

Crossrail 2
Transport Committee consultation response and
position paper

July 2013



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Introduction

This paper sets out the Transport Committee's response to the consultation run by Transport for London (TfL) and Network Rail. The Committee has developed its submission following discussion with experts at its meeting on 21 May 2013. At this session we heard from the following guests:

- Lord Andrew Adonis, Chair, London First's Crossrail 2 Task Force;
- Cllr. Nilgun Canver, Vice Chair, London Councils Transport and Environment Committee;
- Michèle Dix, Managing Director, Planning, Transport for London;
- Paul Harwood, Principal Network Planner, Network Rail;
- Professor David Metz, Visiting Lecturer, Centre for Transport Studies, University College London;
- Dominic Millen, Transport Partnership Manager and West Anglia Routes Group Coordinator, North London Strategic Alliance.

In addition we have received written information from a number of stakeholders and we have published these on our website alongside our response.

Our submission contains four principal conclusions; in summary:

- The Committee agrees there is a strong case for a new SW-NE rail link
- A regional option would have the greatest benefits for Londoners in the long term
- The Committee and other stakeholders would welcome further information about the data behind TfL's route options analysis for Crossrail 2
- Securing a funding package for Crossrail 2 is its most significant challenge and we welcome the announcement of central funding for a feasibility study to examine funding options

The Committee agrees there is a strong case for a new SW-NE rail link

London needs to build Crossrail 2 if it is to have sufficient high quality rail capacity to cope with a rapidly increasing population.

Significant population and employment growth underpin the need for Crossrail 2. The most recent forecasts predict that London's population will reach between 9.7 and 10 million by 2031.¹ We must also recognise that London's population growth has previously exceeded forecasts, and it is likely to again. TfL told us that its modelling for Crossrail 2 is based on population estimates that are already out of date because new data show that population growth has occurred at a higher rate than expected. Former Secretary of State for Transport, Lord Adonis, highlighted the fact that London's rate of population growth far outstrips projections in other parts of the UK. We agree with his view that the nature of London's expanding population provides a robust challenge to those who may argue that London has received sufficient investment in transport.

Rapid population growth without Crossrail 2 will put increasing strain on the rail and Underground network. Passenger volumes in the south west London corridor will increase by 36 per cent over the next two decades.² We heard that despite planned investment to increase rail capacity in London – including the Overground, Thameslink, and Crossrail 1 – London will require Crossrail 2 to relieve overcrowding in central London, and on the south west London corridor, and to provide access to opportunity areas in north east London.³ Across London, the level of Tube congestion that TfL had previously predicted for 2031 could now happen as soon as 2020.⁴

Investment in Crossrail 2 would generate sizable economic benefits. Estimates for TfL and Network Rail suggest that a metro option could generate wider benefits worth almost £33 billion, rising to over £49 billion if a regional option was chosen.⁵ We heard about the importance of new transport links in encouraging private investment in commercial and residential property and the role that rail plays in attracting white collar employees. Crucially, a new rail link would increase the connectivity and attractiveness of many residential locations for commuters.⁶ Professor Metz of University College London also stressed to us the importance of rail in promoting public transport. Rail plays a key role in encouraging the growing workforce to recognise that there is no need to commute by car.⁷

Furthermore, a Crossrail 2 alignment serving north east London would help to address issues of low employment and deprivation. We heard, for example, about research by Oxford Economics showing that if the boroughs in the Upper Lea Valley matched London's

¹ TfL, Crossrail 2: Summary of Option Development, May 2013, p. 3

² Transport Committee Transcript 21 May, p. 3

³ Transport Committee Transcript 21 May, p. 3

⁴ Transport Committee Transcript 21 May, p. 6

⁵ Figures based on estimate of wider benefits using a benefit to cost ratio of 3.5:1 for the metro option (currently estimated to cost £9.4bn), and 4.1:1 for the regional option (currently estimated to cost £12bn). Wider benefits include standard benefits that come with shorter journey times, new trips and journeys being less crowded as well as the broader benefits that come from stimulating the economy; TfL, Crossrail 2: Summary of Option Development, May 2013, p. 11

⁶ Transport Committee Transcript 21 May, p. 4

⁷ Transport Committee Transcript 21 May, p. 4

productivity average, this could increase London's Gross Value Added by £4 billion.⁸ In this way, Crossrail 2 would support not only the local economy but also that of London as a whole.

Alternative options to accommodate population growth, alleviate congestion on the rail network and improve access to opportunity areas represent poor substitutes for Crossrail 2. We have considered alternatives such as increasing capacity on overland lines in south west London⁹ or increasing the frequency of trains on the Tube. Lord Adonis warned, however, that the benefits of alternative options would be short-lived. In common with the 'patch and mend' approach before the decision to construct Crossrail 1, he considered that London would require further additional capacity in the form of Crossrail 2 soon after any improvements to existing lines.¹⁰

Moreover, potential alternative options would be neither inexpensive nor less disruptive for Londoners. TfL's most recent estimates for alternative rail enhancement measures are £8 billion.¹¹ This compares to current estimated costs of £9.4 billion or £12 billion for the Crossrail 2 metro and regional options respectively. A decision to enhance rail capacity using alternatives to Crossrail 2 would be significantly more disruptive for passengers also. For instance, work by Network Rail to increase capacity along the south west corridor would lead to considerable disruption on existing services. Crossrail 2, by comparison, would be built largely 'offline', meaning that disruption would be more limited to interchanges with existing services near the core metro section. We recognise, however, that construction of a new line could have a greater carbon footprint than introducing incremental improvements to existing lines. In the next phase of development, we would welcome detailed information from TfL on the environmental impacts of Crossrail 2 and how these relate to alternative options to increase rail capacity.

Crossrail 2 could secure better value for money for Londoners and investors if it is constructed soon. According to Crossrail's Chief Executive, if construction of Crossrail 2 follows closely behind Crossrail 1, there would be opportunities to capitalise on the technical expertise and skills already in place; the same skills required to plan, design, and construct Crossrail 2. We welcome the Government's announcement of a six-year funding settlement for TfL which provides funding for much-needed Tube upgrades. The Tube upgrade plan alone will not be sufficient to provide the capacity London requires in the long-term, however. Crossrail 2 is an infrastructure project that will add urgent capacity to the rail network and benefit the wider economy. The project will need sustained cross-party commitment to carry the project forward to its design and planning stage and to a Hybrid Bill in 2016.¹²

⁸ Transport Committee Transcript 21 May, p. 4

⁹ Through the installation of a fifth track of the south west mainline into Waterloo, or lengthening trains.

¹⁰ Transport Committee Transcript 21 May, p. 9

¹¹ Transport Committee Transcript 21 May, p. 5-6

¹² Michèle Dix, Transport Committee Transcript 21 May, p. 29

A regional option would have the greatest benefits for Londoners in the long term

We think that a regional scheme has greater benefits for Londoners than a metro scheme. A metro scheme could have benefits over a regional scheme by being more reliable (due to being independent of suburban and longer distance rail lines) and less expensive. A regional option, on the other hand, would have the advantage of carrying a larger number of passengers and alleviating overcrowding on existing services. Passengers at suburban stations such as Surbiton – which was on the route of the 10th most crowded service in the UK in spring 2012¹³ – could see improved services into Central London once Crossrail 2 is introduced. It could also provide greater connectivity than a metro scheme to new opportunity areas such as the Upper Lea Valley, opening up new residential areas.

Lord Adonis also asserted that a regional scheme would place less pressure on transport interchanges in comparison to a metro scheme. He illustrated this point using the example of Wimbledon – the proposed south west terminus of a metro option – where he anticipated congestion problems for passengers interchanging with the District Line. Consequently, there is a risk that high passenger demand could require TfL to extend Crossrail 2 to become a regional route at a later stage.¹⁴ Having said that, there may be a case for accelerating the construction of a central section of the route so that its benefits can be realised sooner than the time required to complete the full regional route. We would only support this under the condition that the government gave full commitment to completing to full route within a fixed period of time.

Although we support the regional option, we take the view that it should operate largely in the Greater London area because further extending the line would have negative implications for service reliability.¹⁵ We agree with the geographical area covered in TfL's regional proposal – the branch lines extending south west of London to Shepperton and Chessington South, for example. These stations are a similar distance from the Greater London boundary to other inner suburban rail services. Furthermore, it will be important for Crossrail 2 to stop at all stations along any route to maximise the benefits of the scheme to the highest number of people. We suggest there may be a case for a stop at Worcester Park Station, either in addition to, or as an alternative to a stop at Motspur Park, to extend the benefits of Crossrail 2 to communities in the area.

We have heard how Crossrail 2 could act as catalyst to develop new interchanges with other rail services, such as orbital rail in Barnet. For example, there could be a future rail link from the Crossrail 2 station at Alexandra Palace to Barnet. Equally, designing a Crossrail 2 station at Seven Sisters to interchange with South Tottenham station would enable passengers to connect with the London Overground. We would like to see TfL and Network Rail examine these opportunities in their on-going engineering feasibility work.

¹³ Department for Transport, Operators urged to tackle crowding on busiest services, 24 July 2013

¹⁴ Transport Committee Transcript 21 May, p. 15-16

¹⁵ Transport Committee Transcript 7 March, The Future of Rail in London, p. 16

We have considered the arguments around extending Crossrail 2 to Stansted Airport and we do not support this option. We recognise the clear need for improved rail links to Stansted Airport, however. Opening Crossrail 2 would take the place of some existing inner suburban services, which would release capacity to develop a separate fast and direct link from central London to Stansted.¹⁶

Finally, to maximise the benefits of the scheme, TfL and Network Rail should ensure Crossrail 2 is at the forefront of inclusive and sustainable design standards from the outset. All the stations on the route – both newly-constructed stations and those at existing sites – should provide full street-level to train accessibility for passengers with reduced mobility. In addition, TfL and Network Rail should ensure that the design around stations encourages arriving and departing passengers to travel by sustainable modes and facilitate safe walking and cycling. We would expect to see cycle travel supported by the provision of safe cycle routes to stations and extensive secure cycle parking at all stations, for example.

The Committee and other stakeholders would welcome further information about the data behind TfL's route options analysis for Crossrail 2

TfL and Network Rail's consultation material argues that Crossrail 2 will serve both to alleviate congestion and support regeneration. In south west London, overcrowding is the main driver for the scheme, while the arguments for the proposed alignment in north/east London focus on the ability of Crossrail 2 to support regeneration, combined with the capacity to reduce congestion on the Piccadilly and Victoria Lines.

The information we have received from TfL gives us limited insight into how it developed its shortlist of options, however. On request, TfL provided us a summary of its analysis of Crossrail 2 route options, but it does not set out the figures behind the appraisal it presents. This means that we do not know the respective costs of different long-listed options, or the value of the benefits generated by each option. In addition, we have some concerns that there may be inconsistencies in the way TfL appraised the options following scoring.¹⁷

We are concerned that the northerly alignment of the proposed regional option could generate fewer regeneration benefits than an easterly or north-easterly alignment. There have been calls for TfL to re-examine branch options that would extend to east London, such as a branch from Hackney to Grays via Barking. Evidence from the London Borough of Newham expresses concern that the proposed alignment would fail to improve rail access to disadvantaged areas. In the additional information that TfL provided the Committee, TfL notes that the relative costs and benefits of an eastern branch 'weaken its case for overall inclusion in the scheme'. While TfL estimates the cost of an eastern branch would be £3.5bn more than

¹⁶ We understand from TfL that the construction of Crossrail 2 depends on 3 or 4 tracking in the Lea Valley. Transport Committee Transcript 7 March, The Future of Rail in London, p. 9

¹⁷ For example, TfL's options analysis shows that the current safeguarded route performed most highly (32 points), yet it was denoted as 'scoring well'. A different cross-London regional route on the other hand, performed lower (30 points), but was denoted as 'scored very well'. Elsewhere, the analysis refers to the current safeguarded route as having a 'relatively high score', despite having the highest score of all options (TfL, Crossrail 2 Optioneering Analysis Summary, June 2013, p. 8 and p. 11)

the northerly alignment, it does not provide an estimated value of the benefits. Therefore, this restricts any assessment of the cost-benefit of an eastern branch against other options.

The limited information we have received suggests that TfL has given stronger weighting to congestion relief over regeneration arguments in its route options analysis. It appears that rail capacity growth near existing Tube lines (i.e. the Piccadilly and Victoria lines) has been valued more highly than introducing new capacity in areas currently underserved.¹⁸ The safeguarded route for Crossrail 2 would have served stations further eastward than the regional route TfL has now proposed. Under the proposed change, Crossrail 2 will no longer serve stations such as Homerton and Leytonstone, despite the greatest potential for regeneration lying in these and other areas of east London.

Before introducing fundamental changes to the current safeguarded route, the Committee should have access to the data behind TfL's proposed regional option. The proposed regional option could mean that Crossrail 2 will no longer serve east or north east London. It is important that the Committee and Londoners are provided the basis for TfL's decision to radically alter the safeguarding before the recommendation is discussed with the Secretary of State in 2014.

Recommendation 1

TfL should provide further information about the data behind the scoring for its route options analysis by 27 September 2013. A full explanation of the route options appraisal will enable the Committee to take a view about the proposed revised alignment.

While we are clear that Crossrail 2 would support regeneration, there are questions about the nature and scale of potential regeneration benefits. Crossrail 2 could have a positive impact in areas with poor transport links by improving connections between communities and employment opportunities. We heard, however, that land and property owners are likely to derive the greatest financial benefits from transport infrastructure developments. Academic experts also warned the Committee that decision-makers should acknowledge the relative benefits and disadvantages that Crossrail 2 could have for different types of property tenure (i.e. landlords and private or social rented sector tenants).¹⁹ Boroughs and others will need to ensure that less advantaged communities benefit from the potential regeneration impacts of the scheme. Crossrail 2 will rely on strong support from local communities if the proposal is to succeed. TfL should provide information about the regeneration and journey time benefits to boroughs so that they can engage meaningfully with communities to gain their support.

Before concluding on a preferred alignment, we would also like to see more information about the impact of Crossrail 2 on existing rail services. We understand that Crossrail 2 would replace some existing inner suburban routes, but the net impact for passengers at affected stations is not clear. Network Rail told the Committee that Crossrail 2 would not mean

¹⁸ TfL, Crossrail 2 Optioneering Analysis Summary, June 2013, p. 14, paragraph 6.1.4

¹⁹ Written evidence from Michael Edwards, UCL; and oral evidence from Professor Metz, Transport Committee Transcript 21 May, p. 7

reduced services on existing routes, stating: 'there will be nothing worse than the current level of service or an increase'.²⁰ We also know that in order to accommodate Crossrail 2, some stations will lose a direct Waterloo service, although Network Rail expects that most would retain a direct service.²¹

We are concerned that there is a lack of clarity about the rail services Londoners would lose as well as gain as a result of Crossrail 2. Network Rail has told us that it is not in a position to share any further detailed information at this stage on the expected service pattern or frequency of Crossrail 2 services in south west London, nor the balance of residual services into Waterloo.²² We would expect Crossrail 2 to deliver additional services to stations in the areas it covers in order that passengers genuinely benefit from this investment. Passengers should not be disadvantaged by the removal of services as happened when the South London Line was withdrawn alongside the completion of the orbital London Overground line. Londoners should have detailed information about the net change in capacity that would result from each of the proposed route options. These arguments are particularly pertinent for rail commuters in south west London, where the revised Crossrail 2 regional proposal includes three branch lines.

Recommendation 2

Before the safeguarding is revised, Network Rail should make clear any trade-offs in existing rail capacity from the proposed scheme, particularly in south west London. The Committee would welcome information by 27 September 2013 on which stations and routes would experience a reduction in services. Figures for the net change in capacity should be made available for each of the proposed route options so we can make a proper assessment of the potential capacity benefits. If this information is not yet available, Network Rail should inform the Committee about when it will be released.

Securing a funding package for Crossrail 2 is its most significant challenge and we welcome the announcement of central funding for a feasibility study to examine funding options

Central government commitment to Crossrail 2 is essential if the proposal is to become a reality. At the time of our hearing, TfL did not have any funding for Crossrail 2. Michele Dix estimated that TfL will require approximately £300 million to develop the proposals beyond the safeguarding stage, even before any construction takes place.²³ We strongly welcome the Government's announcement in the recent Spending Review to provide TfL funding of £2 million to conduct a feasibility study.

²⁰ Transport Committee Transcript 21 May, p. 13

²¹ Letter from Network Rail to the Chair, 24 June 2013

²² Letter from Network Rail to the Chair, 24 June 2013

²³ Michèle Dix, Transport Committee Transcript 21 May, p. 29

We believe a jointly-sponsored scheme between TfL, the Department for Transport and businesses should be the template for the Crossrail 2 funding proposal, as it was for Crossrail 1. The partnership funding model between TfL and central government played a central role in protecting the original Crossrail scheme from cancellation in the 2010 Spending Review.²⁴

We acknowledge, however, that Government expects TfL to find at least half the funding for Crossrail 2 from the private sector. TfL will require creative proposals to secure this. We heard that TfL could learn from the use of Community Infrastructure Levy payments in funding the Northern Line Extension to Battersea.²⁵ Such a funding model for Crossrail 2 would need to take account of the fact that businesses in London are already committed to paying Supplementary Business Rates for Crossrail 1 over a period of 25 years. In our report on Crossrail 1 we raised the issue of equitable taxation on businesses in boroughs that are not direct beneficiaries of that scheme²⁶ and we would urge TfL to address similar concerns in designing a funding package for Crossrail 2.

The London Finance Commission's proposals may also present opportunities for developing a funding package for Crossrail 2. The Commission proposed a number of options including greater self-determined decision-making powers relating to infrastructure, the ability to develop autonomous funding proposals and the removal of restrictions on borrowing limits. Speaking to the Planning Committee in July, Lord Adonis suggested that the Mayor could investigate options to draw on these proposals for Crossrail 2.²⁷

The financing model for Crossrail 2 should also acknowledge the increases in land values that will accrue to landowners and developers. We heard that TfL could improve its assessment of the uplift in land values, which may require TfL to draw on more extensive modelling than that used by the DfT. The Deputy Mayor for Policy and Planning has acknowledged that the Mayor and TfL can do more to capture future uplift.²⁸ A better understanding of the likely future appreciation in land values is needed to inform potential taxation levels on landowners.²⁹

Overall, we want assurance that the funding model for Crossrail 2 will reflect fairly the benefits that respective stakeholders will gain from the new line. This means that there must be safeguards to ensure that Londoners do not overpay for the scheme. As with Crossrail 1, Crossrail 2 will have benefits for local communities around stations, Greater London and the UK as a whole. In addition to London boroughs, communities on the route outside the GLA boundary (i.e. Hertfordshire County Council and Surrey County Council) should contribute to the funding for Crossrail 2. TfL's feasibility study must ensure that the funding package captures contributions from all the beneficiaries of Crossrail 2.

We look forward to seeing the conclusions of the feasibility study.

²⁴ Lord Adonis, Transport Committee Transcript 21 May, p. 9

²⁵ Michèle Dix, Transport Committee Transcript 21 May, p. 19

²⁶ Transport Committee, Light at the end of the tunnel, February 2010, p. 16-18

²⁷ Lord Adonis, Planning Committee Transcript 4 July

²⁸ Sir Edward Lister, Planning Committee Transcript 4 July

²⁹ Professor Metz, Transport Committee Transcript 21 May, p. 7

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