Crossrail annual update 2020

Over the past year, several milestones have been reached on the Crossrail project and work continues despite the new challenges presented by COVID-19.

When complete, the Elizabeth line will be transformative, reducing overcrowding, delivering spacious new trains, adding significant additional rail capacity to London and the South East, and delivering a huge boost to the recovering UK economy. Its benefits will be vast and long-lasting.

Important progress is being made on taking the Crossrail project towards completion and for its transition to Transport for London (TfL), the future Elizabeth line operator.

In December last year, TfL Rail commenced operating services between Paddington and Reading using the new UK-built Class 345 trains, marking another important stage in the delivery of the Elizabeth line. This year, the higher capacity 9-carriage trains are being introduced along this part of the route.

The Office of Rail and Road (ORR) has approved the new trains to run in passenger service between Paddington and Heathrow Airport, paving the way for a future increase in services to 4 trains per hour, adding important extra service capacity to the local rail network.

Final testing and driver training is taking place with Bombardier and MTR Elizabeth Line ahead of the services being introduced.

Over the past year, Crossrail Limited (CRL) has made further progress on the final completion of the new central section. Signalling and train software testing have progressed and a number of assets including completed shafts and portals together with the new Custom House station have now been handed over to TfL. All of the stations in the central section are now ready for the trial running of services, with the exception of Bond Street which requires further work.

Network Rail (NR) works on the eastern and western sections of the route have continued to progress over the past year with the delivery of the enhanced ticket halls and access improvements on the surface section progressing at Ilford and Romford, Acton Main Line, Ealing Broadway, West Ealing, Southall, Hayes & Harlington and West Drayton, with step-free access being prioritised where possible.

In March this year, future Elizabeth line stations Hanwell, Iver, Langley, and Taplow were also provided with step-free access from street to platform.

Together, these milestones represent key steps forward in the operational development of the railway.

But there have been challenges as well.

In January, CRL announced that it planned to open the central section of the railway in summer 2021 and the full Elizabeth line by mid-2022, citing challenges with completing the software development and the safety assurance processes preventing it from meeting its previously planned opening window.

Progress was further affected by the 'safe stop' announced on 24 March, when CRL ceased all physical work at its construction sites, including Network Rail's station upgrade works, as a result of the COVID-19 crisis and in line with TfL's decision to pause work on project sites, though essential business-critical and remote assurance work continued.

In November last year and before the impact of COVID-19, CRL announced that it would not be able to deliver the railway within the funding package originally announced by the department and the Mayor of London in December 2018 and that it would require between £400 to £650 million in additional funding.

The further schedule delays and cost increases to this project since the last annual update are very disappointing. A revised funding package will now need to be developed for Crossrail that is fair to UK taxpayers, with London as the primary beneficiary bearing the cost.

Works have now restarted as part of Crossrail's recovery plan with sites operating within the framework of Public Health England's safety guidelines, with CRL intensely focussed on achieving the next key programme milestone — commencement of the intensive testing of the railway, known as 'trial running'.

CRL are currently in the process of updating their cost and schedule forecasts in light of their recovery plan, including assessing the impact on their opening schedule and will make a further update on this shortly.

A further update to the overall costings for Network Rail's programme shows that the Crossrail On Network Works requires an extra £140 million of funding with the cost of the surface works package now standing at just under £3 billion. The additional costs, which were assessed before the COVID-19 crisis, are the result of some station and power upgrade work taking longer than planned.

The department will continue to work with its joint sponsor, TfL, to closely scrutinise the project, supporting its delivery as soon as is safely possible and to deliver the vital assurance and safety certification that is required before passenger services can commence.

The department will also work with TfL to oversee the effective review and evolution of Crossrail's future governance arrangements to make sure the right decisions are taken as the project moves towards completion, and that it successfully transitions to TfL operations as soon as possible. CRL together with both sponsors remain committed to ongoing transparency with regard to the project.

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. Further details on CRL's funding and finances in the period to 29 May 2020 are set out in the table below. 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 2020): £14,164,813,354
- 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 2019 to 29 May 2020) (excluding recoverable VAT on Land and Property purchases): £1,014,218,000
- 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 2020) (excluding recoverable VAT on Land and Property purchases): £14,972,678,000
- 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: £16,000,000

The numbers above are drawn from CRL'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 the 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.

<u>Lord Mayor begins first ever virtual</u> <u>visit to Australia</u>

William Russell — the 692nd Lord Mayor of London — begins a programme of online engagements with Australian stakeholders this week, in which he will be promoting closer collaboration in green finance and fintech as key drivers behind the post-pandemic global economic recovery, as well as focusing on market access.

The UK is a global leader in its innovation across green finance and will be hosting COP26 in Glasgow next year.

His programme will also include meetings with investors such as <u>ANZ</u> and <u>AusSuper</u>, as well as a string of meetings with political leaders and the <u>Committee for Economic Development in Australia</u> (CEDA).

There will also be a joint webinar with Senator Jane Hume on the digitisation of the economy, following the launch of Open Banking in Australia earlier this month.

With the beginning of UK-Australia trade negotiations in June, the City of London Corporation has also <u>released a new report</u> that outlines how a free trade deal (FTA) and other mechanisms such as regulatory cooperation could benefit the financial services sector.

UK cross-border trade in services with Australia makes a number of key recommendations across banking, asset management, and payments that will result in mutual benefits for both sides.

The UK Government estimates that an FTA could lead to a £900 million increase in UK exports to Australia, while the UK is already Australia's seventh-largest trading partner.

William Russell, 692nd Lord Mayor of the City of London said:

My virtual visit to Australia this week comes as we begin a new chapter with one of our oldest friends, and one which will no doubt be shaped by the common challenges we face.

As we look towards establishing a closer trading relationship together, I believe that we have a particular opportunity to strengthen collaboration in green finance and fintech — two areas of our industry which will be key catalysts for post-pandemic global economic growth.

Notes for editors

The <u>City of London Corporation</u> is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK.

UK cross-border trade in services with Australia is available here.

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New industry leaders partner with Team Tempest to deliver next generation combat aircraft

Launched in 2018, Team Tempest is a group of ambitious industry partners — representing the deep breadth of innovation and expertise across the nation — working in collaboration with the MoD on the UK's Future Combat Air System (FCAS) project.

The UK's Future Combat Air System is the £1.9bn project working to develop the next generation combat aircraft, known as Tempest, which will replace the Typhoon.

These pioneering companies will bring new innovations and designs, enabling Team Tempest to carry on developing ground-breaking concepts and technologies that will guarantee combat dominance in the air.

The alliance is quickly gaining recognition for its work and notched up a world first within two years of launching by designing a generator that delivers unprecedented levels of electrical power.

Defence Secretary Ben Wallace confirmed seven new companies had signed agreements to collaborate on Team Tempest at the virtual 2020 Farnborough International Airshow (FIA Connect).

Welcoming the news Defence Secretary Ben Wallace said:

Just two years after Team Tempest was created they delivered a world first. It's no surprise; when you attract the very best of British engineering and design, technological leaps like these are quaranteed.

That's why I'm delighted seven more companies have joined this mission to work in collaboration with the MoD, under the Team Tempest banner. They will bring the ambition, invention and expertise that will deliver the breakthroughs we will depend on for decades to come.

These pioneers will strengthen our ability to develop a next

generation aircraft and allow us to continue making vital contributions to UK, European and global security.

Concept imagery of the Tempest aircraft. Crown copyright.

The companies who have signed a partnership are: GEUK, GKN, Collins Aerospace, Martin Baker, QinetiQ, Bombardier and Thales UK, along with UK universities and SMEs.

Since its creation in 2018, Team Tempest has already employed more than 1,800 highly skilled engineers and programmers.

Set to increase to 2,500 by next year, the programme is securing the UK's position as a global leader in combat air.

The new members of Team Tempest will join forces on established projects and development work with core members BAE Systems, Leonardo UK, MBDA UK, Rolls-Royce and the Ministry of Defence, bringing the best of British expertise and ingenuity on designing, manufacturing and operating combat air systems.

Defence Minister Jeremy Quin said:

Today's announcement demonstrates further progress in delivering the UK's combat air strategy, with more companies collaborating on the future of the UK's Air Defence. This is a highly innovative project based around cutting-edge technology and drawing on a skills base where the UK excels.

I am delighted that the success and strengths of Team Tempest are being enhanced through drawing on UK expertise; working with industrial partners and highly capable international team we are configured for future success.

Together the companies will develop more than 60 technology prototypes and demonstration activities.

New processes will also deliver technology and intellectual property in half the time and at significantly lower cost than previous complex combat air programmes.

Concept imagery of the Tempest aircraft. Crown copyright.

Two new appointments and one extension to the Legal Services Board

The Lord Chancellor has announced the appointment of Flora Page and Stephen Gowland as new non-lay members of the Legal Services Board (LSB) for 4 year terms with effect from 1 August 2020 until 31 July 2024.

The Lord Chancellor has also announced an extension to Marina Gibbs' tenure as lay member of the LSB until 31 March 2021 while a recruitment campaign is carried out to fill the position on a permanent basis. Flora Page has been both a solicitor and a barrister. She started her career at Clifford Chance in 1996, and subsequently worked for the Law Commission, the University of Law, and set up her own firm, Old Bailey Solicitors. Having obtained higher rights of audience in 2002, in 2013 she cross-qualified as a barrister, and joined 23 Essex Street Chambers. Her practice focused on financial crime, and she prosecuted and defended in equal amounts. She was a leading junior, a Grade 4 Prosecutor, and a facilitator for Advocacy and the Vulnerable training.

In 2019, Flora moved to the Financial Conduct Authority, where she has worked in both enforcement and consumer redress policy development. She is also a part-time PhD student at University College London, researching corporate misconduct. She was a long-serving committee member of the Solicitors' Association of Higher Court Advocates, and then a member of the Executive of the Criminal Bar Association. She was on the 23 Essex Street Equality and Diversity Committee, and is a Financial Conduct Authority Equality and Diversity Superuser.

Stephen Gowland was the 50th national President of Cilex (The Chartered Institute of Legal Executives) and the first who also qualified as a solicitor. He spent ten years on the Cilex board. He started his career as an apprentice and qualified as a lawyer whilst working full time. He was the first Cilex apprentice to sit on the Cilex board and has championed apprenticeships throughout his career. He has worked in various law firms dealing with general civil litigation which included dealing with civil actions against the police and sexual abuse claims. He ran his own successful high street firm for twelve years before moving on to pursue other opportunities.

Stephen now works in-house and sits as a police misconduct judge for seventeen police forces across England and Wales. He also works as an associate with the College of Policing assisting them with recruitment and promotion for UK police forces. He has an interest in regulation in various sectors and sits as a lay member on the regulatory panels of the Institute of Chartered Accountants of England and Wales and the Chartered Institute of Public Relations. He will be resigning his position with the ICAEW in order to take up his role with the LSB.

Marina Gibbs has been Director of Competition Policy at Ofcom since September

2007 where she leads Ofcom's policy work in relation to the postal sector as well as focusing on competition matters in the telecommunications market.

Prior to joining Ofcom, Marina worked as a strategy consultant for many years, latterly as Telecoms Partner at Spectrum Value Partners where she advised clients internationally in relation to corporate and commercial strategy development and regulatory and public policy matters. Marina also provided commercial due diligence support to financial and trade investors in the telecoms and media sectors.

The LSB is the independent body responsible for overseeing the regulation of lawyers in England and Wales. The LSB came into being on 1 January 2009 and took on the majority of its statutory powers on 1 January 2010. Its goal is to reform and modernise the legal services market place by putting the interests of consumers at the heart of the system. It is independent of government and the legal profession and oversees the approved regulators, which themselves regulate lawyers practising throughout the jurisdiction.

LSB also oversees the Office for Legal Complaints and its administration of the Legal Ombudsman scheme that resolves complaints about lawyers.

These appointments have been conducted in accordance with the Cabinet Office Governance Code on Public Appointments.

Appointments to the LSB are made by the Lord Chancellor in consultation with the Lord Chief Justice for England and Wales.

Benefits fraudsters are shown the red light by government scheme

A government scheme designed to tackle fraudsters has identified almost £2 billion of fraudulent benefits claims and overpayments.

Since it was set up in 1996, the National Fraud Initiative has identified thousands of attempts to defraud taxpayers, with attempts to steal money from pension frauds, council tax claims and even the abuse of disabled parking badges.

Latest figures show that between April 2018 and April 2020, a total of £245 million of fraud and overpayments was detected across the UK, taking the total figure identified since 1996 up to £1.9 billion.

One of the government's key manifesto pledges was to ensure those who commit benefit fraud are punished. And action taken under the National Fraud Initiative, which uncovers some of the more difficult to track fraud cases, has resulted in £57.7 million of fraudulent payments being recovered and a

further £132 million of payments being prevented between 2018 and 2020 in England alone.

The most common cases included the abuse of housing benefits, with £26.3 million of fraud found between 2018 and 2020 and claims for single person council tax discounts, with £17.2 million of fraudulent claims detected over the same period.

The Chancellor of the Duchy of Lancaster, Michael Gove, said:

Schemes such as those to reduce council tax and provide housing benefit are there for the most vulnerable people in our society, not those who will try to cheat the system and fraudulently claim money that they don't deserve.

We know that there will always be a small minority who try to cheat the system and the work of the National Fraud Initiative shows that we will not let them get away with it.

Among the most recent National Fraud Initiative cases, the London Borough of Greenwich identified a woman who claimed she was homeless and needed social housing, despite owning five other properties across the country, some of which she had bought under the right-to-buy scheme. An investigation into her finances later revealed she had an estate worth over £1.5 million.

Further investigations over the past two years resulted in 6,092 false applications made by people across the country being removed from housing waiting lists.

Other common frauds include the abuse of disabled parking badges and subsidised travel cards. Between 2018 and 2020, investigations led to 151,815 travel passes and 46,750 blue badges being cancelled.

The misuse of blue badges belonging to people who had actually died is estimated to have cost taxpayers £26.9 million in the past two years. People fraudulently using concessionary travel cards which belonged to dead people is predicted to have cost a further £3.4 million.

John O'Connell, the chief executive of the TaxPayers' Alliance, said:

With billions lost every year in benefits fraud, schemes like this are delivering real bang for their buck.

Every penny of fraud is a slap in the face for struggling taxpayers, so continuing this low-cost crackdown is very much called for.

Well done to ministers for sticking up for taxpayers and waging a welcome war on benefits waste.

Following the coronavirus pandemic, it has also been confirmed that the National Fraud Initiative will be extended to help make sure that grants for emergency relief have only been paid to those who deserve it.