

**Date: 29 September 2022**

**Item: Measuring and Maximising Benefits, Impacts and Learnings**

---

**This paper will be considered in public**

**1 Summary**

1.1 This paper provides an overview of the Elizabeth line benefits framework published by TfL in partnership with the Department for Transport, as Crossrail joint sponsors.

**2 Recommendation**

2.1 **The Committee is asked to note the paper.**

**3 Background**

3.1 The Elizabeth line is the most significant addition to London's transport network in a generation. The new railway is transforming life and travel in London and the South East: it reduces journey times, creates additional capacity, transforms accessibility and provides a huge economic boost.

3.2 The new railway, delivered by Crossrail Ltd, runs for more than 100km through central London – from Shenfield and Abbey Wood in the east to Reading and Heathrow in the west. With a total of 41 stations, including 10 major new stations, the Elizabeth line connects London's main employment centres, and supports new journeys through central London out to Essex, Buckinghamshire and Berkshire.

3.3 The Elizabeth line is part of the TfL network, and has interchanges with the London Underground, DLR, London Overground and National Rail services and increases central London's rail capacity by 10 per cent.

3.4 The new railway is crucial to London's recovery from the pandemic, helping to avoid a car-led recovery by providing new journey options across the capital, and supporting regeneration.

3.5 The business case was first published in 2005 and has been updated from time to time since then. It sets out a range of outcomes and significant, wide-ranging benefits for the people of London, the South East and across the UK.

3.6 The transport network outcomes comprise:

- (a) transformative network capacity and connectivity improvements;
- (b) journey time and crowding benefits to users; and
- (c) operational capacity and flexibility.

3.7 The wider economic, environmental and social outcomes are:

- (a) regeneration and opportunity, new homes and jobs;
- (b) social and health impacts; and
- (c) sustainable growth and development.

## 4 Benefits Framework

4.1 Our benefits framework document titled, *Elizabeth line: evidencing the value*<sup>1</sup>, sets out how we will gather evidence that the new railway has generated the benefits we expect. Understanding the benefits and outcomes of Crossrail and the Elizabeth line will enable us to maximise the return on investment, demonstrate value for money and learn important lessons for the future. We will be undertaking benefits management/optimisation and evaluation to achieve these aims.

4.2 Benefits management and optimisation involves:

- (a) tracking indicators to draw an early picture of how well the railway is performing against our expectations; and
- (b) focusing on information needed to take any necessary action to ensure we realise the benefits in full and on time.

4.3 We are working with the DfT and a range of other stakeholders to set out a series of performance indicators and measures to enable an early picture to be drawn of how well the railway is performing against our expectations. Some of the initial transport indicators include:

- (a) an assessment of travel time taking delays, wait time and crowding;
- (b) number of people living within 45 minutes' commute of central London;
- (c) proportion of the network that is step-free;
- (d) customer feedback on the service, including accessibility, comfort, safety and quality of customer information; and
- (e) incidence of crime and anti-social behaviour on the trains and in stations.

4.4 To help realise the benefits of the Elizabeth line, we are actively building relationships with stakeholders and commercial partners, working with them to

---

<sup>1</sup> <https://tfl.gov.uk/corporate/publications-and-reports/elizabeth-line-benefits-framework>

target specific groups more effectively to make sure that we maximise the potential of the new railway for customers, businesses and communities.

4.5 The evaluation programme involves:

- (a) working with partners to analyse those impacts of the Elizabeth line that will take longer to emerge, such as transport mode shift, economic growth and other social impacts; and
- (b) examining the return on investment offered using actual observations of benefits.

4.6 We are committed to using evaluation as a tool for understanding, and learning from, the wide-ranging impacts of the Elizabeth line during the post-pandemic recovery and in the years to come. At present, we expect the post-opening evaluation studies to be split into two phases.

4.7 The first of these studies will look at transport impacts and how journeys have changed as a result of the Elizabeth line. The study will consider the integration of the new railway with other transport services, including the bus and cycle networks, helping us to understand its role within a larger sustainable transport network in London, the South East and across the UK. A comprehensive study report will be published in late 2024, around two years after the opening of the Elizabeth line. We expect to publish an interim report in summer 2023, around one year after opening.

4.8 The second study will look at the positive and negative impacts on the communities affected by the new railway. These wider economic, social and environmental effects will take longer to emerge and this second study will be published around five years after the opening of the Elizabeth line. We expect to commission the study in early 2025, around three years after opening, to allow enough time for the impacts to materialise. During the study period (2025 to 2027), we will aim for an annual publication to regularly engage with our findings and the outputs.

4.9 In addition to the above post-opening studies, we will be reviewing the value for money of the Crossrail investment to compare the project costs against the measured benefits and assessing the effectiveness of the Crossrail funding/financing model to learn lessons that can be applied to our future investments.

## **5 Value for Money Evaluation**

5.1 The new railway is expected to deliver significant benefits to London, including relieving congestion, improving connections, reducing journey times, and improving accessibility, inclusion and the public transport experience.

5.2 We analysed the benefit cost-ratio at key stages of the project including when funding approval had been given, but before main works started, following the delay to opening and cost increases reported between 2018 and 2019 and most recently using the current benefits and travel demand assumptions. All of our estimates represented good value for money and compared well to other major line enhancement projects.

- 5.3 We have also analysed the business case with a range of customer demand scenarios to reflect post-pandemic trends. The benefit cost-ratio indicates that the Elizabeth line remains value for money. Although there remains considerable uncertainty with the recovery, early observations of demand are above our budgeted estimates.
- 5.4 The new railway will bring wider benefits to the UK economy. Transport investment brings firms and people closer together, increasing productivity and labour market catchment size, delivering notable benefits to regions outside of London. Reduced transport costs improve firms' outputs and profitability, including a significant reach outside of London, and they also influence people in taking up work, therefore improving labour supply.
- 5.5 These wider economic benefits have not, however, been included in the transport business case, which is based on quantified benefits from journey time savings, road decongestion and accident savings, and some smaller, indirect benefits and external factors such as reduced emissions. Wider economic benefits are described separately to the business case but, when included, have a transformative impact on an already good case.
- 5.6 We will reassess the benefit value after the railway is fully open using the data collected as part of the benefits management exercises and the post-opening evaluation studies. This analysis will give evidence on the actual value for money of the scheme and the accuracy of our forecasts and expectations to contribute to the future case making of major transport schemes.

## **6 Review of Crossrail Funding/Financing Model**

- 6.1 A portfolio approach to funding was used for Crossrail, with contributions from a number of sources including fare payers, Government (tax payers), developers and businesses.
- 6.2 The use of a Business Rate Supplement (BRS) was a unique approach which enabled a funding stream that would be directed specifically to Crossrail. The Mayoral Community Infrastructure Levy (MCIL) was implemented to direct contributions from developers for transport infrastructure more generally, and has to date, been allocated to fund Crossrail costs.
- 6.3 BRS and MCIL were also used to fund a share of additional Crossrail costs. These funding streams have, therefore, proved a flexible way to capture contributions from those who benefit. However, committing MCIL to Crossrail for a longer period than expected, has resulted in increased funding pressures on other potential future investment projects.
- 6.4 A portfolio approach for mega project investment can help to mitigate variations in individual funding streams over time and allow for an evolution of the funding model as conditions change. Funding obtained from a range of sources also better enables equitability in how costs are shared with those who benefit from the project.
- 6.5 As suggested by the Committee, we have started to shape our approach to look at the Crossrail funding and financing model in more detail to learn lessons that

can be applied to future infrastructure investments. We will return to the Committee to share our approach when available.

**List of Appendices:**

None

**List of Background Papers:**

None

Contact Officer: Rachel McLean, Chief Finance Officer, Crossrail and Finance Director, TfL Operations

Email: [RachelMcLean@tfl.gov.uk](mailto:RachelMcLean@tfl.gov.uk)