

LONDON ASSEMBLY

Caroline Pidgeon MBE AM, Chair of the Transport Committee

London Assembly
City Hall
The Queen's Walk
London SE1 2AA

7 December 2018

Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London SW1A 0AA

Dear Ms Hillier,

Rail franchising inquiry

I am writing on behalf of the Transport Committee to submit our evidence for your rail franchising inquiry.

We have recently conducted a review of London's rail network, recommending a more strategic, coordinated approach to planning investment and enhanced passenger engagement. You may be interested to read our report, which can be found here: <https://www.london.gov.uk/about-us/london-assembly/london-assembly-publications/broken-rails-rail-service-fit-passengers>

This submission is focused on the findings of our scrutiny of the Crossrail scheme, which has of course been a major concern since a long delay in opening the Elizabeth line was announced in August. The key points we would like to make are:

- There should have been robust, independent scrutiny of the Crossrail scheme from the outset, but this has been lacking.
- Crossrail Ltd board meetings should be held in public with all agenda papers and minutes published.
- The practice of making delivery vehicles subsidiaries of a public body without the same transparency requirements should be reviewed.
- The use of private board sessions by Transport for London (TfL) to discuss Crossrail has been excessive; legislation and guidance in this area needs to be reviewed.

Any major rail infrastructure project is a highly complex endeavour. There are many different aspects to the Crossrail project, not least the need to integrate three signalling systems, and a large number of contractors working to deliver the scheme.

It is well established that rail projects can be subject to optimism bias, as those delivering them focus on meeting their deadlines. It is commendable that there is a positive approach to



delivering new infrastructure and services in the UK rail industry. However, this can mean that serious problems are hidden or downplayed in public. We identified this in relation to the Thameslink timetable changes in 2018, and earlier with the failed signalling upgrades on the sub-surface Tube lines.¹

That is why it is particularly vital that any scheme has robust, independent scrutiny built into its governance processes. The London Assembly Transport Committee's role is to scrutinise the Mayor and TfL, and as part of this we have had regular meetings with Crossrail since 2009-10, and conducted visits to their construction sites. However, we and others have not had access to the information we needed to identify the serious issues that have led to the delay.

The Assembly has called for greater transparency at Crossrail Ltd for a number of years. In reports in both 2013 and 2016, the Assembly told the previous Mayor of London and TfL that the secrecy surrounding the Crossrail project had to change, but nothing tangible happened in response on either occasion.² Following the announcement of the delay, the Mayor's Office pledged that past and future Crossrail board papers and minutes would be published, although to date this has not happened.

We have also been concerned by governance practices at TfL. The Crossrail scheme is jointly sponsored by TfL and the Department for Transport (DfT), although Crossrail Ltd is a wholly-owned subsidiary of TfL. Progress on the delivery of the scheme has regularly been reported to the TfL Board, but the way this happens has provided minimal to no transparency. Discussions on Crossrail have routinely been held in private sessions with the press and public, including Members and staff of the London Assembly, excluded.

For instance, it is now clear that the key point at which the Crossrail scheme entered serious difficulties was the electrical explosion that occurred at Pudding Mill Lane in late 2017. The former Chair of Crossrail Ltd, Sir Terry Morgan reported this to the TfL Board in public in January 2018, but the public discussion was curtailed and resumed only in private session. The minutes of that Board meeting make only a vague reference to this information, noting "issues with the energisation of the tunnel."³

The provisions of the Local Government Act 1972 were used to justify this, with the minutes stating that the discussion "related to contractual relationships." Clearly, almost everything that happens at Crossrail could be considered to relate to a contractual relationship, so this explanation gives no genuine justification for the secrecy. We believe a review of this practice is needed to ensure there is robust legislation and guidance to prevent information being improperly withheld from the public.

We hope your inquiry will lead to positive change that ensures future rail projects have much stronger governance. We are continuing our own inquiry into Crossrail, not least because the delay has had serious financial consequences for the GLA and TfL that we are investigating.⁴ We

¹ Our report on the failure of the signalling contract is available here: <https://www.london.gov.uk/about-us/london-assembly/london-assembly-publications/transport-londons-signal-failure>

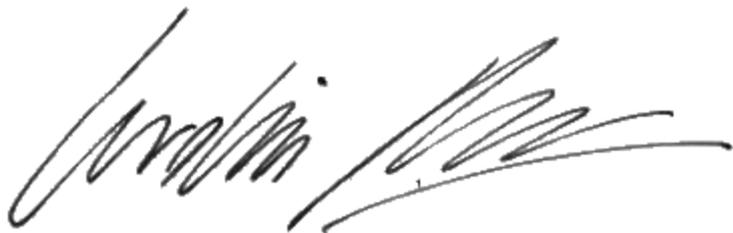
² The 2013 report is available at: https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/13-06-25-Transparency-of-the-GLA-Group-NO-Embargo.pdf. The 2016 report is available at: https://www.london.gov.uk/sites/default/files/transparency_of_the_gla_group_and_family_-_february_2016.pdf

³ The minutes of this TfL Board meeting are available at: <http://content.tfl.gov.uk/board-20180320-item03-minutes-20180130-for-approval.pdf>

⁴ Our report on TfL's finances based on information known so far is available here: https://www.london.gov.uk/sites/default/files/tfl_finances_-_final.pdf

would be pleased to provide any updates relevant to the work of the PAC; we also stand ready to provide further detail in your evidence sessions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Caroline Pidgeon', with a stylized flourish extending to the right.

Caroline Pidgeon MBE AM
Chair, Transport Committee