

# CROSSRAIL - ALL ABOARD NOW!

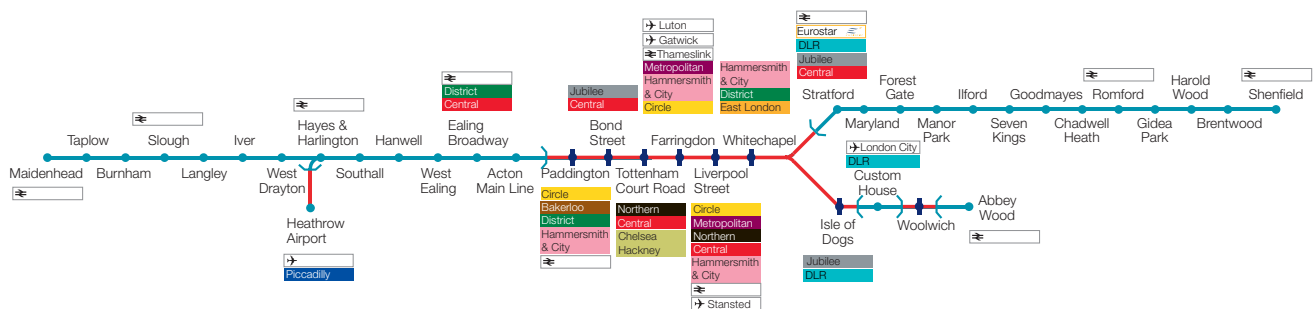
The Crossrail Bill is currently before a House of Lords select committee with Royal Assent expected sometime in the summer of 2008. The current programme aims for construction to be under way by 2010 and full service commencement by 2017.

When finished, Crossrail will provide a link between Canary Wharf and Essex and West London out to Maidenhead and Heathrow. At peak times trains will run every two minutes in each direction providing a service equivalent to (or indeed better than) the London Underground links and mainline rail services currently in existence.



Crossrail

Route Connections Map



September 2007

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By connecting Paddington and Liverpool Street, Crossrail will enable interconnecting mainline train services to cross the centre of London.

It is estimated that Crossrail will expand London's public transport capacity by some 10%.

## LEGAL STRUCTURE

The project will be procured by Cross London Rail Links Limited ("CLRLL"), a wholly owned subsidiary of Transport for London. The Mayor of London and the Secretary of State for transport as sponsors will continue to have some say in the delivery of the project.

Douglas Oakervee has been appointed executive Chairman of CLRLL. He is an engineer with broad international experience in the delivery of major projects and his team will be responsible for delivery within budget and due timetable.

It seems likely that the non executive board of CLRLL will be made up of two members from each of the Department for Transport and Transport for London.

## FUNDING

*It is estimated that the project will cost between ten and fifteen billion pounds which will mainly come direct from central government through the Department for Transport.*

The following companies have agreed to make contributions and/or assist to the delivery of various stations as a result of a benefit to their businesses following completion:

- BAA Group
- Canary Wharf Group
- Berkeley Homes Group

These private entities are likely to benefit through variations to the London Plan facilitating development around station sites.

The Corporation of the City of London has also agreed to provide funding (raised by a levy on business rates in the City of London) as its contribution to the infrastructure upgrade. Other local authorities in areas covered will also be given powers to levy supplementary business rates.

Additional funding will come from central government and there is some suggestion that private finance will be raised with fare income as security. There is no suggestion that a PFI/PPP structure will be utilised, no doubt in consequence of Network Rail and Metronet's recent history.

## PROCUREMENT

In early April 2008, Crossrail published procurement notices in the Official Journal of the European Communities inviting bids for a delivery partner and design framework contract consultants. The negotiated procedure is being utilised.

Receipt of tenders was required by 16 May 2008.

The delivery partner will have obligations to CLRLL to fulfil its obligations to safely deliver the overall programme to time quality and within budget. It is not expected that the delivery partner will undertake engineering design or construction but will instead provide management expertise.

Design consultants are also being selected using the same process.

## OPPORTUNITIES

Clearly there are considerable opportunities for contractors, particularly in the areas of rail, mechanical and electrical and of course tunnelling through the central London area. Such contracts will obviously be let in accordance with public sector procurement legislation. It is anticipated that at any time circa fifteen thousand people could be working on Crossrail during the development phase. That said, expertise is limited in such areas as tunnelling and rail works and as such, a limited number of contractors can expect to win a considerable proportion of the works.

It is to be hoped that the completion of the London Olympics in the early stage of the development of Crossrail will give rise to sufficient capacity in the market to allow contractors and workers to be found easily.

As well as the works there are considerable regeneration and/or development opportunities arising from improved rail links. Of these the most obvious are:

- Whitechapel - the East London line extension/over ground will tie into the existing underground station and Crossrail station to create a new hub just east of the City and west of Canary Wharf.
- Woolwich Arsenal/Abbey Wood, where direct rail links into Canary Wharf, the City and the West End will be greatly improved as a result of the Southern Branch line.
- South Essex, a part of the improvement of existing railway services out as far as Shenfield. As a designated "Thames Gateway" development area, the opportunities for the development are high.
- Slough and Maidenhead - quick train services into central London, the City and Docklands will be greatly improved.

## CONCLUSION

Procurement has begun with regards to the construction of Crossrail and designers and contractors with the appropriate expertise should be alert to the opportunities it presents.

*Developers should consider now what opportunities may arise in the light of greatly improved transport links and benevolent policy approaches in the areas to be affected.*

This article offers general guidance only. It reflects the law as at July 2008. The circumstances of each case vary and this article should not be relied upon in place of specific legal advice.

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