

Committee(s)	Dated:
Policy and Resources Committee – for decision	04072019
Subject: City Corporation's Position on the Proposed 'Crossrail 2' New Railway Project	Public
Report of: Carolyn Dwyer, Director of the Built Environment	For Decision
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Summary

'Crossrail2' is a proposed new railway linking the national rail networks in Surrey and Hertfordshire via a new underground tunnel through central London. The proposed route does not pass through the City but runs in tunnels through the West End. It will have station interchange connections with many London Underground lines, London Overground, the Elizabeth Line, and to mainline rail stations giving access via HS1 to Europe and via HS2 to Birmingham and the North.

Crossrail2 will improve the capacity and resilience of the central London rail and tube network by offering more route choices which enable passengers to by-pass some of the busiest stations. It will improve the regional rail network and will provide congestion relief for some rail lines that are well used by City commuters including the South West Main Line into Waterloo and the West Anglia Main Line into Liverpool Street.

It is estimated that Crossrail2 will cost £31 billion and the Government has said London will contribute half of that cost.

There are widespread concerns about the project's affordability and deliverability.

If the Government approves the route, the cost and the financing approach in 2019, then it is thought that the project could gain Parliamentary approval in the early 2020s, could commence construction in the late 2020s and could become operational in the 2030s.

The proponents of the scheme are seeking the support in principle of the City of London Corporation among others in order to increase the chances of Government approval. They are not looking for financial support and nor would that be appropriate for the City of London Corporation given that the proposed route of Crossrail2 does not cross the City.

Crossrail2 would benefit London as a whole and would have indirect benefits for the City, boosting the capacity and resilience of the central London rail and tube

network, and providing congestion relief for some rail lines that are well used by City commuters.

Therefore it is recommended that the project has support in principle from the City of London Corporation.

Recommendation(s)

Members are recommended to:

- Agree that the City Corporation supports improvements to public transport provision in London and the South East as such improvements would reinforce London and the City's position as an accessible and sustainable international business centre.
- Note that the campaign seeking Government commitment to the construction of a new railway across central London is being promoted as 'Crossrail2'.
- Note that the proposed new railway does not cross the City of London but would bring benefits to London as a whole and indirect benefits to the City by increasing the capacity and resilience of London's regional public transport network, and by providing congestion relief for some rail lines that are well used by City commuters.
- Agree that the City Corporation is supportive in principle of the 'Crossrail2' proposed new railway project.

Main Report

Background

1. Good transport connectivity is vital to London and to the City's business role at the heart of a dense cluster of financial and business services that serves the world market and contributes 14% of London's GDP. The City is well served by an extensive public transport network which enables a skilled and diverse labour pool within a regional population of over 20 million to access efficiently and sustainably the job opportunities provided by over 24,000 City-based enterprises.
2. The City Corporation has long been a supporter of improvements to London's transport connectivity as this reinforces London's and the City's position as an accessible and sustainable international business centre. The most recent example has been the City Corporation's early support for 'Crossrail1', which is due to open as the Elizabeth Line. This line will boost capacity and resilience across central London but projections of further strong economic and employment growth over coming decades mean that further public transport enhancements will be needed. The Crossrail 2 new railway project is a proposed

enhancement which deserves careful consideration as improvements in the public transport network which are good for London will also be good for the City.

Overview of the Crossrail2 Proposals

3. Crossrail2 is a proposed new railway linking the national rail networks in Surrey and Hertfordshire via a new underground tunnel through central London. The proposed route (see Appendix 1) does not pass through the City but runs in tunnels through the West End via Wimbledon-Clapham Junction-Victoria-Tottenham Court Road-Euston-St. Pancras-Kings Cross-Angel-Dalston-Tottenham Hale. It will have station interchange connections with many London Underground lines, London Overground, the Elizabeth Line, and to mainline rail stations giving access via HS1 to Europe and via HS2 to Birmingham and the North.
4. Key characteristics of the Crossrail 2 project are:
 - Increasing London's rail capacity by 10%; providing additional capacity for 270,000 more people to travel into London during peak periods.
 - Providing up to 30 trains per hour to destinations across London, Hertfordshire and Surrey; bringing 800 UK stations within one interchange.
 - Enabling the development of 200,000 new homes in the region.
 - Supporting 200,000 new jobs once completed.
 - Supporting 60,000 new jobs across the UK supply-chain.
5. Crossrail2 is identified in Mayor Khan's Transport Strategy and his draft London Plan as a key strategic transport improvement that will facilitate significant development and growth along the Lea Valley northwards towards Hertfordshire and Cambridge which is identified as an Opportunity Area and strategic growth corridor. Improved rail transport capacity will release the significant growth potential of this corridor, particularly to provide a significant boost to housing delivery which London needs.
6. Crossrail2 will also boost the capacity and resilience of the central London rail and tube network by offering more route choices which enable passengers to bypass some of the busiest stations. It will provide interchange stations with major rail lines such as HS1, HS2, Elizabeth Line, London Overground and many tube lines. Although the proposed route does not run through the City, these expected improvements in central London capacity, connectivity and resilience will have indirect benefits for the City which relies on an extensive public transport network for workers to access efficiently and sustainably the City's job opportunities.
7. Crossrail2 will provide congestion relief for some rail lines that are well used by City commuters. The diversion of some passengers to the new Crossrail2 line will increase capacity on the South West Main Line into Waterloo station and will relieve crowding on the Waterloo-City line. It will also increase capacity on the West Anglia Main Line into Liverpool Street station.
8. The cost of Crossrail2 is estimated to be £31 billion, a significant sum which would probably be at least 50% more than the eventual cost of Crossrail1 (Elizabeth Line). The Government has said it expects that London will bear half

the costs through a mix of funding sources. We expect these sources, to be managed by the GLA or its agent TfL, would include operating surpluses, business rate supplements, Mayoral CIL, over-site developments and land sales. Some funding steps have already been taken, such as the recent approval of the updated Mayoral Community Infrastructure Levy (MCIL2) on development in London, which it is intended will raise funds for Crossrail2 or other strategic transport infrastructure. Development in central London, including the whole of the City of London, will pay higher MCIL2 levy charge rates than developments elsewhere in London. It is estimated that the MCIL2 levy could eventually contribute 15-20% of the total cost of Crossrail2.

9. The total cost of Crossrail2 represents a significant funding challenge for the GLA and TfL and this led in 2018 to an Independent Affordability Review of Crossrail2 being jointly commissioned by the Dept for Transport and Transport for London. The Review's interim report included recommendations for further work to ensure the scheme taken forward is affordable. Further work is being taken forward to inform the next steps for the project and complete the Review. This work includes looking at ways of achieving Crossrail2's core objectives in stages instead of building a single big infrastructure scheme.
10. The proposed timetable for Crossrail2 is dependent on Government making positive decisions during 2019 on the route and financing. Such decisions will probably be made at the same time as decisions on the proposed HS3 Transpennine new rail route between Manchester and Leeds. If the Government's decision is positive then the proposed timetable is to consult on the intended route in 2019, obtain Parliamentary approval through a Hybrid Bill early in the 2020s, begin construction in the late 2020s, and for Crossrail2 to be operational in the 2030s.

Proposals

11. The City Corporation should offer its support in principle for the Crossrail2 rail project.

Corporate & Strategic Implications

12. Corporate Plan implications: Crossrail2's proposed improvement to the central London public transport network would improve London and the City's transport connectivity and reinforce the City's position as an accessible and sustainable international business centre. By doing so the proposed new railway would support the Corporate Plan aims to support a thriving economy and shape outstanding environments, with particular relevance to the following Corporate Plan Outcomes:
 - Outcome 4. Communities are cohesive and have the facilities they need.
 - Outcome 8. We have access to the skills and talent we need.
 - Outcome 9: We are physically and digitally well-connected and responsive
 - Outcome 10: We inspire enterprise, excellence, creativity and collaboration.

13. Security Implications: The proposed route of Crossrail2 does not pass through the City but runs in tunnels through the West End. Therefore it will have no security implications for the City.
14. Financial Implications: Support in principle for the Crossrail2 rail project would not have any financial implications for the City Corporation.
15. Equalities and Resourcing Implications: The Mayor considers that Crossrail2 would make London and the South East transport network considerably more accessible. The Crossrail2 project would result in a new railway, new and adapted stations, better connections and better-designed new rolling stock, which would make central London more accessible particularly to disabled people, and people with access and inclusion needs, that rely on public transport. Support in principle for Crossrail2 would not create any new HR resourcing implications.

Conclusion

16. The proposed Crossrail2 new railway project will boost the capacity and resilience of the central London rail and tube network, and will provide congestion relief for some rail lines that are well used by City commuters including the West Anglia Main Line into Liverpool Street station. It deserves support in principle from the City Corporation.

Appendices – Appendix 1: Map of the Proposed Route of Crossrail2

Background Papers - Nil

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Appendix 1 – Map of the Proposed Route of Crossrail2

Crossrail 2 route (autumn 2015)

