

LONDON ASSEMBLY

Caroline Pidgeon MBE AM, Chair of the Transport Committee

London Assembly
City Hall
The Queen's Walk
London SE1 2AA

3 October 2018

Sadiq Khan
Mayor of London
City Hall
The Queen's Walk
London SE1 2AA

CC:

Heidi Alexander, Deputy Mayor for Transport
Mike Brown MVO, Commissioner, Transport for London
David Hughes, Director of Strategy and Network Development, London Underground
Sir Terry Morgan, Chairman, Crossrail Ltd
Simon Wright, Chief Executive, Crossrail Ltd

Dear Sadiq,

Delay in Crossrail opening

I am writing to you on behalf of the Transport Committee following our meeting with Deputy Mayor Heidi Alexander, Transport for London and Crossrail to discuss the delay in the opening of the Elizabeth line central section.

We share your disappointment with this news. We agree that once delivered the Elizabeth line will provide a significant boost to London's transport capacity and made a positive difference to the lives of many Londoners. Yet this delay has come as a huge shock, given the repeated assurances from all concerned that the project was on schedule to be opened in December 2018. We are determined that the failures in governance and transparency at Crossrail must end immediately, and cannot be replicated in future infrastructure projects.

Below I will set out our understanding of events as they have been described to Assembly Members by you, TfL and Crossrail. The accounts we have heard have at times seemed partial and contradictory. It is safe to say Londoners have been left with unanswered questions following this news. You are of course welcome to provide additional information if you are able to shed further light.

A key issue where further explanation is needed relates to the Elizabeth line rolling stock. TfL is responsible for the rolling stock procurement. This was delayed, and trains have not become operational as soon as was expected. It seems clear this would be a factor in the delays experienced in testing, yet in our meetings TfL have failed to expand on this. Despite our

concerns we will reserve judgement until we have received a full explanation from TfL on this issue. **Please instruct TfL to provide this explanation to the Committee.**

The timeline set out in the appendix to this letter reflects information we were given at the Committee meeting and the previous Assembly plenary meeting on 6 September. This sequence of events reveals a number of worrying decisions being made by all involved in the project, and a continuing lack of openness.

Firstly, the timing of when Crossrail knew of a likely delay. This remains murky. You told us at the Assembly's plenary session that Crossrail had not informed the sponsors of a likely delay at the time its funding was increased, a decision announced to Parliament by the Rail Minister on 24 July. The TfL Board met on 25 July with no public discussion of any potential delay. Then on 26 July, just two days after the funding announcement, Crossrail updated you on their "increasing pressures". It would be surprising and extremely disappointing if Crossrail waited until the moment they were provided with an extra £600 million of public money before revealing they were going to fail to meet their own delivery date. In fact, this account is very hard to believe. We know from Crossrail directly that they told both TfL and DfT at the Board meeting on 19 July that there was likely to be delay.

Secondly, Crossrail's decision to repeatedly give assurances that the project was on schedule in the spring and summer of 2018. At the very least, Crossrail should have made it clear months earlier to you, its sponsors, the Assembly and Londoners that the planned opening date was being reconsidered. If it wasn't being reconsidered, this is a serious failing in project management and undermines Crossrail's previous reputation for competence.

Thirdly, the decisions made by you, TfL and the Government to hide from the public the growing concerns about the Crossrail delivery schedule. This is most apparent in the statement the Rail Minister made to Parliament on 24 July and in the discussion at the TfL Board on 25 July. At this time, it was clearly very well established that Crossrail was not likely to meet the December opening date, even if a new date had not yet been confirmed. By concealing this, you and the Government turned both Parliament and the TfL Board – crucial forums for scrutinising Crossrail in public – into little more than theatrical performances.

We accept the assurances you have personally given to the Assembly that you did not know the specific details of the delay until two days before the announcement. However, given the evidence we have received we feel it is highly likely that you were informed on or soon after 19 July that there was very likely to be a delay. It may have been justified to wait for clearer information before a public announcement. However, it is arguable that maintaining that you were completely uninformed is misleading. If in fact you were uninformed, we can only assume this was to allow you - and Ministers - a degree of 'plausible deniability' about the inevitable delay in the launch date. This is completely inappropriate and damages the reputations of all involved.

There is something admirable in the determination of rail industry leaders to forge ahead with large, challenging projects with great resilience and optimism. We identified the same phenomenon in relation to the Thameslink timetable changes earlier this year, and years earlier with the failed signalling upgrades on the sub-surface Tube lines. However, a blinkered approach

to delivering rail projects can have disastrous consequences, as we saw with both these projects. It is clear that Crossrail's schedule was significantly delayed from the time of the electrical explosion at Pudding Mill Lane in November 2017, ten months before Londoners were informed. The public discussion of problems in the project was scant and vague.

The obvious answer – which everyone at Crossrail and its sponsors should have known – is to ensure that projects have robust, independent scrutiny from start to finish. This allows assumptions to be challenged, new perspectives to be heard and blind optimism to be checked by clear-sighted realism. This simply hasn't happened with Crossrail, despite repeated warnings from the Assembly. In reports in both 2013 and 2016 the Assembly's Oversight Committee told your predecessor and TfL that the secrecy surrounding the Crossrail project had to change, but nothing happened in response.¹

We are pleased to see a commitment from the Deputy Mayor for Transport that minutes of Crossrail Board meetings will now be published. **This commitment needs to be implemented for all previous and upcoming Board meetings. We await your confirmation that this is the case.**

The same principle must be applied to TfL Board meetings discussing Crossrail. The tendency to take controversial items into private board sessions must end immediately. Sir Terry Morgan told the TfL Board in January 2018 that an electrical explosion had occurred at Pudding Mill Lane, but the public discussion was curtailed and resumed only in private session. The minutes of that Board meeting make only a vague reference to this news – noting “issues with the energisation of the tunnel”² – despite the fact this is now considered the point at which the delivery schedule began to unravel. The justification for making the discussion private – that it “related to contractual relationships” – now appears flimsy and misleading.

We can never again have an absurd situation where the Board publicly discusses a Crossrail paper suggesting the project is on track, as it did on 25 July 2018, before turning off the cameras for the ‘real’ discussion where bad news is shared. We appreciate there was a long public discussion on the delay at the TfL Board on 19 September, with challenging questions from Board members – this was encouraging, and should have been happening all along.

Despite everything that has happened, the TfL Board once again held several private sessions on Crossrail on 19 September, to discuss the revised delivery schedule and capital funding requirements away from public view; the TfL Commissioner explained this was necessary because of the ‘sensitive’ nature of the discussion.³ This is simply not an acceptable reason for secrecy. Even if some commercial information needs to be withheld, issues of policy and strategy must be discussed in public – in this case the Commissioner has failed to even acknowledge that additional funding is being sought.

As Chair of TfL, you are directly responsible for this practice, which must end. **We ask for your commitment that all Crossrail discussions by the TfL Board and its sub-committees are held in**

¹ Our 2013 report is available at: https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/13-06-25-Transparency-of-the-GLA-Group-NO-Embargo.pdf. Our 2016 report is available at:

https://www.london.gov.uk/sites/default/files/transparency_of_the_gla_group_and_family_-_february_2016.pdf

² The minutes of this TfL Board meeting are available at: <http://content.tfl.gov.uk/board-20180320-item03-minutes-20180130-for-approval.pdf>

³ A webcast of the public session can be found here: <https://www.london.gov.uk/tfl-board-2018-09-19>

public. Where items need to be discussed in private, agenda papers and minutes should still be published.

This news has understandably raised concerns about Crossrail 2. This is a vital project for London and potential funders – including the government, Londoners and London businesses – will need reassurance that money will be spent effectively. We need a commitment to transparency from the very start. **We therefore seek your assurance that, as a minimum, Crossrail 2 board meetings and relevant TfL Board discussions will be held in public.**

At our Committee meeting we also discussed the various independent reviews that have been commissioned into Crossrail. As we understand it, these include:

- A review commissioned in July 2018 into the remaining construction activity.
- A second review commissioned in August into the remaining testing and trial operations.
- A review into the governance of Crossrail commissioned in September, considering issues around cost assurance and commercial practices.

In the spirit of transparency, we ask that you share full details of these reviews, including those already completed. **We ask you to respond with the terms of reference of each review, to publish the full report from the July review of remaining construction activity, and commit to publishing the reports from the other reviews.**

Finally, as discussed at our Committee meeting a number of further pieces of information need to be provided by TfL and Crossrail to the Committee. These are:

- A monthly update from Crossrail to the Committee on progress until the end of the project.
- Further detailed information from TfL on the revenue impact of the Crossrail delay, including fare revenue and commercial revenue (specifically advertising and station concessions) in 2018/19 and subsequent years. This should include an update on the status of TfL's agreement with six launch partners with sector-exclusive advertising rights.⁴
- Details of any penalty clauses in agreements with organisations that have provided funding to Crossrail.
- Details of revised opening dates for the eastern and western sections of the Elizabeth line.

Please send this information as soon as possible and ensure Crossrail meets its commitment to a monthly update.

I would like to reiterate that the whole Committee looks forward to the opening of the Elizabeth line and is confident this will represent a fantastic new addition to London's transport network. But the events leading to this delay cannot be allowed to pass without detailed scrutiny, and outstanding questions must be answered.

⁴ For more information see: <https://tfl.gov.uk/info-for/media/press-releases/2017/december/tfl-seeks-six-exclusive-commercial-partners-for-the-launch-year-of-the-elizabeth-li>

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Caroline Pidgeon', with a long, sweeping horizontal flourish extending to the right.

Caroline Pidgeon MBE AM
Chair, Transport Committee

Appendix – Timeline of events prior to delay announcement

November 2017	Electrical explosion at Pudding Mill Lane, leading to four months of work investigating and fixing the issues, and a delay in the testing schedule.
30 January 2018	TfL Board meeting, where Sir Terry Morgan discussed the Pudding Mill Lane incident. The item was closed for a further discussion in private, with contractual relationships cited as the reason for privacy.
February 2018	Crossrail began testing trains in the tunnels, and encountered “additional problems.”
February-May 2018	Crossrail considered options for how it could meet the schedule for opening in December.
8 March 2018	Andrew Wolstenholme stepped down as Crossrail Chief Executive as part of the “planned demobilisation of its delivery and leadership team.” ⁵
May 2018	Crossrail began “raising warnings” to its sponsors and to the Crossrail Board about the testing schedule.
31 May 2018	Crossrail briefed the Mayor that it needed additional funding.
June 2018	Crossrail still “had a plan to support the work to complete the exercise in December” (according to Sir Terry Morgan), while simultaneously it “started to feel that we had a significant schedule challenge” (according to Simon Wright). Heidi Alexander became Deputy Mayor on 11 June; she met with Crossrail before starting the role and was not informed of any potential delay.
6 June 2018	Transport Committee Members met with Sir Terry Morgan at Tottenham Court Road, where he assured Members that December would be the opening date, specifying Sunday 9 December for the launch.
21 June 2018	The Mayor responded to two written questions from London Assembly Members, confirming the project is on schedule. ⁶
27 June 2018	The Mayor and Department for Transport (DfT) reached agreement to increase Crossrail’s budget.
19 July 2018	Crossrail executives reported to the Crossrail Board, including both TfL and DfT, that “they could no longer have confidence in the date of opening for December.” Thereafter, at the urging of the Deputy Mayor, TfL and DfT

⁵ Crossrail press release: <http://www.crossrail.co.uk/news/articles/andrew-wolstenholme-to-step-down-as-crossrail-chief-executive>

⁶ Answer to Florence Eshalomi AM: http://questions.london.gov.uk/QuestionSearch/searchclient/questions/question_299449. Answer to Keith Prince AM: http://questions.london.gov.uk/QuestionSearch/searchclient/questions/question_299194

	commissioned a review on plans for remaining construction activity.
23 July 2018	Sir Terry Morgan spoke at a meeting of the Crossrail All-Party Parliamentary Group without referring to any potential delay in the project.
24 July 2018	Jo Johnson MP, Rail Minister, informed Parliament of a £600 million increase in the budget, with no reference to a potential delay or to the review commissioned into the remaining construction activity.
25 July 2018	TfL Board meeting (not attended by the Mayor). Crossrail was discussed in the public session with no reference to a potential delay or to the review commissioned into the remaining construction activity. ⁷ A further discussion of Crossrail was held in private, with commercial sensitivity cited as the reason for privacy.
26 July 2018	Crossrail updated the Mayor on the “increasing pressures” they were facing.
29 August 2018	Extraordinary Crossrail Board meeting where the decision to delay was confirmed. The Mayor and DfT were informed.

⁷ The minutes of this meeting are available at: <http://content.tfl.gov.uk/board-20180919-agenda-and-papers.pdf>