

Crossrail Sponsor Board Minutes No.112a

Friday 15th November 2019: 1230-1400

Venue: CRL, 5 Endeavour Square, Floor 10, Boardroom 1

Sponsor Board Members

David Hughes*	Chair, TfL, Investment Delivery Planning Director
Ruth Hannant*	DfT, Director General for Rail
Matthew Lodge*	DfT, Director for Rail Infrastructure - South
Alison Munro	Independent Member

(* Voting Members)

In attendance

Shashi Verma	TfL, Director of Strategy and Chief Technology Officer
Kenny Laird	Technical Advisor to Sponsors
Julian Ware	TfL, Senior Principal, Finance
Alex Luke	DfT, Project Director – Crossrail
Simon Adams	TfL, Head of Joint Sponsor Team
[REDACTED]	JST, Secretariat
Andrew Wallace	JST
[REDACTED]	Project Representative
[REDACTED]	Project Representative
[REDACTED]	HM Treasury

Apologies

Simon Kilonback*	TfL, Chief Financial Officer
[REDACTED]	HM Treasury

1. Minutes and Actions of Meeting 110a and 111a

The minutes and actions for meeting number 110a and 111a were discussed and agreed without alterations; all actions from meeting 110a have been completed and can be closed. A progress update was provided on the open actions arising from previous Sponsor Board meetings, as summarised in the Part A action tracker.

2. Sponsor and Risk Dashboards and P-Rep Summary

Sponsor dashboard

The Sponsor dashboard was presented. Sponsors noted the period on period slippage in the key milestones and cost forecasts and questioned whether these had already been accommodated in the revised forecasts announced or were additive. Sponsors also discussed whether the risk allowance was sufficient to address the areas of tightening that had been identified. Sponsors agreed that the dashboard should include appropriate metrics to focus and highlight critical areas of performance. This would include metrics on cost-to-go (CTG), rolling stock mileage and system reliability (**Action 112a/01**).

Risk dashboard

The risk dashboard was presented. Sponsors discussed their continuing concerns regarding the risks and undertook to challenge CRL in the Part B agenda, see Agenda item 6. This was discussed in the Part B meeting.

P-Rep Summary

The Project Representation (P-Rep) discussed the approach taken by CRL to develop the revised forecasts. P-Rep noted that the schedule is not yet stable and may continue to slip, impacting on cost forecasts. P-Rep stated that CRL is working hard to improve productivity, but the volume of handover paperwork and engineering assurance documentation, risks overwhelming CRL's capacity. P-rep noted that CRL's focus on immediate progress limits their capacity to pre-empt longer term risks.

Sponsors agreed to challenge CRL on their proposed interventions and plans to stabilise the schedule, to address contractor performance, scope gaps and deferred scope that need to be incorporated into the schedule, see Agenda item 6.

3. KPMG, CRL and P-Rep comparison of views

KPMG Update

KPMG described their illustrative scenarios, based on CRLs Period 7 forecasts - which reflect CRL's updated delivery strategy, allowances for scope gaps, emerging issues, commercial incentives, productivity measures and the associated schedule and costs forecasts, but noted that the update did not yet include any discussion with CRL project/contract managers or Contractors, which they recommended before those scenarios could be finalised.

Sponsors agreed that the work would be helpful in informing decisions regarding the provision of additional funding but acknowledged that engagement with CRL and its contractors would be required if a greater level of precision was to be achieved. P-Rep recommended that assumptions used in KPMG's upper-bound scenarios were tested against P-Reps own observations before being finalised. **(Action 112a/02)**

It was agreed that P-Rep would circulate its draft analysis on AF CDC scenarios as a comparison to the KPMG work **(Action 112a/03)**.

Sponsors probed KPMG on the intended scope of the Phase 2 of the work and what could be realistically accomplished given the timescales available. KPMG stated that Phase 2 was proposed to comprise access to CRL management and key staff as well as contractors and a dive into a small number of contracts to identify the basis for some of the key assumptions and establish the facts around some of the important areas and develop recommendations for CRL **(Action 112a/04)**.

Sponsors agreed that decisions on the funding and finance will be informed by the CRL, P-Rep and KPMG inputs to date **(Action 112a/05)**.

4. Funding and Finance

It was noted that the waiver had been agreed and Sponsors have until [REDACTED] to agree the extent of the additional funding required. TfL then have up to [REDACTED] to present potential options to Government. The waiver then expires by [REDACTED].

5. IPA Review

The report on the IPA Review of Crossrail's Three Lines of Defence Integrated Assurance Framework (3LoD IAF), was introduced. The review was to examine CRL's refreshed approach to integrated assurance and provide an independent assessment on behalf of Crossrail Sponsors of the effectiveness of the design and performance of Crossrail's 3LoD IAF.

Sponsors noted the 4 findings from the review and the actions arising which were aimed at CRL. The Sponsors agreed that CRL should carefully consider the recommendations and respond to Sponsors with an action plan to address the findings' (**Action 112a/06**).

Sponsors agreed that they would review the CRL response to the IPA review findings and consider if there are any further areas action was required (**Action 112a/07**).

Sponsors discussed if there were any actions they could take to support CRL and it was agreed that TfL would provide an update on potential options for taking a greater role in delivering and integrating Crossrail (**Action 112a/08**).

6. Part B agenda

Sponsors discussed the Part B agenda, and agreed to raise:

- CRL's proposed interventions and plans to stabilise the schedule;
- Contractor performance;
- Update on KPI decision tree to make performance visible;
- Approach to address scope gaps and deferred scope; and
- Update on the approach to managing the handover and assurance processes.

7. AOB

Greater London Authority (GLA) loan drawdown

It was noted that the Joint Sponsor Team, P-Rep and CRL had recently met to validate CRL's certified information in relation to the December drawdown from the GLA loan. Sponsors approved the information provided in relation to the validation of the funding request for the December drawdown and asked the Joint Sponsor Team to confirm the outcome of the discussion with the GLA.

Summary of actions:

No.	Action	Lead	Target and Update
112a/01	JST to update Sponsor Dashboard to include metrics on: - Rolling stock mileage - Rolling average of CTG - System reliability	Simon Adams	Sponsor Board 113, December 2019
112a/02	P-Rep and KPMG to review the assumptions used to develop illustrative scenarios	[REDACTED]	Sponsor Board 113, December 2019
112a/03	P-Rep to circulate their draft analysis on AF CDC scenarios	[REDACTED]	Sponsor Board 113, December 2019

112a/04	JST to develop and agree the scope of the next phase of KPMG work with Sponsors	Simon Adams	Sponsor Board 113, December 2019
112a/05	Sponsors to consider the level of funding required informed by the CRL, P-Rep and KPMG views to date.	Sponsors	6 December 2019
112a/06	CRL to prepare a response to IPA review recommendations and an action plan.	Chris Sexton	Sponsor Board 113, December 2019
112a/07	Sponsors to consider CRL response to IPA and consider if there are any further areas action was required.	Simon Adams	Sponsor Board 113, December 2019
112a/08	TfL to provide an update on potential options for taking a greater role in delivering and integrating Crossrail	Shashi Verma	Sponsor Board 113, December 2019