

Twenty-Fourth Report of Session 2021-22

Department for Transport

Crossrail: A progress update

Introduction from the Committee

Crossrail is a complex major programme to run new, direct rail services between Reading and Heathrow Airport at the western ends of the railway, to Shenfield in Essex and Abbey Wood in south-east London at the eastern ends. It is the world's first truly digital railway of its size and scale that will have no peers in the world. Construction work on the programme started in 2009 and tunnelling began in 2012. The majority of major construction work is complete and Crossrail Ltd is now transferring assets, such as stations, to Rail for London Infrastructure (RfLi) and London Underground who, along with Network Rail, will maintain and operate different parts of the railway. When complete, the railway will be around 73 miles (118 kilometres) long, stopping at 41 stations, including 10 new stations and 26 miles (42 kilometres) of new tunnels. Once Crossrail is open, it will become part of Transport for London's (TfL's) underground and overground rail network and be known as the Elizabeth line. The Department for Transport (the Department) and Transport for London (TfL) are jointly sponsoring the programme. Crossrail Ltd is an arm's-length body specifically created to deliver the programme and is wholly-owned by TfL.

This is the fourth time the Committee has reported on the Crossrail programme. The last two reports followed significant cost and schedule increases in 2018. When we last reported in July 2019, programme funding had increased by £2.8 billion to £17.6 billion, and Crossrail Ltd expected the central section of the railway to open between October 2020 and March 2021. Since then, Crossrail Ltd's estimate of the cost to complete the Elizabeth line has increased to £18.9 billion, 28% more than the £14.8 billion budget set in 2010. It expects to open the central section between February and June 2022, with full east-west services beginning either December 2022 or May 2023 to align with National Rail timetable changes.

Based on a report by the National Audit Office, the Committee took evidence on 19 July 2021 from the Department for Transport. The Committee published its report on 29 October 2021. This is the government's response to the Committee's report.

Relevant reports

- NAO report: [Crossrail – A progress update](#) – Session 2021-22 (HC 184)
- PAC report: [Crossrail – A progress update](#) – Session 2021-22 (HC 299)

Government response to the Committee

1: PAC conclusion: Risks remain to cost and schedule before the railway opens to the public.

1: PAC recommendation: Alongside the Treasury Minute response to this report, Crossrail Ltd should update the Committee on the latest programme plan and the revised forecast cost for the whole programme, and opening date for the central section and the entire railway. For clarity, Crossrail Ltd should provide this information in a similar format to that presented in Figure 11 of the NAO report.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 Delivery of the Elizabeth line is now in its final complex stages. Significant progress has been made across the project. The penultimate stage, Trial Operations, commenced on 20 November 2021 as part of the major railway trials taking place ahead of the Elizabeth line opening.

1.3 The central section between Paddington and Abbey Wood will open in the first half of 2022; with a target date for services from the east and west connecting to the central section in autumn 2022, and full end to end services delivered between December 2022 and May 2023.

1.4 Crossrail Ltd is taking steps to deliver Crossrail within the available funding. Crossrail's current forecast is currently £151 million above the £825 million funding package agreed in December 2020. The programme remains within the £1.1 billion of additional funding identified as necessary by the outgoing Crossrail board announced in August 2020, which the Commissioner has committed to staying within.

1.5 On 12 January 2022, Mark Wild, CEO of Crossrail Ltd wrote to the Committee providing an update on the latest programme plan and the revised forecast cost for the whole programme, and opening date for the central section and the entire railway. Crossrail Ltd provided the information in a similar format to that presented in Figure 11 of the National Audit Office report. The cost and schedule estimates are accurate as of November 2021.

2: PAC conclusion: The collapse in passenger numbers owing to the pandemic, and subsequent bailout to TfL, has complicated how and when TfL and the Greater London Authority will be able to repay the taxpayer loans for Crossrail.

2: PAC recommendation: The Department and TfL should write to the Committee by the end of November setting out TfL's revenue forecast scenarios, and what they mean for whether the loans for Crossrail will be fully repaid and when.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 Elizabeth line passenger forecasts have been updated and considered against the COVID-19 pandemic recovery scenarios which were generated for Transport for London (TfL) as a whole and outlined in TfL's [Financial Sustainability Plan](#) of January 2021. Some of the impacts on Elizabeth line ridership have been compounded by ongoing uncertainties created by the COVID-19 pandemic, including travel to Heathrow airport and international travel not returning as quickly as previously expected, as well as passengers travelling to the central London and Canary Wharf not returning as quickly as previously expected due to the prevalence of working from home. The passenger forecasts and revenue scenarios do not take into account any impacts of the recent Omicron variant of COVID-19 virus.

2.3 The Department for Transport (DfT) and TfL jointly [wrote to the Committee](#) on 30 November 2021 setting out further details of TfL's revenue forecast scenarios, and what they mean for whether the loans for Crossrail will be fully repaid and when.

3: PAC conclusion: It is not clear to passengers and businesses when the Elizabeth line will open or what services will be available.

3: PAC recommendation: Crossrail Ltd, TfL and the Department should develop a clear communication strategy to the public to explain when and what Elizabeth line services will be open.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2022

3.2 Crossrail Ltd and TfL have a clear and comprehensive communications strategy in place to ensure that the public who will benefit from the new railway are aware of when and what Elizabeth line services will be open. Certainty on a specific opening date is what customers and businesses want, and to give everyone the ability to accurately plan for the launch an opening date will only be communicated once there is complete certainty that the railway can open safely and reliably.

3.3 All external communication is clear that the opening window for the Elizabeth line continues to be the first half of 2022. This marks the point at which the central tunnel opens to passengers from Abbey Wood to Paddington. The remaining stages will be delivered in a staged approach. In autumn 2022, services from Reading and Heathrow are due to start operating directly to Abbey Wood. At this time services from Shenfield are due to start operating through to Paddington. The final milestone will see full end to end services from Abbey Wood and Shenfield in the east through the central tunnel to Reading and Heathrow in the west open no later than May 2023 to align with National Rail timetable changes.

3.4 There is a comprehensive strategy for communicating the remaining milestones until the Elizabeth line is fully open, which targets customers, businesses and local authorities. This includes the creation of an Elizabeth line launch plan, which is being developed with the department and the Mayor of London's Office.

4: PAC conclusion: We are concerned that TfL and the Department do not have a plan to maximise the long-term, wider economic benefits of Crossrail.

4: PAC recommendation: TfL and the Department should publish a detailed plan before the central section opens for setting out how they intend to maximise the long-term, wider economic benefits of Crossrail, including:

- **what the benefits are;**
- **who is responsible for delivering them;**
- **the levers or support that TfL and the Department require to deliver these benefits; and**
- **how these benefits will be monitored and reported over time.**

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2022

4.2 Benefits management is important to ensure that the benefits are defined, measured, and optimised. Industry approach and best practice to benefits management has developed and matured significantly throughout the lifetime of the Crossrail project.

4.3 The department and TfL have worked to manage the benefits through a comprehensive evaluation study and continued assessment of the value for money and revenue forecasting. Work is nearly complete to bring these components together in a benefits management strategy, jointly developed by TfL and the department, that will clearly define the realised and expected benefits of the project and show alignment to the project outcomes/deliverables. This includes a plan of activities to realise the greatest value and

manage risks to realising the benefits. These activities will have clear owners and will be set around a fully defined monitoring programme with associated governance arrangements.

4.4 The benefits management strategy will be owned by TfL and enable them to better manage the direct benefits principally, transport benefits, but also engage with the wider stakeholder community (including the Greater London Authority, local authorities and business community) to ensure that the wider benefits that TfL is not directly responsible for, but which the department has an interest in, are managed and maximised including benefits outside of London and wider benefits such as regeneration.

4.5 TfL plan to publish a detailed benefits strategy before the central section opens in the first half of 2022.

5: PAC conclusion: The Department has still not demonstrated that it is embedding lessons learned into its major programmes.

5: PAC recommendation: The Department should write to the Committee by the end of November detailing what it has changed in its approach to delivering major programmes with its arms-length bodies, giving examples of tangible improvements or impacts on specific projects where possible.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The department is at the forefront of work across government to develop a lessons management approach in conjunction with its delivery partners following the 2019 ['Lessons from Transport for the Sponsorship of Major Projects'](#) report. A comprehensive programme of work is underway to embed lessons across all major transport infrastructure projects and programmes.

5.3 The department wrote a [letter to the Committee](#) on 30 November 2021 to provide an update on progress of the overall programme, and specifically outlining the changes in approach that has been implemented in delivering major programmes with its arms-length bodies as a result of this work.