL in July 2018, leaving between £1.3 billion and £1.7 billion to cover the predicted additional costs of the project.

The government, the Mayor of London and TfL have agreed a financial package to cover this. The Department for Transport will provide a loan of up to £1.3 billion to the Greater London Authority (GLA). The GLA intend to repay this loan via London's Business Rate Supplement (BRS) and from the Mayoral Community Infrastructure Levy (MCIL). The GLA will also provide a £100 million cash contribution, taking its total contribution for this package to £1.4 billion.

As the final costs of the Crossrail project are yet to be confirmed, a contingency arrangement has also been agreed between TfL and the Department for Transport. The Department for Transport will loan TfL up to £750 million in the event that further finance is required for the project.

This combined financing deal will replace the need for the [£350 million interim financing package announced by the Department for Transport in October 2018](#).

The combined total of the financing arrangements outlined above, means that the overall funding envelope for the project is now £17.6 billion.

Crossrail Ltd appointed Mark Wild as CEO on 19 November 2018. Mark is now conducting an extensive review of the remainder of the programme and will provide clarity in the new year on the opening date of future phases. Crossrail Ltd are working to establish a robust and deliverable schedule to open a safe and reliable railway. This will also provide greater clarity on the level of additional funding required.

Furthermore, both the Department for Transport and TfL have recommended to the Crossrail Ltd board that they appoint Tony Meggs as Chair. Tony Meggs was previously Chief Executive of the Infrastructure and Projects Authority and Head of government's Project Delivery Function, following a 30 year career in the private sector leading major projects at global, regional and local levels.

To further strengthen the Crossrail Ltd Board, the Department for Transport have accepted TfL's nomination of Nick Raynsford as Deputy Chair. Nick is a former MP and served as Minister for London on two occasions between 1997 and 2003.