

Michèle Dix

BY EMILY ASHWELL
AND MARK HANSFORD

Crossrail 2: maintaining momentum



Crossrail 2 managing director Michèle Dix can be forgiven for sounding a touch exasperated.

She is on stage at *New Civil Engineer's* Future of Rail conference and is explaining what is currently happening at Crossrail 2.

"Transport for the North speaks with passion about preparing to submit its first outline strategic business case to the government. We're about to submit our fifth," she states.

In her own words her team still has positivity, perseverance and patience, but yes, she admits, after putting together five business cases some of the passion has gone.

The £41bn project – £30bn at its 2014 baseline price – involves building a railway line linking south west and north east London, as well as destinations across Surrey and Hertfordshire. It has seemingly been whirling around a vortex of business cases, reviews and discussions for years. Dix took up the job in 2015, but this autumn's government spending review could give the clearest indication yet about its future. The Department for Transport will consider this latest business case and announce the next steps for the project.

"We're still governed by three P's: positivity, perseverance and patience," says Dix. "Whether we've



got passion or not – after five strategic outline business cases, there's less passion. But also, I think we're embarrassed about being passionate, because of this issue that the South has had enough, we should spend in the North."

Here Dix is referencing transport secretary Chris Grayling's

"I think we're embarrassed about being passionate, because of this issue that the South has had enough, we should spend in the North"

announcement in March 2018 that Crossrail 2 and the trans-Pennine rail route upgrade – a key element of the Northern Powerhouse Rail plans – are to advance in lockstep.

"We recognise the need for investment across the country. So we are not demonstrating that same passion you do observe in the North, but we're demonstrating the case very clearly," she says.

The first business case for Crossrail 2 was published in 2014. Since then Dix and her team have had to wait for the National Infrastructure Commission to back it, have had to make it more affordable, and have been told they have to work out how London can stump up half the cash for the project in advance. They have also had the plans scrutinised by an independent affordability review, and have had to review the whole project in the light of Crossrail 1 going over time and budget.

The Elizabeth line missed its December 2018 completion date and is now looking to a worst-case scenario opening date of March 2021.

"The Crossrail news obviously has had an impact. What we have been doing is to take into account the impact of Crossrail 1 on Crossrail 2 and to come up with a revised proposal for taking Crossrail 2 forward, hence the fifth strategic outline business case."

One of the main sources of

Crossrail 2 cash is being diverted to pay for Crossrail cost overruns



Crossrail 2's up-front funding was to be the mayor's second community infrastructure levy (MCIL2), which came on stream earlier this year. This money has now been diverted to pay for the completion of Crossrail 1.

"While that funding source (MCIL2) is not available, we have had to re-view our timetables," says Dix. "We've also had to take into account that we've got to ensure that the reputational image of the railway industry is such that people are confident in our ability to deliver. So, in our strategic outline business case we've put forward two timelines which reflect a realistic point at which you can start spending on construction, based on monies coming in."

Dix is purposefully vague about this timeline, simply saying the plan is still for the railway to be open in the 2030s. Previously the plan has been for it to open in the early 2030s.

Dix must now demonstrate that Crossrail 2 will avoid the huge setbacks which have hit its predecessor, and the team is busy learning lessons. She says the aim is not to do Crossrail 2 differently, but to simplify what was done on Crossrail 1 as well as repeating some work, but doing it better.

"There's lots of talk about innovation and new ways of doing things. If I make a lemon cake and the first one I make – it's not perfect, it doesn't work out as well, I then don't make some lemon meringue mille feuille

KEY FACTS

£41bn
Estimated
cost of
Crossrail 2

“A silver lining to the cloud is that there is more time in our programme for the pre-delivery planning

fancier thing. I'll make another lemon cake and I'll make it better the next time and then by the third one, I'll get better and I'll still make a really good lemon cake. It's how can we learn from things and do them better rather than learning from things and doing them differently," she says.

In this latest fifth case being tabled by the Independent Affordability Review will be put forward as an appendix.

The review, which was chaired by former Tideway managing director Mike Gerrard, considered elements such as the pros and cons of phasing the scheme, looking at wider funding sources to ensure all beneficiaries are paying and examining the role the private sector plays in terms of funding. For the phasing element in particular, Dix says she and her team considered the balance between each stage being delivered as an operational entity in itself, while minimising the cost of linking it to the next stage

when it is constructed. She says that by constructing the line in phases, the income from one completed section might help to pay for the next completed section.

All the delays have given Dix and the team more time, which she says will mean a better job in the long run.

"A silver lining to the cloud is that there is more time in our programme for the pre-delivery planning.

"Rather than thinking you have to do pre-delivery planning in parallel with gaining consent, so as soon as you've got consent you start digging, there's an opportunity to have some time to do that and to plan it in much more detail, so that you're packaging things up in a more optimistic, more optimum way.

"If you do it that way there's less likelihood of it being more costly."

But despite all the work, huge uncertainties hang over the project. How will it fund itself? How much money will the autumn Spending Review give the project – and depending on the size of any cash injection, how long can it keep going before a green light is given? But perhaps most importantly, in the light of Crossrail 1, is the question of whether the supply chain deliver it to time, quality and budget.

"I think the supply chain can do that," says Dix. "I think what we have to do is make sure that what we set out for the supply chain to deliver on time, budget and quality is well thought through".