

From: CROSSRAIL@dft.gsi.gov.uk
Sent: 21 October 2011 14:43
To: XXXXX
Subject: Your Request for Information, Ref: F0008133
Dear XXXXX,

Thank you for your information requests of 20 and 27 September. You requested the following information:

1. The total capital cost of the Crossrail project;
2. a breakdown of how the project has been funded, e.g. from general taxation, business rates, etc;
3. the estimated increase in Local Housing Allowance due to the increase in the rental value of areas improved by Crossrail access;
4. the estimated increase in private rents due to the increase of the rental in the rental value of areas improved by Crossrail access;
5. the estimated increase in land values of areas improved by Crossrail access;
6. the estimated increase in Stamp Duty receipts due to this increase in land value;
7. the estimated increase in Inheritance tax receipts due to this increase in land value;
8. the estimated increase in business rates due to increased land values;
9. the estimated increase in commercial rents due to increased land values; and
10. the estimated number of households on Local Housing Allowance who will be forced to move due to the introduction of LHA caps.

Your request has been considered under the Freedom of Information Act 2000, and I am now writing to confirm that the Department for Transport has completed its search for the information.

1. The final capital cost of Crossrail cannot be known with certainty at this stage of the project's development, as it will be subject not only to tender prices for contracts for different parts of the programme but also to variabilities in costs during construction. However, we anticipate that project will cost no more than £14.5 billion.
2. Crossrail has a £14.8 billion funding package, which is split in three roughly equal parts between national taxpayers (through Government funding), businesses, and future Crossrail fare payers.

The national taxpayers' contribution, will be provided in the form of a grant from the DfT of £4.7 billion.

The major part of the contribution from businesses will be provided through the Business Rate Supplement, a 2p in the pound levy raised by the Mayor on business properties in the Greater London Authority with a rateable value of over £55,000. This revenue stream (which is expected to continue for some 28 years) will support £3.5bn of debt to

be taken out by the Greater London Authority to provide funding for the construction of Crossrail, as well as providing £600 million in direct cash contributions.

The Mayor is also raising £300 million from businesses through Section 106 developer contributions, by seeking contributions from developers in a central zone and also within a radius of other Crossrail stations within the GLA boundary. The Mayor also intends to raise £300 million through the Community Infrastructure Levy.

Direct contributions have been agreed in principle with some of the project's key business beneficiaries along the route: Canary Wharf Group, City of London Corporation and BAA PLC. The detail of these third party agreements is covered by confidentiality agreements to protect their commercial interests.

Future revenues from farepayers on Crossrail services will fund up to £4.7 billion of the capital costs of building Crossrail. These revenues will remunerate Network Rail for the costs it will incur in upgrading its existing network to facilitate Crossrail services, and will service debt to be taken out by Transport for London to provide cash funding for construction of the central tunnel section of the route.

The balance of the funding package will come from income generated by the project itself – for example from the sale of development rights above stations and from interest earned on cash balances during construction.

On your other queries, the Department does not hold this information. However, Transport for London have published some documents that may be of use. These can be found on the websites given below.

<http://www.london.gov.uk/priorities/planning/vision/london-plan/crossrail-alterations>

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In keeping with the spirit and effect of the Freedom of Information Act, all information is assumed to be releasable to the public unless exempt. A copy of this response and the information provided may now be published on our website together with any related information that will provide a key to its wider context.

If you are unhappy with the way the Department has handled your request or with the decisions made in relation to your request you may complain within two calendar months of the date of this letter by emailing the Department's Information Rights Unit at FOI-Advice-Team-DFT@dft.gsi.gov.uk or writing to:

Zone D/04

Ashdown House
Sedlescombe Road North
Hastings
East Sussex TN37 7GA

Please see below for details of DfT's complaints procedure, and your right to complain to the Information Commissioner.

If you have any queries about this email, please contact me. Please remember to quote the reference number in the subject line in any future communications.

Yours sincerely,

XXXXXXX
Crossrail and Associated Services Division
Department for Transport

Your right to complain to the Department for Transport and the Information Commissioner

You have the right to complain within two calendar months of the date of this letter about the way in which your request for information was handled and/or about the decision not to disclose all or part of the information requested. In addition a complaint can be made that DfT has not complied with its FOI publication scheme.

Your complaint will be acknowledged and you will be advised of a target date by which to expect a response. Initially your complaint will be re-considered by the official who dealt with your request for information. If, after careful consideration, that official decides that his/her decision was correct, your complaint will automatically be referred to a senior independent official who will conduct a further review. You will be advised of the outcome of your complaint and if a decision is taken to disclose information originally withheld this will be done as soon as possible.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow

Cheshire
SK9 5AF