



Crossrail Project Bulletin 10

12 October 2007

This is the tenth bulletin keeping you up-to-date on the progress of the Crossrail project. Updates on the project's progress can also be found in the 'Latest Developments' section on the Crossrail website www.crossrail.co.uk.

Prime Minister confirms Crossrail has the funding to go ahead, 5 October 2007

Prime Minister Gordon Brown has confirmed that the Crossrail project to build a rail line across London has the funding to go ahead.

On a visit to the Crossrail offices in central London on Friday 5 October, the PM viewed maps and model carriages from the project that aims to install a £16bn rail link through the capital, joining Maidenhead in west London to Essex in the east.

Mr Brown said that the construction of the line would be of "enormous importance, not just for London but for the whole country" and would generate up to 30,000 new jobs.

He said: 'For decades the idea of Crossrail - a major new railway link connecting central London, the City and Canary Wharf to Heathrow and to commuter areas east and west of the capital - has been a long-held dream for business and Londoners alike.'

'I am pleased to be able to confirm to you all today that we have now reached final agreement on the funding that is needed. Full details will be announced next week but I can say today that both the private and public sectors have made major financial commitments and that the project will now definitely proceed.'

Transport Secretary Ruth Kelly also attended the meeting with Crossrail executives along with London mayor Ken Livingstone.

Mr Livingstone said that the new rail line would be 'the key to the next 20 years of economic development' of the capital.

Construction work is set to begin in 2010 with the first trains expected to be running in 2017. The planned 118-kilometre track will house 38 new stations and enable an estimated 200 million passenger journeys a year.

Douglas Oakervee, Executive Chairman of Cross London Rail Links Ltd, welcomed the Prime Minister's statement.

'This is a great day for the Crossrail team and for all our partners. I must especially thank Ruth Kelly, the Secretary of State for Transport, the Mayor of London Ken Livingstone, and the Business Sector, for their firm and unwavering support to this project going ahead.'

'We are now ready, subject to the Bill receiving Royal Assent, to take this vital project for London through to a successful conclusion, on time and within budget.'

Crossrail funding arrangements

The details of the funding arrangements were included in the Government's Comprehensive Spending Review announced on Tuesday, October 9. Main points are:

* Crossrail's expected cost of up to £16bn will be met by Government, businesses and farepayers;

* Government will contribute by means of a grant from the Department for Transport of over £5 billion during Crossrail's construction;

* Crossrail farepayers will ultimately contribute through projected operating surpluses used to service debt raised during construction by Transport for London, and by Network Rail in respect of the works on the national rail network;

* London businesses will contribute through a variety of mechanisms:

Direct contributions have been agreed with some of the project's key beneficiaries along the route. Canary Wharf Group has agreed to make a significant contribution to the Project, and will in addition be responsible for delivering the Isle of Dogs station on advantageous terms. The City of London Corporation will make a significant contribution from their own funds, and will assist in delivering additional voluntary contributions from the largest London businesses. The Government will offer the Corporation its support, where necessary, to deliver these additional contributions. BAA have also agreed in principle to make a financial contribution

The Government is separately publishing a White Paper setting out its proposal to introduce a power for local authorities to raise supplementary business rates to fund economic development. Following discussions with Government, the Mayor has indicated that, subject to appropriate consultation, he envisages using these powers to levy a supplement of 2 pence per pound of Rateable Value across London from April 2010, with relief for businesses with a Rateable Value below £50,000, which will be used to service £3.5bn debt raised by the Mayor during construction.

The Mayor has further indicated that he envisages securing contributions from property developers, particularly those who develop in the vicinity of Crossrail stations, and that subject to any appropriate obligations such as Examination in Public, he expects to bring forward London Plan alterations to this effect.

Government Response to Crossrail Select Committee interim decisions

On 12 July 2007, the Select Committee on the Crossrail Bill announced its interim decisions on the petitions it had heard up to that date. The Government's response to those decisions was submitted to the Select Committee at its sitting on 09 October 2007 and can be found in the Latest Developments section of the Crossrail website and on the DfT website.

Communications

We will send bulletins at important stages of the scheme to everyone who has asked us to keep them informed. Information is also regularly posted on the Crossrail and DfT websites.

If you want us to stop sending you bulletins or if you have any other queries please contact the helpdesk at:

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