

London Assembly Plenary Meeting: Thursday 6 September 2018

Transcript of Item 11a – Question and answer Session: Delay to Crossrail

Tony Arbour AM (Chairman): I would like to welcome our guests who will answer questions on the matter [of the delays to Crossrail]: Sadiq Khan, the Mayor; Mike Brown, who is the Commissioner of Transport for London (TfL); Sir Terry Morgan, Chairman of Crossrail Ltd; and Simon Wright, Chief Executive Officer of Crossrail Ltd. Welcome to the meeting.

The [first] question is for you, Mr Mayor, just for you. When were you first told that the central section of Crossrail would not open in December 2018 and who was it who told you?

Sadiq Khan (Mayor of London): Thank you, Chairman. Last Wednesday's decision by Crossrail Ltd's Board that the December [2018] opening date for the Elizabeth line central tunnel section could not be met was a disappointment to us all. I asked you if I could come before the Assembly at the earliest opportunity to update you and Londoners, and I am grateful for this being arranged at short notice.

Tony Arbour AM (Chairman): Mr Mayor, before you update us could you simply answer the straightforward question: when were you first told that the central section of Crossrail would not open in December 2018? Then you may expand.

Sadiq Khan (Mayor of London): Of course, Chairman. Crossrail took the decision to change its schedule at a meeting on 29 August [2018]. My Chief of Staff and Deputy Mayor for Transport were notified, who in turn informed me. Crossrail formally notified TfL and the Department for Transport (DfT) on 30 August [2018]. On that day I was briefed by Mark Wild, the Managing Director for London Underground, and senior members of the TfL team. I then arranged to meet with the Chairman and Chief Executive of Crossrail to understand their decision and the new programme first-hand. That happened this Monday, 3 September.

Tony Arbour AM (Chairman): Mr Mayor, if I can sum this up accurately, you knew just two days before the public at large?

Sadiq Khan (Mayor of London): That is correct, on 29 August.

Tony Arbour AM (Chairman): I am seeking to be objective here, Mr Mayor, as Chairman. Does that not suggest you were kept in the dark over the matter?

Sadiq Khan (Mayor of London): What I was seeking to do, Chairman, was to explain and you then asked me --

Tony Arbour AM (Chairman): You can do that now in response to that supplementary [question].

Sadiq Khan (Mayor of London): Is that OK? I will give context and then feel free to come back with further questions, with your permission.

Tony Arbour AM (Chairman): Of course.

Sadiq Khan (Mayor of London): Thank you, Chairman. I did ask to come before you to explain to you and Londoners. I am grateful that this was arranged at short notice. The Crossrail project is jointly sponsored and funded by TfL and the DfT. The governance arrangements agreed some time ago provide a high degree of independence and autonomy to Crossrail. The original cost of Crossrail was £15.9 billion and a decision was taken in October 2010 to cut this budget by £1.1 billion. To ensure that I was fully apprised of progress on Crossrail, I have had regular meetings with Crossrail Ltd over the last year. Crossrail has been on the agenda of every TfL Board meeting since December 2016, with the Chairman, Sir Terry Morgan [CBE], regularly attending these meetings and those of TfL's Finance and Programmes and Investment Committees. In addition, a Crossrail executive attends the TfL Commissioner's weekly Executive Committee meeting, and every four weeks TfL and Crossrail senior executives meet to go through progress in detail. In June [2018], the TfL Board nominated two additional members to sit on the Crossrail Board, which is a top-level oversight body of the programme. The DfT also has nominees on the Board.

Throughout the last year, through the forums I have just described, some challenges facing Crossrail have become clear. The Chairman and Chief Executive of Crossrail will be able to explain these more fully shortly, but briefly this late stage of Crossrail has proved to be the most difficult of what has been an incredibly difficult project. It requires the completion of the fit out of the tunnels, stations and all the systems in them, including lighting, signalling, communications, fire vents and drainage. All this has to be tested alongside the new trains to ensure that not just each individual component works but they work together and that rightly demanding safety standards are met. The electrical explosion at Pudding Mill Lane last year [November 2017] both delayed testing and illustrated the risks facing such a large-scale project and, of course, because it is the last stage of the project there is no opportunity to catch up on any delays.

On 31 May [2018], Crossrail informed me it had now forecast to exceed their funding envelope. This led to the project sponsors, the DfT and TfL, commissioning an independent assessment of the likely additional costs and appointing the additional members to the Crossrail Board that I have just referred to. Following this assessment, on 27 June, as Chair of TfL, I approved a deal reached with DfT for us to jointly make an additional £300 million available to Crossrail. Chairman, you will be aware this was announced to Parliament on 24 July. When the revised funding agreement was made Crossrail Ltd had not advised the sponsors that the December 2018 opening date could no longer be met. On 26 July, Crossrail updated me on the increasing pressures they faced. Its Board had asked for additional work to be done and scheduled a meeting on 29 August to review this. Based on this, the sponsors - TfL and the DfT - commissioned an additional independent review into plans for outstanding construction activities and this reported to them shortly before the 29 August Crossrail Board meeting.

Chairman, I am keen to ascertain as soon as possible definitive answers about the impact on the timeline and funding for the project. In advance of this, work has already been done to look at handling the impact of the delay, both in terms of potential for additional construction costs and passenger revenues. This will be built into TfL's annual business planning cycle and TfL's lenders and credit rating agencies will be kept informed; it is right they be given more information and reassurance on our plans.

Before answering your questions, I want to end by making this point, Chairman. I am extremely disappointed and frustrated by and angry at the delay in the opening of Crossrail, but I am confident that once completed Crossrail will be both an amazing feat of engineering and a great asset for the people of London and beyond.

Tony Arbour AM (Chairman): Thank you very much, Mr Mayor. The only thing which strikes me on this - and I am glad to hear you were angry because today you are speaking in very moderate terms on the matter because, of course, you are not the only person who is angry about this one - is that you have just told us that

at your meetings of the TfL Board there is always someone from Crossrail there. Do you believe they should have appraised you sooner that this might have happened?

Sadiq Khan (Mayor of London): That is one of the reasons why we asked for the independent review to be undertaken. I am sure the Commissioner can tell you more about the reasons why the sponsors asked for the independent work to be undertaken. To be fair to Crossrail Ltd, they have been talking about the risks and challenges. However, the point you make is that at no stage until recently were we told that the opening date for the central section would be breached.

Tony Arbour AM (Chairman): Thank you very much. We will now go to the schedule of speakers that I have. The first Assembly questioner will be Assembly Member Pidgeon.

Caroline Pidgeon MBE AM: Thank you. Mr Mayor, just ten weeks ago, in answer to a Mayoral question (MQ), you stated, "The Elizabeth line remains on course to open as planned in December 2018". The Commissioner, in the TfL Board report of 25 July [2018] stated, "Crossrail remains on course to open as planned in December". Sir Terry, on 6 June, when the Transport Committee visited Tottenham Court Road with you, you gave me an absolute assurance that the opening of Crossrail would be in December. You even confirmed the date, Sunday, 9 December when the Queen would be opening the line.

Most of us around this Chamber are big fans of Crossrail. We really want it to happen. The question I have is what has fundamentally changed in the last few weeks for you to cancel the opening this year of Crossrail?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): I would like to open by saying I cannot tell you how - I will not use the word "angry" - disappointed and sorry we are that we find ourselves in the position that we are today. It is not easy to make a decision like this and I do not deny the point you made about June. Although it was very difficult, I do not deny we had a plan that we felt was deliverable to open the railway on 9 December [2018].

A lot of technical problems have hit us in terms of dealing with the issues as they arose. The conclusion we were coming to, as ever with the programme, we were determined to deliver on time. However, we found ourselves in a situation where as we mitigated one risk other risks started to materialise. It was a very difficult decision. In June we still had a plan to support the work to complete the exercise in December. However, the combination of delays on construction and - certainly from my point of view - the complexity of testing the new software systems, the amount of iteration we had to do and the lack of productivity we were getting on testing drew us to a conclusion that we could not guarantee a safe and reliable railway for December. It was a very difficult decision. Simon, as Chief Executive, can obviously broaden on that answer. However, the combination of construction not being quite completed and the challenge of getting a reliable and safe operating system on the railway was such that we concluded it just was not possible to be delivered in 2018.

Caroline Pidgeon MBE AM: It seems something must have happened because we knew it was a complex project. You have always confirmed that when you have been before us. You have talked about technical problems and delays in construction. What has happened? Is it, as has been reported on a blog today, that TfL's assessment was that only three major stations would be ready for use in December rather than all the stations? Has something specifically happened that meant it cannot go ahead?

Simon Wright (Chief Executive Officer, Crossrail Ltd): I would like to go back a little bit to the earlier question as well, because these things are clearly all interconnected. If we go back to November last year [2017] we had the event at Pudding Mill Lane when we had this electronic failure of the voltage transformers, which has been widely reported. That event prevented us from starting what we call dynamic testing. This is

testing with trains on the infrastructure in the tunnels. Clearly, we do lots of testing on test tracks before that but dynamic testing was due to start in November. Because of this failure of the voltage transformer we were not able to do that. We had to take a lot of safety measures to ensure all of that was put right. We eventually started in February [2018]. There was quite a lot of delay there in starting the testing.

Testing thereafter was less than productive during the early part of this year due to several issues, one of which was incomplete infrastructure. You are trying to test on assets that are not fully completed because of delays in the construction and you are testing on immature railway systems - software systems - which are still in evolutionary stages. This is extremely complicated software, as we all know. Therefore, as we went through the early part of the year the productivity of testing was under stress. We rescheduled, tried to get more test hours available and tried to do all sorts of things.

When you are in this situation you fight extraordinarily hard to maintain the schedule because everybody knows how important it is. Therefore, we were looking at all sorts of options through the early part of the year into May. In June we started to feel that we had a significant schedule challenge. As has been stated, we flagged that to our Board and to sponsors but we still thought we could deliver by December. There were major challenges but still we could find solutions. All the way through the summer and into July we felt that pressure was rising but we still could find a solution, as we had found solutions to all the other huge problems on Crossrail over many, many years. We have had some successes. We are running trains at line speed end to end. It was not all doom and gloom. We had some good days and we had some good successes on testing, which gave us that optimism that we could actually succeed and deliver, as everybody wanted, in December 2018.

When we eventually got to July there was more pressure rising, more test results coming through and not the success we would want. We got to the point in July of going to our Board and saying, "This is looking very difficult now". We were asked to come back to a special Board meeting in August to report on the conclusion of all of that, to bring it to a head and to say categorically whether we could or could not deliver. We took the very disappointing decision in the August Board meeting - as has been said already - that we had to recommend we were not able to continue to say that December was doable. It is a combination of events. It is a progression of events. It is not one single action.

Of course, with a programme - and I have been working in programmes all my life, for 40-plus years - you fight tooth and nail to retain your schedule right to the very last moment and look at all sorts of options and mitigations.

Caroline Pidgeon MBE AM: Thank you very much. That is very, very clear. Mr Mayor, on 25 July there was an item on Crossrail in the private section of the TfL Board, which you chair, as well as the public section. Were any concerns raised? As Simon has outlined, the programme is building up and you are getting concerned. Were any concerns raised there about the possibility of delay in the opening?

Sadiq Khan (Mayor of London): I am just checking; I am not sure whether I was at that meeting. I was not at that meeting. The Commissioner was there.

Mike Brown MVO (Commissioner, Transport for London): Perhaps I can help, Caroline, with that one. At that Board meeting on 25 July there was a private expression in terms of risk to the funding envelope at that point and that was discussed. However, it was said that December 2018, for all the reasons Simon outlined, remained on schedule despite what were described - I think it is fair to say, Sir Terry - as significant challenges. There was then the conversation that recognised there was going to be a special meeting of the Crossrail Board at the end of August. There was not normally scheduled to be such a meeting but the Chair

had called a special meeting at the end of August, where the executive team of Crossrail had been charged to go back and give the overall impact.

Caroline Pidgeon MBE AM: Board members must have then been thinking, “Hang on, there may be some delay here”?

Mike Brown MVO (Commissioner, Transport for London): I think it is fair to say there was concern expressed by various Board members but, of course, there was nothing categorical. As Simon said, the instinct of those who deliver these projects is always to maintain the scheduled delivery date because that is what the DNA of these people consists of, which goes back to Simon and colleagues.

Caroline Pidgeon MBE AM: Thank you for that. Will the decision to delay the opening until autumn next year [2019] - it would be great to find out which month in autumn - mean further delay in the opening of the other sections and the final full opening of the line in December 2019?

Simon Wright (Chief Executive Officer, Crossrail Ltd): We have not concluded the studies that are needed to define the opening. They will be what we call stages 4 and 5, which is joining up the surface sections with the tunnel section in the east and the west. The schedules for those are being worked on with my colleagues. We will define those very shortly but they will clearly follow stage 3 opening.

Caroline Pidgeon MBE AM: Finally, time is money in the construction sector. There will inevitably be an additional cost with this delay. Who is going to be picking up that bill, is it TfL and Londoners or is it going to be the DfT?

Mike Brown MVO (Commissioner, Transport for London): Obviously, it is early days in terms of the assessment of any additional cost over and above the £300 million that was agreed in the written Ministerial Statement from the Transport Minister that the Mayor, as Chair of the TfL Board, had authorised the sign-off for, and which we had made provision for within our budget in year to ensure we could deliver that. However, I will tell you and the rest of your Assembly Member colleagues that I have a meeting this afternoon with the DfT and Her Majesty’s Treasury to, of course, explore potential further challenges and how we work together collectively to ensure we can address those.

Tony Arbour AM (Chairman): Thank you very much. Assembly Member Bacon.

Gareth Bacon AM: This is to the Commissioner, Mr Brown. What are the financial implications of this?

Mike Brown MVO (Commissioner, Transport for London): I will look at this in two different terms, if I may, first of all just going back to the £300 million that I talked about. That has been something that has been accounted for. It is something that we have worked on, both in phasing of payments jointly with the DfT - the majority of the payments this financial year come from the DfT - and with provision being made in the next financial year from TfL finances for any additional spend. As I have just said in response to Assembly Member Pidgeon, we do not have certainty as to any additional costs that may emerge yet because that is very programme dependent, which is the work that continues. Then, of course, we will be making provision within our own plans, subject to the discussions I am having this afternoon with the Treasury and with the DfT, to work out how we come to an arrangement around those costs.

In terms of revenue, the other key area, it is worth saying that the revenue implications for the first year - the net effect for 2018/19 - is in the region of £20 million. I consider that to be manageable within the TfL budget. The reason it is £20 million is because the major movement for the opening of the tunnel section was

people moving from using other of TfL's services, particularly the Jubilee and the Central lines, to Crossrail rather than new journeys being created. Clearly if there were to be some further challenges to the full stage 5 opening, as Simon referred to - the through-running from both east and west directly into the tunnel - there will be impacts that would need to be addressed as a result of that. That is something that we will, of course, have the opportunity to properly assess and review within the context of our Business Plan and, most importantly, as we get greater clarity as to the revised schedule going forward.

Gareth Bacon AM: Thank you. The £20 million you just referred to, is that a loss of what was projected to be net profit?

Mike Brown MVO (Commissioner, Transport for London): It is not profit. It was additional revenues that were in the Business Plan.

Gareth Bacon AM: In the Business Plan it suggests an income stream of £151 million. I am assuming there would be an operating cost, which is why I have asked you if that was a net profit that you are losing.

Mike Brown MVO (Commissioner, Transport for London): The £151 million was a revenue line that was the overall increase, including for the already-operating services to the east of London that we call TfL Rail. Our forecast projections have held up very strongly in terms that what we expected is being delivered. Incidentally, for a point of context, the reliability of those railways is very high. In the last period that was the best performing railway in the country. The revenue projections are solid from that perspective. The £20 million is a net figure of revenue. It is the one bit of new journeys. Clearly the cost issue is a separate one because of the way the funding works with Crossrail and the allocation of funding to it.

Gareth Bacon AM: The £151 million in the Business Plan for 2018/19, is that for the whole of the financial year or is it just for the time that Crossrail was due to be open, i.e. December through to the end of March?

Mike Brown MVO (Commissioner, Transport for London): That is for the whole of the financial year, which is through to the end of March. It includes the TfL Rail bits as well, just for the avoidance of doubt.

Gareth Bacon AM: That is what I am trying to unpick. You are saying that the £20 million, which you are indicating you will not now receive, is the only part of that which is related to the Crossrail delay?

Mike Brown MVO (Commissioner, Transport for London): That is correct.

Gareth Bacon AM: One of the things that would happen with any major infrastructure project like this is that it would take time for the various different journeys to change, because obviously significantly people may move from the Central line to Crossrail and so on. It will obviously take time for people to change their habits and their journey patterns. The delay is going to delay that, is it not? Have you done any modelling on projecting what implication that is going to have on the Business Plan forecast going forward from 2018/19 onwards?

Mike Brown MVO (Commissioner, Transport for London): That is precisely the work we are now doing. You are absolutely right to raise it. That will be an important part of assessing, once we know the certainty of the programme delivery, particularly stages 4 and 5. For everybody's information, stage 4 is the opening of direct services from Shenfield through Liverpool Street directly into the tunnel, with stage 5 being the full opening, which includes services from the west and Heathrow into the tunnel and through services as well. That is precisely the bit of work we are looking at now. I cannot give you the categorical number at the moment

because clearly as we work through the schedule implications of the change in the Plan that is what will determine the outcome to that point.

Gareth Bacon AM: When do you expect to know those figures?

Mike Brown MVO (Commissioner, Transport for London): That is the work that is going on at the moment.

Gareth Bacon AM: I know it is the work that is going on. I am asking when you expect to know.

Mike Brown MVO (Commissioner, Transport for London): I would expect it as part of the business planning process. When we bring the Business Plan back, as part of its normal cycle, ultimately through to the Assembly it will be very clear within that timeline, I have no doubt.

Gareth Bacon AM: The Assembly Budget [and Performance] Committee at the moment, as I am sure you are aware, is investigating the TfL financial situation. In June [2018] we had the senior Finance Officers from TfL in front of us. In line with what Assembly Member Pidgeon referred to earlier on, we were given great reassurance that the project was going to be on time, on budget and so on. Crossrail income is a major part of your plans for getting TfL back into surplus - I think by 2021/22 - from the £1 billion loss you are going to make this year. What implications are this going to have on that business planning assumption?

Mike Brown MVO (Commissioner, Transport for London): That is the work we will be doing during the autumn. I would say that the evidence of our success here is still there. By the end of this year we are on track to deliver over £630 million a year in operating cost run rate savings. Over the course of our Business Plan, by 2021/22, this will have increased to £1.2 billion a year. Of course, that is impacted by this issue with Crossrail and we will have to ascertain what that is. This is an incredible track record, under the Mayor's leadership and direction, of real savings being delivered that most private sector businesses would be extremely proud of, as would their shareholders.

Gareth Bacon AM: Sorry to interrupt you there, Commissioner, because that is fine but is not what we are talking about today. We are talking about Crossrail. The reason we are talking about Crossrail today is because the only real game changer in terms of revenue generation, is Crossrail. You have made a lot of predictions about increasing ridership on every other mode of travel you are responsible for, and that is another separate issue I do not really want to get into today. The biggest game changer is Crossrail revenue income, which you do not have at the moment and you are expecting to have. This delay is going to give a severe knock to that, is it not?

Mike Brown MVO (Commissioner, Transport for London): That is exactly what we need to ascertain during the business planning process. As I say, that will only become categorical and clear to me when I see the schedule going forward. The work with the team is to ensure we can still deliver stage 5, the full opening, as quickly as possible. Whether that is exactly within the current timeline we will have to ascertain given the work that is going on at the moment. That has always been, as we have always said - Simon Kilonback [Chief Finance Officer, TfL] has said it to this Assembly and its Committees previously - the thing that is a real step change in terms of new journeys being created, with people moving from main line rail services or people who have not made journeys before to travel on Crossrail. You are quite right; we need to make sure that we hold the end date as closely as possible to its date because that is the thing that has the greatest impact on our revenues going forward. You are quite right to raise it.

Gareth Bacon AM: Will you be revising your Business Plan?

Mike Brown MVO (Commissioner, Transport for London): We will be anyway because we are working through the Business Plan over the course of the next few months and that work is already underway.

Gareth Bacon AM: That is it for the moment, thank you.

Tony Arbour AM (Chairman): Assembly Member Eshalomi?

Florence Eshalomi AM: Thank you. To come back to Crossrail, on this side [of the table] we definitely recognise the scale of this project but once completed it will be a big success for London. I am definitely looking forward to when it opens. You may be aware of Rob Holden's [CBE, Chairman, High Speed 1] letter last week in *The Times* where he stated,

"The problems with Crossrail arose from the decision taken in 2011 to delay the procurement of new rolling stock, a decision that has affected the commissioning of those new trains ... signalling was always going to be proven a big challenge."

Do you think he is right on that?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): No, he is not. He has a short memory. Let me be very clear, in 2011 there was a general theme out there about Thameslink and the fact they had not concluded the negotiations for its trains, which was intended to be through a private finance initiative (PFI) as indeed was the Crossrail programme. When the decision was made not to do a PFI, but to do it through TfL funding capacity, it was a decision that we really welcomed because it took away the uncertainty about when the contract would be placed for the new trains. From my point of view, and certainly from the programme's point of view, it was a decision that we fully supported.

Florence Eshalomi AM: Simon, is there anything you want to add to that?

Simon Wright (Chief Executive Officer, Crossrail Ltd): No, I have nothing further to add. That sums it up well.

Florence Eshalomi AM: Looking at that, the other thing that has been brought up is around the signalling which is quite complicated. Again, when were you alerted to the fact the integration of the signalling would be more complicated than you had imagined?

Simon Wright (Chief Executive Officer, Crossrail Ltd): We have always known that it was complicated. It is an unprecedented scheme in terms of signalling. I do not want to bore people with the technology terribly much but we have three separate systems, one in the centre, one in the east and potentially a different one in the west. It is very complicated with a train running across all three. It has to change from one to the other, at speed, at the interfaces [and] at the portals to the tunnels. It is very tough. We always knew it was going to be hard and it has proven to be just that.

The challenge that we have had in developing the various software systems, which need to come together and seamlessly work safely and reliably throughout, has been harder in terms of the time it has taken to get to this point. We started testing later than we would have ideally liked, as I explained. Those tests have not gone as well as we would have hoped, and therefore the progress made on the hundreds of tests that have to be concluded has been slower. Therefore, we need more time now to get through all those tests, to bank the results, to then put the safety case in to the regulator - the Office of Rail and Road (ORR) - for it to grant us

the authority to place the assets into service and for us then to be operating the railway reliably, as we would never compromise on any of those factors. It has been harder due to various complicated integration factors. There is not one or other thing that one can point to. As I said, we need more time to get through that testing.

Florence Eshalomi AM: Safety is paramount to this but how much more time do you think you will need? Are you going to come back to Members and the public in a few more months and say you still need additional time? How much time will you need?

Simon Wright (Chief Executive Officer, Crossrail Ltd): We have given the forecast of autumn 2019 for the opening. That allows us to start 24-hour, seven-days-a-week testing this autumn. October is the forecast for when we can get into full-scale testing. At the moment we are testing some days a week, not all week. There are then several months of going through that full-time testing before we can then predict the next stage, which is moving into what is called trial running where you actually run services in terms of a timetable but no passengers, and then trial operations when you bring volunteers on board to come and test the safety systems of evacuation and all those things. Only then, when you have the reliability levels up to the right point, can you contemplate opening. So, we have said autumn 2019.

Florence Eshalomi AM: Mike, obviously there are still major ambitions in TfL's finances and the TfL budget in terms of Crossrail 2. TfL has said it will be able to pay for half of Crossrail 2. Do you think this would still be the case, given we are seeing a delay in Crossrail 1?

Mike Brown MVO (Commissioner, Transport for London): Yes, I do. Of course, it is very appropriate the story is as it is today. However, when the Elizabeth line opens this will be a fantastic addition to London's infrastructure, adding 10% capacity in one fell swoop to the capital. I do think within days, certainly within weeks, people will absolutely be celebrating its success and there will continue to be clamours for further investment in the capital's infrastructure. The Independent Affordability Review report, which was commissioned jointly by the Mayor and the Secretary of State, looking into Crossrail 2 has pretty much finished its work. That will continue to be reviewed and looked at. I am very confident the need for Crossrail 2 is very real and that we will be able to continue to support its delivery with the Mayor and colleagues in the Greater London Authority (GLA).

Florence Eshalomi AM: Mike, you will be aware that the Canary Wharf Group had a clause that was linked to delays on the Jubilee line. Is there a similar clause for the Canary Wharf Group on this?

Mike Brown MVO (Commissioner, Transport for London): No, it is an entirely different arrangement with this line.

Florence Eshalomi AM: Yesterday myself and other Transport Committee Members met with Gareth Powell [Managing Director - Service Transport, TfL] and Geoff Hobbs [Director of Public Service Transport Planning, TfL] to discuss the new central London bus network consultation that is due to start. As part of that consultation Geoff explained the fact that pedestrianisation of Oxford Street, as we all know, is not going ahead and TfL will have to change its plans. Are there any contingency plans to look at the bus network across that central area of London based on this delay?

Mike Brown MVO (Commissioner, Transport for London): Clearly, we are not going to implement those changes that were directly related to the assumption that the core of the Elizabeth line would have opened until it opens. However, the vast majority - as I know you will have been briefed yesterday because I had an update following that meeting - of these changes were consultations out, with the impact of Crossrail changes

because, of course, bus changes are based on many factors in central London. Not least of those is the proliferation and frequency of mini-routes that make no logical sense, and actually cause bus-on-bus impotence and delays, and take no recognition of the huge investment and success of reliability of the Tube network, for example. However, of course, we are very keen and conscious that there are many parts of outer London where, in line with the objectives of the Mayor's Transport Strategy, we need to be enhancing and encouraging public transport journeys with the bus network. I can absolutely assure you that we are very cognisant of any changes directly related to the assumptions around the Elizabeth line core opening.

Florence Eshalomi AM: Thank you. That is all from me, Chairman.

Tony Arbour AM (Chairman): Assembly Member Russell?

Caroline Russell AM: Thank you, Chairman. I want to ask about the experience of the passengers who are waiting to use this line but before I get on to those questions I want to pick up on something that Sir Terry said at the very beginning. You said, "We mitigated one risk and others materialised". I wonder if you could expand on that a bit more, whether that is what has caused this decision about the delay.

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): I think in a way Simon answered the question. The whole essence of testing is to really test the system to make sure it is safe and reliable. By its very nature, you find things with what is relatively immature software that we are testing for the first time. We found things. We built into our plans assumptions about how we would handle that and how quickly we could respond to those problems as they were identified. For example, we have a test track. We have rigs running 24 hours a day to try to mitigate some of those issues. However, of course, when you find a new problem it takes time to work out what the solution is.

Caroline Russell AM: Basically you were referring to the software problems you were having?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): Indeed.

Caroline Russell AM: Thank you. I will move on because I want to ask the Mayor about whether this delay could be used positively for the millions of people who will eventually be using Crossrail when it is fully operational. They may be delayed but they are still coming to Oxford Street.

You told Assembly Member Pidgeon, in answer to a Mayor's Question (MQ), that you will not walk away from Oxford Street and you also described it as a "substandard public realm". This delay could give you a chance to bring that public realm up to scratch in time for this big increase in pedestrians. What is your plan to manage this massive increase in people now that your pedestrianisation plans have failed – sorry, stalled?

Sadiq Khan (Mayor of London): If you recall, at a previous Mayor's Question Time, in response to a question asked by colleagues on the Assembly, I answered that Westminster City Council has been asked to come back to us with their counterproposals. You will be aware we spent two years consulting, liaising and adjusting our plans to pedestrianise Oxford Street working with the Council, TfL and many other important stakeholders including the businesses. Westminster Council decided at the eleventh hour to walk away from those plans. The Council has now gone away and is working on new plans. I am due to meet the Leader of the Council this month, or shortly, where she will be presenting the plans the Council has. Clearly TfL will consider those plans and then we will hopefully find a way to move forward.

I meant what I said about not walking away. This is a very important business community. Oxford Street is the busiest shopping street in Europe. We want it to thrive and prosper. There are challenges with Oxford Street,

with shopping malls across London and also more and more internet shopping. We want Oxford Street to thrive.

Caroline Russell AM: Will you, if necessary, use all powers at your disposal to ensure that Oxford Street is fit for purpose before these Crossrail passengers arrive?

Sadiq Khan (Mayor of London): Subject to the Council being willing to work collegiately and in partnership with other key stakeholders. It is not acceptable to spend two years working on a project, spend millions of pounds of taxpayers' money, have numerous consultation meetings and then, at a whim, walk away from those plans. The responsibility is on Westminster Council now to come forward with its improved plans and, of course, I look forward to seeing if they work.

Caroline Russell AM: OK. I am going to ask Mike now. The *status quo* on Oxford Street is not OK. We know that urgent attention is needed to deal even with the current overcrowding, let alone with the overcrowding that will come from the new Crossrail passengers. Has TfL done a Healthy Streets check on Oxford Street in its current condition, and if not, will you?

Mike Brown MVO (Commissioner, Transport for London): I have a meeting with the Chief Executive of Westminster City Council as soon as next week to go through exactly where we are and precisely those sorts of very technical and detailed issues around the current situation in Oxford Street, so we do continue to look at it. Of course it is, just for the avoidance of doubt, Westminster City Council's street so it is its ultimate accountability to ensure safety there. However, I would never walk away or shirk our wider responsibility across London for any street, wherever it is, to ensure it is safe and healthy in terms of its environment.

The answer is yes; I will absolutely ensure that we do whatever we can. Of course, as the Mayor rightly said, we need to wait and see what proposals the Leader of Westminster and colleagues come back with, very soon we hope, to see how much that takes the situation forward. I remain optimistic and confident that the right thing to do is to have a significant step change in the way that Oxford Street operates for those who want to move around it.

Caroline Russell AM: Say it is not possible to work things out with Westminster. There could be some improvements made to Oxford Street without a big overall scheme. It could be treated almost like a temporary work scheme. You could be assessing every single junction and making sure there is sufficient time for pedestrians to cross the road, that there are pavements big enough to hold the numbers of people who are standing there, that the pedestrian comfort levels are adequate and to make sure this pedestrian environment is ready for these people when they do eventually come in 2019. Will you look at treating it almost like a temporary scheme - you are really good at it, with all the building works that are going on in London - so you reduce the danger that people face on that street?

Mike Brown MVO (Commissioner, Transport for London): To reassure you, of course, we will look at doing whatever it takes to ensure the environment is safe and works properly with the opening of the core section of Crossrail. I remain optimistic that we will ultimately see a sensible and coherent proposal coming through from colleagues at Westminster [City] Council that will take us some way down the transformation scheme the Mayor has so eloquently described.

Caroline Russell AM: TfL told the [London Assembly's] Budget and Performance Committee that 30% of the Elizabeth line passengers would be new to TfL, including people who would decide not to drive. What proportion of that 30% would be specifically switching from cars in this way?

Mike Brown MVO (Commissioner, Transport for London): I cannot give you that answer at the moment off the top of my head, but I am very happy to come back to you in writing with that figure.

Caroline Russell AM: Have you modelled the impact the delay of the scheme is going to have on your mode share targets?

Mike Brown MVO (Commissioner, Transport for London): No, and again that is something we are looking at. Clearly, what I do not want to do is set a huge stream of work running until I have the clarity of the actual dates. You would not want to do a piece of work that within days might slightly adjust when you get greater clarity of the work. I can assure you we will be looking at that. I am very happy to keep in dialogue with you on that work.

Caroline Russell AM: Thank you very much. Finally, going back to the question of buses that Assembly Member Eshalomi raised, you have already consulted on removing four or five bus routes from Oxford Street. When can we expect to see this, and will it be delayed as passengers will not be able to shift onto Crossrail until later?

Mike Brown MVO (Commissioner, Transport for London): There are two issues with Oxford Street. One, of course, was coincident, which is the point I was answering previously, around the overall links into what would have been the new line at a particular time. The other thing is that there is an issue anyway in Oxford Street with how effectively the bus service operates, what the ridership is and whether the frequency of bus services is in itself helpful for the movement of buses - as well as for the movement of other people - around the street. I can assure you, as I did in the previous answer, that we will absolutely be assessing every individual change in the context of this emerging situation with Crossrail to ensure that we do not inconvenience anybody. Where there are changes that are still required - because they are the right thing to do regardless - we will, of course, be consulting and moving forward on those.

Caroline Russell AM: Thank you.

Tony Arbour AM (Chairman): Thank you very much. Assembly Member Kurten.

David Kurten AM: Thank you, Chairman. Good morning. Mr Mayor, your Transport Strategy talks about extending Crossrail from Abbey Wood to Ebbsfleet. I do not know whether that is something for the far distant future or something you would like to see happen sooner. Will this delay in the central part of Crossrail affect your plans for a Crossrail extension?

Sadiq Khan (Mayor of London): I think the Chief Executive explained the knock-on consequences on stage 4 and stage 5. Stage 3 is the central section, Paddington to Abbey Wood. Stages 4 and 5 are the line going out further to the east, to Shenfield, and further to the west, Heathrow and Reading. Clearly once the revised scheme has been worked up we can see the consequences on stages 4 and 5.

David Kurten AM: I am talking about something different. I am talking about if you were to have an extension from Abbey Wood to Ebbsfleet, something that is not in the Crossrail Act but is in your Transport Strategy. It is not stage 4 or 5; it would be essentially stage 6, if you like, something beyond the plans at the moment. Will that be affected or not?

Sadiq Khan (Mayor of London): Let us wait and see what the plans are for stages 3, 4 and 5. Clearly, we are going to continue working on the plans we have for a future infrastructure project. Our city is growing, which is a sign that people want to live in London. The idea of stopping planning for future infrastructure is

not a wise thing to do. That is why, in answer to a question asked by Assembly Member Eshalomi, the Commissioner confirmed we are still going to proceed with plans for Crossrail 2. Our population is growing - visits to London are currently at 1.5 million a day - so we cannot stop investing in infrastructure.

David Kurten AM: I was not talking about Crossrail 2; I was talking about your plans for an extension.

Let us come back to the technical aspects. It seems the main problems are getting the three different signalling infrastructures to talk to each other. If you had an extension from Abbey Wood to Ebbsfleet then you would need Crossrail to go onto Southeastern track, which might be a fourth signalling structure. Would it not be? You are shaking your heads.

Simon Wright (Chief Executive Officer, Crossrail Ltd): No, I do not think so. I have not investigated it technically myself but I would be fairly certain - and I could come back to you in writing - it would be the same signalling system, in principle, as exists on the Greater Anglia scheme, which is Pudding Mill Lane to Stratford and out to the east. I think it is the same system. Having dealt with that one, which we are doing now, I imagine the transition will be the same.

David Kurten AM: I see. I will ask the same question for Crossrail 2 because that will need to go onto South Western lines. Would you have issues with new signalling for Crossrail 2 and South Western or would you learn from what has happened?

Simon Wright (Chief Executive Officer, Crossrail Ltd): I am not involved with Crossrail 2 and I am afraid I could not answer on their behalf.

Mike Brown MVO (Commissioner, Transport for London): All I would say to you is that with the previous Chief Executive of Network Rail - and indeed I will be doing the same with his successor - we are determined to ensure that any lessons, particularly any transition lessons for infrastructure and technology, are properly taken into account for Crossrail 2. You want to move the agenda on, technology has moved on and the whole situation is going to be very different when we start constructing Crossrail 2.

David Kurten AM: OK. All right. Thank you.

Tony Arbour AM (Chairman): Assembly Member Prince.

Keith Prince AM: Thank you, Chairman. Good morning, Sir Terry. I am trying to get some dates straight in my head. You mentioned a Board meeting in July [2018] where it was raised that there could be problems. Could you tell me the date of that meeting in July, please?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): I know it was towards the end of July. I am reminded it was 25 July. The 25th.

Keith Prince AM: 25 July. Could you just share with us perhaps when you would normally receive briefing papers for such a meeting?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): Normally the week before. We issued them on the Friday before the 25th.

Keith Prince AM: In those briefing papers was it flagged up that these issues were raised and that there was a possibility there could be a delay?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): No, not the question of the delay. What was reported on was the fact that, based on the assumptions we had within the milestones that we had determined would get us to the date in December [2018], we were not at that time achieving productivity on testing and not getting to a firm conclusion on closure of the infrastructure work. There were concerns raised about progress being made in that reporting period.

Keith Prince AM: It would not have occurred to you, having read those papers, that there was the possibility of a delay?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): When we had the Board meeting and we discussed it, it was quite clear that the reasons that were raising themselves in terms of progress were that the Executive were not ready to confirm the consequences of that work, which is why we then commissioned further work to be done and introduced an extraordinary Board meeting in August to review the conclusions of that work.

Keith Prince AM: Are you saying those papers did not give you any concern or that they did not indicate to you in any way that there may be some kind of delay?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): They gave us concerns but there were no dates.

Keith Prince AM: I am not saying -- I am asking --

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): There were concerns but there were certainly no dates beyond that which supported the opening in December 2018, which is why when the Executive came back and said, as I said, "There are concerns now coming of a fall in the programme", we said we needed time to go away and reflect on what we had learned so far and what the consequences are of that. I thought it appropriate to give the Executive time to make sure that they had thought through the consequences. It was obviously a very difficult decision for us to make.

Keith Prince AM: When you went into that meeting on the 25th [July 2018], not after the meeting but when you went into the meeting on the 25th, you were quite confident that everything would happen on time?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): I did not use the word "confident". What was raised to me at the Board meeting in July were concerns about the rate of progress we were making on the programme. Therefore, there were increasing risks in the programme that required the Executive to go away and look at the consequences of it. There were concerns raised then.

Mike Brown MVO (Commissioner, Transport for London): Sorry, Chairman. If I may, through you, I just want to be clear. I may have slightly mis-whispered to the Chairman [of Crossrail Ltd.] because I was talking about the date of the TfL Board. I think the Crossrail Board was just before that. I just wanted to be clear, for the record. Sir Terry will know when the date of the Crossrail Board was. Apologies.

Keith Prince AM: Thank you, Mike. We are all human.

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): Thank you, Mike.

Keith Prince AM: I am after the date of the Board that you attended for Crossrail, please.

Simon Wright (Chief Executive Officer, Crossrail Ltd): We would have to check it. I do not keep all those dates in my head, I am afraid.

Keith Prince AM: But it was before the 25th?

Tony Arbour AM (Chairman): Is that not what you said, Mr Brown?

Mike Brown MVO (Commissioner, Transport for London): Yes, I believe it was. I believe it was before the 25th but I am sure we will find the date in a second for you.

Keith Prince AM: Just so we can continue then while Simon does what he is doing --

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): Sorry, I have the date now.

Keith Prince AM: Have you?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): The Board meeting was on 19 July [2018].

Keith Prince AM: 19 July. So on 19 July, after what you said, you are saying that you had grave concerns about the possibility of Crossrail opening on time. Is that correct?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): What I said was that there were significant schedule pressures coming on to the programme, but at that time when we had the Board meeting we had a programme that still supported the December opening that we had previously broadcast.

Keith Prince AM: At the conclusion of that Board meeting you were confident that the rail line would open as planned in December? Is that what you are saying?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): I am very clear that the Executive raised concerns about the programme at the July Board meeting, which then made us decide we needed to do more work to review.

Keith Prince AM: So, at the conclusion of that Board meeting then, were you of the opinion there was a likelihood there may be a delay?

Simon Wright (Chief Executive Officer, Crossrail Ltd): I am a Board member as well, an Executive Board member --

Keith Prince AM: The important point here is that Sir Terry answers the question.

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): I am very clear that there were unanswered questions at the Board meeting on 19 July that we needed to do more work on before we could conclude it, but when the Board meeting concluded we were still working against a programme that supported a December [2018] opening date.

Keith Prince AM: You see, the reason I ask this question, Sir Terry, is that you and I and a number of Members of Parliament were at the meeting on 23 July, which we have now established was following a meeting where there were concerns expressed about the likelihood of the programme opening on time, and at that meeting - I have spoken to Members of Parliament who attended that meeting - you gave no indication whatsoever that there would be a delay. Do you think that was the right thing to do, Sir Terry?

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): I think it was the right thing to do to get the Executive to conclude their work in a proper way, to actually conclude the decision about when could the Executive commit to --

Keith Prince AM: I am a humble Assembly Member but when you are dealing with Members of Parliament do you not think that it is correct and proper to be honest with them and to make them aware of all the details and all the facts? Would it not have been the proper thing to do, Sir Terry, to say to the Members present, "Look, we think it is going to happen but a few things have happened. This is Europe's largest engineering project and we expect that. There is a possibility that there might be a delay", and so on? Do you not think, Sir Terry, that you should have made the Members of Parliament aware? I have spoken with them and they are very surprised and disappointed that you had not given them that opportunity.

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): My opening statement said I was disappointed and sorry, but I will be very clear I was not dishonest. The facts of what I said at the meeting were exactly where the Board meeting had concluded, which was that we were still working with a programme that supported the opening of stage 3 in December 2018. I shared with those at the All-Party Parliamentary Group (APPG) meeting concerns around the amount of work we still had to do and how challenging it was. I was very open about that.

Keith Prince AM: I purposely spoke to other Members at that meeting. At no point were we left with the impression there was a possibility there would be a delay in the opening, Sir Terry.

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): As I said, I --

Keith Prince AM: You have to admit you did not. You did not give any indication that there may be a delay.

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): I have said the plan - which is absolutely true - was still to support, at that time, an opening in December 2018.

Keith Prince AM: You have already said, Sir Terry, that in your own mind you had doubts and that there was a possibility --

Sir Terry Morgan CBE (Chairman, Crossrail Ltd): Which I stated. I expressed concerns about the amount of work that still needed to be done.

Keith Prince AM: I will leave it there. Thank you.

Tony Arbour AM (Chairman): Assembly Member O'Connell.

Steve O'Connell AM: I do not have much time on this. Let us get back to the amount of shortfall. We have heard, Mr Mayor, £300 million capital and £21 million and perhaps rising on revenue. That would be public money to finish that, would that be correct?

Sadiq Khan (Mayor of London): The stages are that we are awaiting a revised schedule. We need to have complete confidence in the revised schedule. From that will flow, as the Commissioner has said, an estimate of the cost. There are two main costs, just to remind colleagues, first the capital costs and secondly --

Steve O'Connell AM: And the revenue costs. OK, I have that. The problem I have, representing Sutton and Croydon, is that they took some persuading in the first place that Crossrail was of benefit to outer London and they were given assurances that it would be such a great thing, absolutely fantastic. Now, because of this - I would say - incompetence, we are down £300 million capital plus revenue and rising. What am I to say to those residents in outer London, in Sutton for example? That £300 million would pay for the tram. Those people out there will be angry, Mr Mayor, and they will be looking at you and what you are going to do about it. How would you respond to my residents in Sutton and Croydon about this issue?

Sadiq Khan (Mayor of London): At the moment it would be premature to --

Tony Arbour AM (Chairman): I am afraid, Mr Mayor, I have to be absolutely fair and you are not going to be given the opportunity to say how it is going to affect the people of Sutton.

Steve O'Connell AM: Works for me.

Tony Arbour AM (Chairman): Thank you very much for coming. The only thing I would say is that as a politician, this whole exercise shows that the one thing politicians do not like is to be surprised. We were taken absolutely by surprise as far as this matter is concerned and I am quite certain you were too, Mr Mayor. There it is. Anyway, thank you so much for coming. I think that you have helped us.