

Date: 25 July 2023

Item: Update on Measuring Benefits and Impacts

This paper will be considered in public

1 Summary

- 1.1 This paper provides an update on our activities to implement the Elizabeth line benefits framework published by TfL in partnership with the Department for Transport, as Crossrail Joint Sponsors.
- 1.2 A separate paper has been prepared for the Committee to provide insight into passenger usage patterns on the Elizabeth line and its consequential impact on other transport modes in London throughout the first full year of operation.

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. Since opening in May 2022, it has not only transformed how we travel across London but has also boosted economic growth, improved the customer experience on public transport and attracted people back to the capital.
- 3.2 The Elizabeth line's full peak timetable commenced on Monday 22 May 2023 following the May timetable change. The introduction marked the final milestone of the Crossrail project, realising more of the benefits including higher frequencies, greater connectivity and faster journey times. Twenty-four trains per hour now operate between Paddington and Whitechapel stations at peak times.
- 3.3 On 24 May 2023, the Elizabeth line celebrated its first anniversary of opening to passengers. In its first week of operations, more than 2.5 million journeys were made on the entire route. Now, with journeys from the east and west running through central London, there is an average of around 3.5 million Elizabeth line journeys each week, with around 600,000 journeys on weekdays. Since the introduction of the new timetable, we have seen our busiest week on the railway with over 4.1 million journeys. This is a tremendous response from customers and we anticipate even more will use the railway now that the timetable has further improved the service.
- 3.4 It is valuable for us to understand and document the benefits realised against what the project set out to achieve for the investment in the new railway.

3.5 Our benefits framework document titled, 'Elizabeth line: evidencing the value'¹, sets out how we will gather evidence to demonstrate that the new railway has generated the benefits we expect from the investment. 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 Benefit Measurement and Realisation

4.1 Benefits realisation covers transport outcomes and wider socio-economic outcomes.

4.2 The benefits management and optimisation process involves:

- (a) tracking indicators (benefits) to draw an early picture of how well the railway is performing against our expectations;
- (b) focusing on the information needed to take any necessary action to ensure we realise the benefits in full and on time; and
- (c) using the data collected to analyse if the outcomes (or the aims of the investment) have been achieved.

4.3 The benefit indicators include transport outcomes and wider socio-economic outcomes as defined in the business case and Sponsors Requirements.

4.4 A Benefits Forum, chaired by the TfL Elizabeth Line Sponsor Team, is used to coordinate and support the benefits management activities. It is the central body to make sense of the findings across discipline boundaries for onward discussion and engagement with senior management, stakeholders and the public.

4.5 The Benefits Forum will suggest any optimisation actions to the relevant parties and will monitor and record where optimisation actions are dealt with by the relevant teams.

4.6 The Benefits Forum brings together key workstreams responsible for realising the Elizabeth line's benefits including the Elizabeth line Operations Team and those responsible for analysing and understanding the measures and indicators including City Planning, Transport Planning and Finance.

4.7 Information on the realisation of benefits, and developing understanding of impact through evaluation, will also be shared and considered regularly at the Benefits Forum.

4.8 We expect to provide annual updates on these activities and findings to the Programmes and Investment Committee in future, along with a published report in coordination with the findings from the evaluation studies.

¹ Elizabeth line: evidencing the value, <https://content.tfl.gov.uk/tfl-elizabeth-line-benefits-framework.pdf>

5 Impact Evaluation Study

- 5.1 London's transport system and economy are complex and ever changing and it can be challenging to distinguish the effects of a single factor from other general background changes. Through robust impact evaluation studies, we can try to understand and learn from the wide-ranging impacts of the Elizabeth line opening, including identifying links between the distribution of benefits and the expectations of funders and other stakeholders.
- 5.2 The first post-opening evaluation study will focus on early evidence of the transport impacts of the Elizabeth line and gathers baseline information on wider socio-economic impacts. We have appointed Arup to deliver the first Elizabeth line post-opening evaluation study. An initial findings reports is expected to be published in spring 2024 and a comprehensive report is expected in spring 2025.
- 5.3 The second post-opening evaluation study will focus on the positive and negative wider socio-economic impacts of the Elizabeth line and will also update the findings on transport impacts from the first post-opening study. These wider economic, social and environmental effects will take longer to emerge and this second study will be commissioned in early 2025.
- 5.4 With a focus on the current study, we aim to answer the five questions below to examine how travel demand patterns have changed as a result of the Elizabeth line opening:
- (a) how has the overall number of trips taken on public transport networks in London and the South East changed since the opening of the Elizabeth line?;
 - (b) to what extent has the line induced a shift away from other lines and road transport?;
 - (c) to what extent have reduced journey times led to better connections between places?;
 - (d) to what extent has the Elizabeth line improved: 1) the quality and reliability of the transport system and 2) the experience of passengers and 3) any other indirect outcomes?; and
 - (e) what early evidence is there of regeneration and other economic, social and environmental effects around stations?
- 5.5 To help answer the research questions above, the first study will rely on the comprehensive travel data and models held by us and the wider travel industry to estimate journey numbers and analyse travel patterns. In addition, a passenger survey will be conducted later this year to collect insights into travel behaviour at key Elizabeth line stations. Some of the questions will relate to journey purpose, routing and reasons for route choice, frequency of journey, ticket type, use of mobility aids and key demographic characteristics. We will also use mobile network data that offers the opportunity to fill data gaps to better analyse road use and better estimate the shift to public transport.

- 5.6 In addition to route-wide analysis, station case studies will be carried out to examine early evidence of economic, social, and environmental impacts to inform the scoping of the second post-opening evaluation and to provide early evidence on local impacts. We have identified 12 Elizabeth line stations, including: Slough, Southall, Ealing Broadway, Paddington, Tottenham Court Road, Farringdon, Whitechapel, Canary Wharf, Custom House, Abbey Wood, Ilford and Romford.
- 5.7 Station case studies will use data from available sources and a wide range of stakeholder interviews (for example, with local businesses, developers and passengers) to examine early evidence for regeneration and other wider economic effects for selected locations along the line.

6 Review of Crossrail Funding/Financing Model

- 6.1 As part of the project evaluation, work has started on a review of the Crossrail funding/financing model with an aim to write an objective and factual account of funding and financing of the Crossrail project. The Crossrail story is relevant to other projects in London and the UK and is also much discussed internationally. The team will aim to concentrate on what matters for the future rather than rework past negotiations.
- 6.2 The work is being carried out by TfL and includes some individuals who have been working on Crossrail funding and financing from 2007. The team will progress the review during the summer and some initial findings are included below.
- 6.3 Crossrail funding and financing should be seen as a success for a number of reasons:
- (a) the joint venture structure and the management of funding risk by the sponsors survived changes of Government and Mayor and held throughout delivery;
 - (b) funding was delivered to the project as set out;
 - (c) risks were managed during a ten-year period – in particular economic risks over tax/levy revenues and financing costs;
 - (d) the Business Rate Supplement (BRS) and the Mayoral Community Infrastructure Levy (MCIL) were useful innovations that delivered fairly stable funding and are likely to continue. Broad based, hypothecated, bankable revenue streams with relatively low 'tax rates' can be powerful tools; and
 - (e) the BRS and MCIL were flexible enough to support most of the additional funding needed to complete the project.

6.4 The funding and financing portfolio was wide. There could be more specific but still rich learning from:

- (a) the emerging approach to rolling stock finance;
- (b) the use of third parties (Canary Wharf Group and Berkeley Homes) in the construction and part funding of individual stations;
- (c) the relationship with Heathrow and its regulator;
- (d) the capacity for over-station development; and
- (e) the timings and profile of particular receipts.

6.5 The review will also consider why the Crossrail mechanisms and approach are talked about widely but have not so far been adopted by other UK cities or copied internationally.

List of Appendices:

None.

List of Background Papers:

Elizabeth Line Committee paper 29 September 2022: Measuring and Maximising Benefits, Impacts and Learnings

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