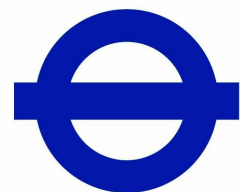


The Crossrail projects and the development of London

16 November 2016

Julian Ware

Senior Principal, Commercial Finance

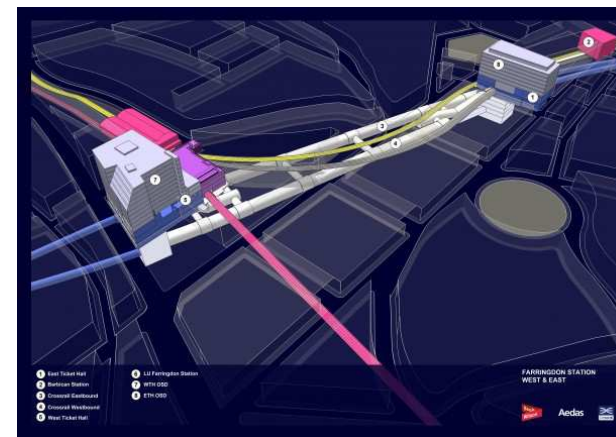


**Transport
for London**



Key facts

- First cross-city suburban rail link in London: will increase total rail capacity by 10%
- 9 new stations, plus 28 others upgraded
- 24 trains per hour at peak times in each direction
- Tunnelling completed, first train built
- Due to open at the end of 2018



Route

- Will link shopping districts (West End), financial districts (City of London, Canary Wharf) and Heathrow Airport



Funding Summary (£, Billion)

Central Government 4.7

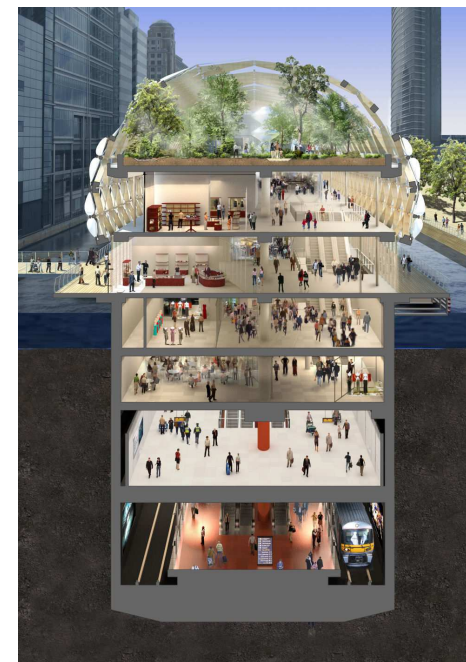
Business

- Business Rates Supplement 4.1

- Developer Contributions 1.1

Fare payer 4.9

Total 14.8



“On time, on budget”, Terry Morgan, Chairman



Funding - Notes

- Business Rates Supplement
 - 2p in the £ incremental increase in Business Rates (occupation tax on commercial property)
- Developer contributions – £1.1 billion – from new buildings
 - Community Infrastructure Levy (CIL) £0.3 billion (59%)
 - Developer contributions £0.3 billion (23%)
 - City of London / BAA (Heathrow) £0.5 billion
- Plus over station development, say £0.5 billion, treated as reduced costs



Crossrail Financing Summary (£, Billion)

Fare payer

- TfL Borrowing	1.9
- Network Rail works	2.3
- Canary Wharf Station	0.2
- Other	0.5

TfL Borrowing: paid back through interest and principal payments

Network Rail: paid back over 30 years through access charges

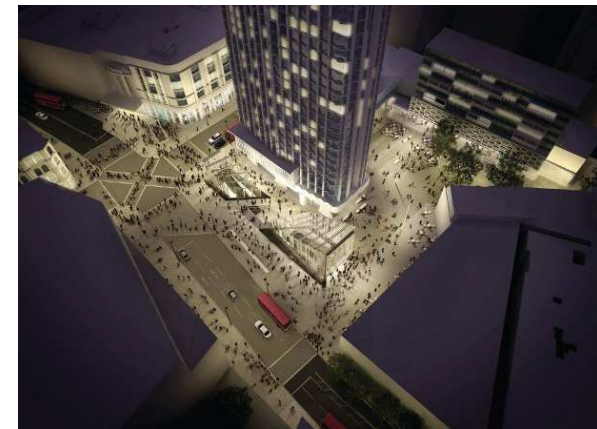
Financed 'on balance sheet'

Sale of surplus land less residual costs

Total 4.9

In addition:

£0.6bn of the Business Rates Supplement has been raised during the construction period – the Greater London Authority has financed £3.5bn of capital works against the remaining BRS income due after the end of construction. Monies now paid to project.



Crossrail 2: The Essentials

What?

- 2 x 38km tunnels, connecting into suburban rail lines
- Circa **10% increase in rail capacity**
- High frequency (30tph in central core)

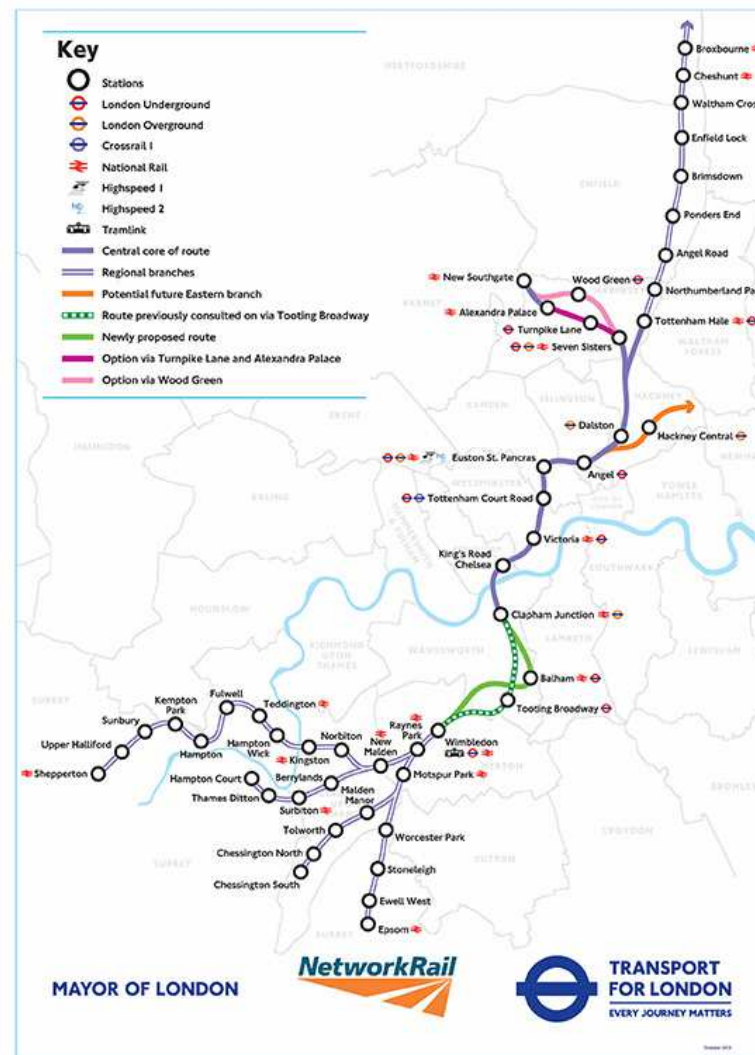
Why?

- Supports London's **growth** and **national productivity**
- Tackles key TfL and national rail capacity challenges
- Land use change (unlock **200,000 homes**).

How much?

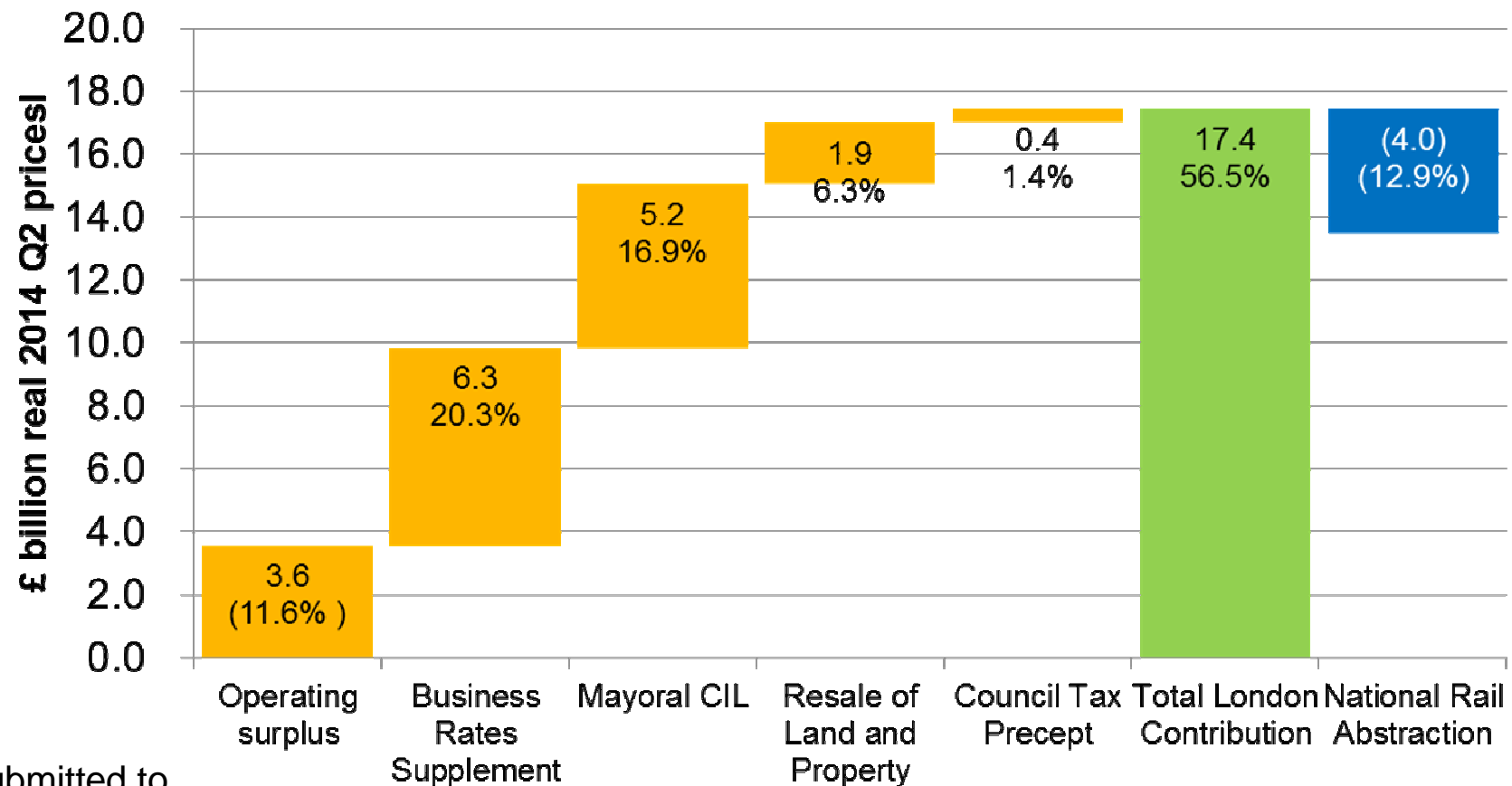
- £28 - 33bn in 2014 prices (including rolling stock and contingency)
- £45bn in outturn prices

Crossrail 2 route (autumn 2015)



CR2 - Funding streams

Sources of Funding for Crossrail 2, £bn PV
 (% shows % of capex)



As submitted to
 NIC in 2016.



National Infrastructure Commission recommended CR2 be taken forward as a priority, to open in 2033...

Programme

- Revised business case by March 2017, to include plans on costs, funding, housing and stations
- Bill to Parliament in 2019, subject to recommendations...

Funding

- Agreement required before Bill
- London to pay “more than half”
- Explore new funding options
- Maximise private sector involvement in stations and surrounding areas.

Affordability

- Strong case for phasing
- Examine costs and benefits of individual stations
- Detailed options to reduce the overall cost by *at least £4bn*

Housing

- CR2 should be at the heart of new London Plan
- TfL to set out a plan to deliver 200,000 homes

