



Cross London Rail Links Ltd

Crossrail the Challenge

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The Scheme



Crossrail Capital Cost

£ billion

Point Estimate

7.6*

Estimate Including Contingency

10.1*

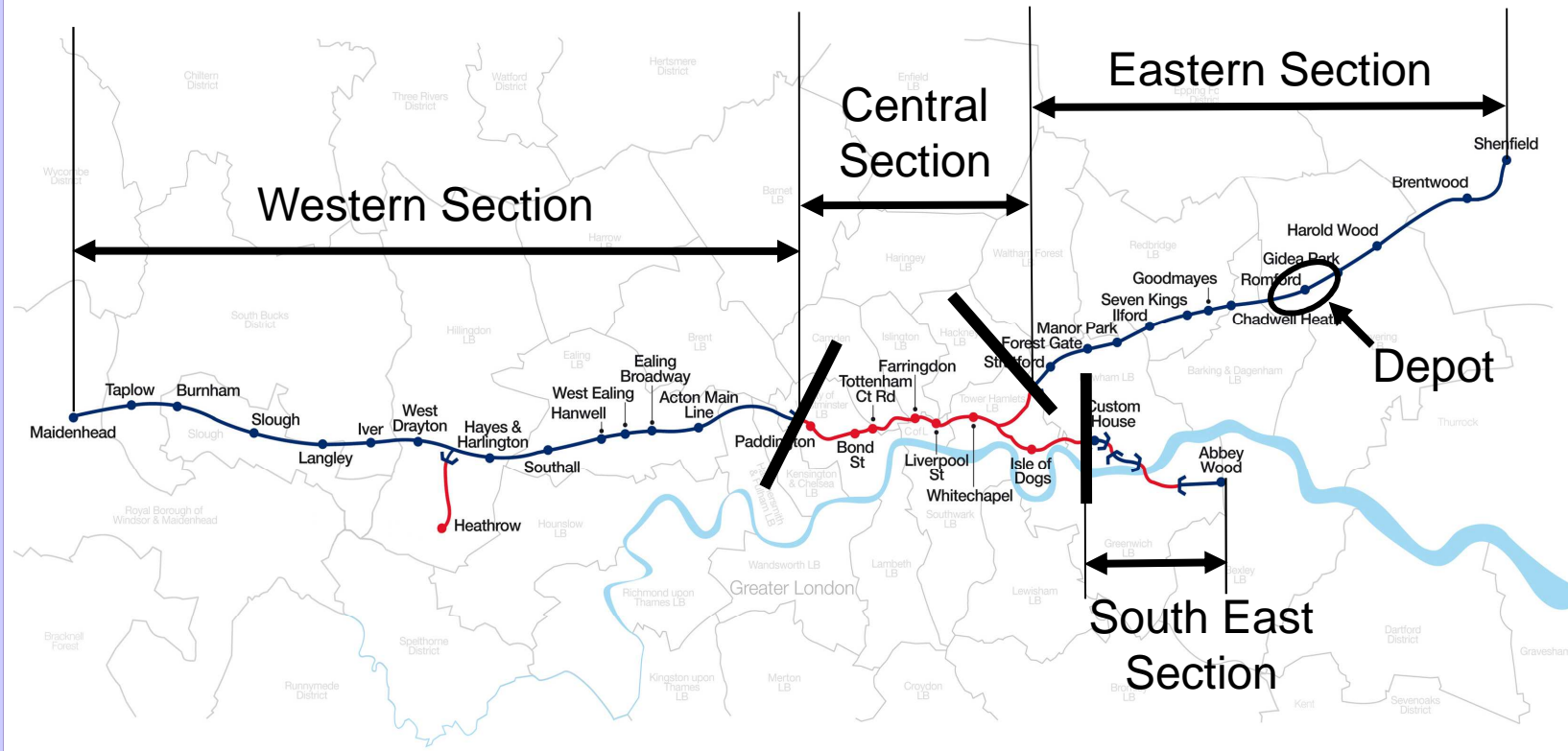
Outturn Costs

16.8

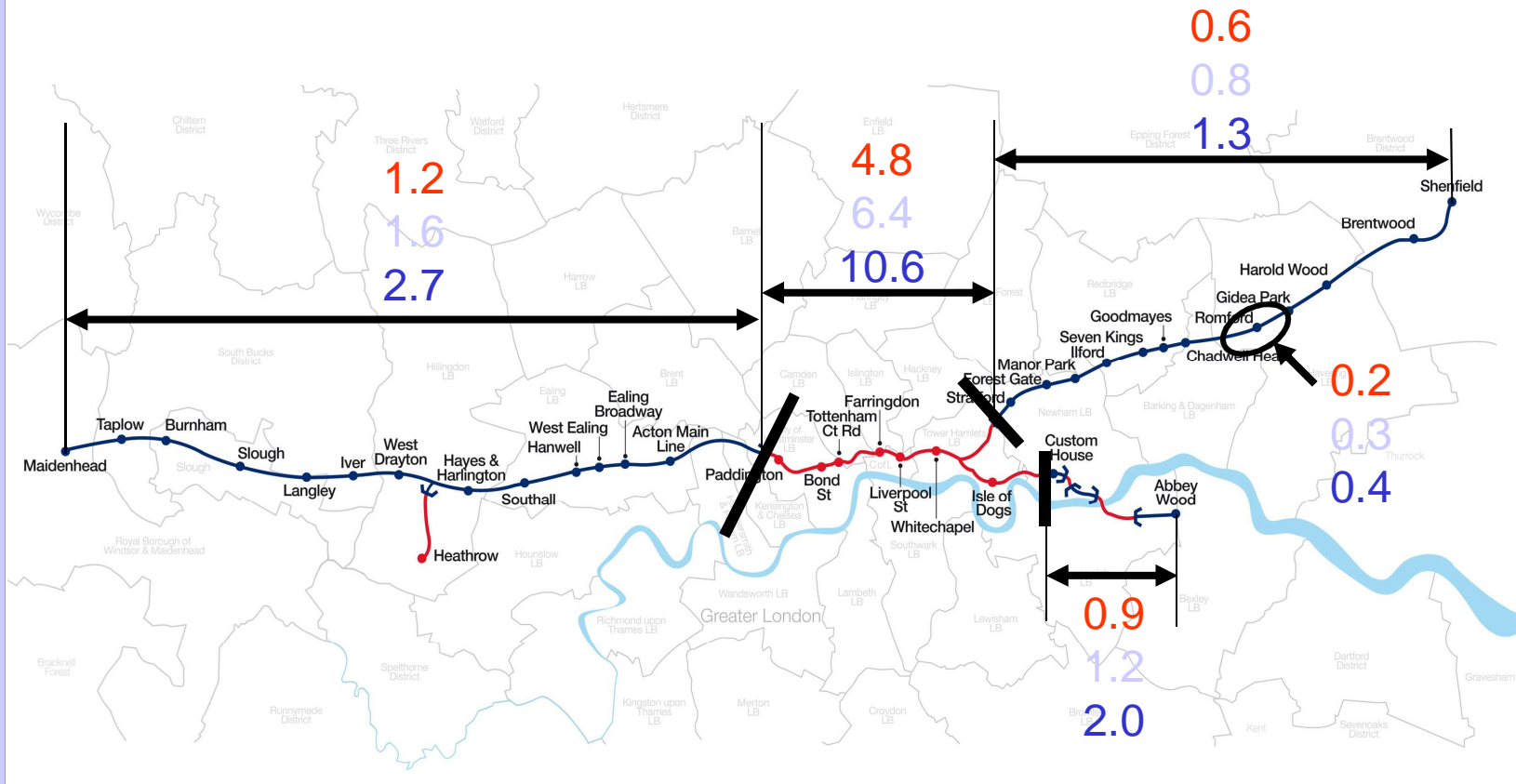
*Current Estimate in 1Q02 prices excluding rolling stock and LUL works at TCR station.



Geographic Breakdown



Capital Cost by Section (£bn.)



Horizontal Cost Breakdown

- 'On Network' works (perhaps carried out by Network Rail) £1.8 bn
- Depot (perhaps part of Rolling Stock lease) £0.2 bn
- Central area systems (perhaps leased) £0.8 bn
- Central area civil infrastructure £4.8 bn

NB: All capital cost point estimates excluding contingency in 1Q02 prices



Value of the Branches

- Central Infrastructure provides capability, branches create the demand/revenue. For instance:

Central Section + Shenfield Branch + Depot

- Cost £5.6 bn (73% of the total scheme)
- Delivers about 50% of benefits
- A reduced scheme offers proportionately less benefit.



Operating Income

Typical operating income (5 years after opening)

- Annual Revenue* (gross) £485m
- Abstraction*(from existing services) £259m
- Annual Revenue*(net) £226m
- Possible annual increase in tax revenue* £62m

(1Q02 prices), For details refer to: www.crossrail.co.uk/aboutus/economicappraisal



Abstraction (annual figures)

- From National Rail £148m
- From London Underground £96m
- From others (DLR, buses etc.) £15m



Transport Economic Case

£billion PV

■ Capital Cost	10.6
■ Maintenance Costs	1.6
■ Operating Costs	1.7
■ Less Transport Revenue	-6.1
■ Plus tax loss (switch to tax free public transport)	1.2

Total Cost to Government	8.9
Transport Economic Benefits	16.1
Benefit Cost ratio	1.8:1



But Significant Wider Economic Benefits

Crossrail enables employment growth in London otherwise constrained by lack of transport capacity, with the approximate results:

- 35,000 extra Central London Jobs
- Increased output at £10bn PV GDP growth.
- Increase productivity of all jobs £3bn PV GDP growth.
- Increases government tax revenues.



Challenges

- Olympics: Managing the relationship.
- Cost and Risk: Reducing cost and improving confidence.
- Interfaces: Managing the physical and contractual risk at the project boundaries.
- Capacity: Planning for industry and market capacity.
- Affordably: Developing a scheme that can be funded.



Current Activity

- Hybrid Bill: Royal Assent early/mid 2007.
- Traditional Transport Economic Case proven, wider benefits are gaining recognition.
- Secretary of State has committed funding to the Development Phase.
- Project focused on improving certainty of scope, programme and cost.
- Working with our Sponsors to develop a robust and affordable funding strategy.





END

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