

CROSSRAIL SPONSOR BOARD MINUTES NO.103B

MINUTES OF MEETING HELD ON

Friday 8th March, 13.15-15.30

Venue: CRL, 5 Endeavour Square, Room 6RMR03

Present:

Ruth Hannant* Chair, DfT Director General for Rail
David Hughes* TfL, Investment Delivery Planning Director

Simon Adams Head of Joint Sponsor Team (JST)
[REDACTED] JST, Secretariat

By invitation:

Graham Stockbridge DfT, Crossrail Project Director
[REDACTED] DfT, Crossrail Deputy Project Director
[REDACTED] HM Treasury
[REDACTED] Project Representative
[REDACTED] Project Representative
Richard Zavitz JST
Mark Wild Crossrail Limited (CRL), Chief Executive
Chris Sexton CRL, Deputy Chief Executive
David Hendry CRL, Chief Finance Officer
Howard Smith CRL, Chief Operations Officer
Lucy Findlay CRL, Chief of Staff
[REDACTED] Network Rail, Programme Sponsor

(* Voting Members)

Apologies:

Simon Kilonback* TfL, Chief Financial Officer
Matt Lodge* DfT, Director for Rail Infrastructure - South

1. Minutes and Actions of Meeting 102b

Ruth Hannant introduced [REDACTED] from HM Treasury.

The minutes of the last meeting, held on Friday 15 February were discussed. Changes were proposed and these were subsequently agreed on the week commencing 25 March.

[REDACTED] summarised the actions:

- 102b/01:** Complete: The Sponsor Board Chair wrote to Mark Wild on 18 February to provide the Period 10 P-Rep letter which was discussed along with the Period 11 letter in Item 3.
- 102b/02** Complete: CRL set out its Internal Assurance Plan (IAP) in the 28 February CRL Board pack.

- 102b/03** Complete: JST, P-Rep and CRL met on 20 February to discuss CRL's IAP and assurance of the Early Opening Programme (EOP). This meeting established that CRL had commissioned Deloitte to assure the EOP and that CRL would provide the EOP assurance plan to P-Rep (see 102b/06).
- 102b/04** Complete: JST updated the KPMG narrative in paper SB102-02 and met with CRL on 1 March to discuss this. An updated narrative and draft close-out report will be presented at the April Sponsor Board.
- 102b/05** Complete: Sponsors and CRL discussed the need for CRL to present whole-life costs of EOP in Item 4. It was agreed that CRL would need to justify the case for EOP but that it would not be appropriate to compare the EOP to the previous (December) schedule because it was not a logic-linked or genuine alternative.
- 102b/06** Complete: CRL set-out its assurance plan for EOP at a high-level in Item 4 and this has subsequently been discussed with P-Rep.
- 102b/07** Open: P-Rep agreed to set out its assurance plan for EOP to Sponsors once it had understood CRL's detailed assurance plan.
- 102b/08** Complete: Industry conference calls took place in w/c 25 February to discuss concerns for the Stage 5A timetable and no intervention between DfT & CRL was deemed necessary. The 'D-40' submission was made on 8 March.
- 102b/09** Open: NR would present the programme (for DOO and platform extensions) to CRL, JST and P-Rep in March and then present this to the April Sponsor Board
- 102b/10** Open: DfT continued to offer support to NR with securing access and was awaiting clarification from NR on its requirements, justification for these requirements and if it needed any support.
- 102b/11** Complete: JST and CRL discussed the attendance of MTRC at Sponsor Board to provide the operator's perspective. It was agreed that MTRC would attend the April Sponsor Board if possible.
- 102b/12** Open: Network Rail will clarify the timescales when the stations would be operational and when different works (e.g. ticket gates and lifts etc.) would be ready for passengers to JST, CRL and P-Rep in March and to the April Sponsor Board.

2. CRL Progress Update

CRL presented to Sponsors on the programme's progress using the visualisation room in Endeavour Square. CRL explained the changes it was making to improve the visualisation boards which would enable greater visibility of performance at individual sites and the causes of issues.

On safety there had been some incidents in recent weeks. In response, CRL had put a high-alert on safety, had asked London Underground to conduct a peer review to assess safety standards, and refreshed CRL's SHELТ (Safety and Health Executive Leadership Team). SHELТ would now include attendance from the CRL Chairman Tony Meggs to draw on his safety experience.

Productivity remained a significant challenge due to the need for better leadership across the programme and an EOP to re-sequence the activities to improve the alignment and integration of resources. CRL had asked Bechtel for planning and leadership resource and had seen a significant increase in the planning capability on the programme and now were expecting the same for project leadership.

The test train and infrastructure were stable but CRL was not yet completing all planned testing due to practical challenges. CRL believed these challenges would be addressed through better project delivery leadership. A 'SIL4' issue had been identified in the link between the two computers on the train. CRL said there was an easy fix but it was undertaking a deep dive of Siemens safety case to ensure similar issues do not arise later in the programme when they might be critical. Ruth Hannant asked whether the dynamic testing programme was too ambitious. Mark Wild said typically major rail programmes have one year of testing and the draft EOP had 10-11 months of testing. Howard Smith reminded Sponsors that currently BT had two versions of train software (7.2 and 7.3). This had diluted resources and caused duplication and as soon as possible CRL would be looking to converge the software and activities.

3. Response to P-Rep

Sponsors asked P-Rep if it was content with the actions CRL was taking to address productivity. P-Rep said that CRL understood the issue and were taking the right actions but emphasised the scale of the challenge and the speed at which CRL needed to improve productivity.

Ruth Hannant raised P-Rep's question on whether CRL had time to sufficiently assure the EOP by the end of March. Sponsors emphasised that this was a decision for the CRL Board but if CRL needed more time to finalise and assure the schedule to ensure it was robust then CRL should take that time. Mark Wild emphasised CRL wished to finalise the schedule as soon as possible but that he would reflect further on this. *Post-meeting note: On week commencing 11 March CRL notified Sponsors that it had scheduled an additional CRL Board on 17 April for EOP to be considered to provide extra time for assurance.*

David Hughes emphasised to CRL that if its Board has any concerns about its cost forecast in the future it should notify Sponsors early and in advance of a cash drawdown requirement to ensure there is no impact on the programme's finances. David Hendry said that CRL does not anticipate any issues with the cash drawdown process but is concerned about its delegated authority limit as set out in the Tanya Coff letter of December 2018. Sponsors asked CRL to write to TfL and set out its required delegation and TfL would consider this, inform DfT and respond to CRL (**Action 103b/01**).

4. Earliest Opening Programme (EOP)

Howard Smith presented on the EOP. CRL was focussing on what key interventions would make the biggest different to the schedule sequence and Stage 3, 4 and 5 opening dates. Howard said there was a challenge in switching full length and reduced length trains for Stage 4 but it was possible to resolve this.

Mark Wild emphasised the three stages in the draft EOP: getting ready for trial running and building the train's reliability (SC1); trial operations and RfL/LU staff familiarisation (SC2); handover (SC3). He said CRL was currently finalising how to sequence in the shafts, portals and stations, and at what point the railway could be opened. Mark emphasised that three crucial areas for the schedule were: i) BT's software; ii) the installation productivity; iii) the sequencing of commissioning resources.

Sponsors asked CRL about whether it would be presenting the whole-life costs of EOP versus an alternative (action 102b/05). Mark Wild explained that the previous (December) schedule was not logic-linked and therefore was not a genuine alternative to EOP. The only viable options were EOP [REDACTED]. David Hendry said that the [REDACTED]

[REDACTED] It was agreed that CRL would therefore not present the whole-life costs of EOP versus an alternative but would justify the case for EOP both in terms of schedule efficiency and whole-life costs.

Chris Sexton presented Deloitte's high-level plan for assuring the EOP which would involve reviewing the schedule structure and sequence, cost and productivity assumptions, and the system integration, logic and timescales. Deloitte was attending all EOP meetings and working in collaboration with P-Rep to ensure an integrated assurance approach, without compromising P-Rep's independence. CRL said it would also be using challenge teams to assess the EOP, following P-Rep's advice to treat the process like a commercial bid. Mark Wild thanked P-Rep for its help. P-Rep emphasised that CRL should set out its 'threshold criteria' which would be to help determine when it had sufficient confidence in the EOP for the Executive to make a recommendation to its Board (**Action 103b/02**).

Sponsors and CRL agreed on the need for a clear communications plan for EOP. A meeting between CRL, DfT and TfL would be scheduled to discuss the communications plan (**Action 103b/03**).

5. Cost

David Hendry updated Sponsors on the AFCDC. He said that [REDACTED]

[REDACTED] Simon Adams noted that the AFCDC included [REDACTED].

David Hendry explained the variance between the latest AFCDC and the RAP2 forecast, which he said was due to [REDACTED]

David Hendry said if all the planned recruitment is completed CRL will use [REDACTED] and so it is reviewing the requirement for all roles through weekly sign off meetings.

David Hendry presented on the cost to go curve. P-Rep noted that the cost curve is likely to extend further into the future due to the Stage 4 and 5 activities.

David Hendry ended by saying CRL would be reviewing [REDACTED] with the relevant infrastructure managers to ensure the right value for money solution is chosen.

6. Resourcing

Chris Sexton provided an update on resourcing, noting that since December 2018 CRL had brought in considerable resource across its Executive team, system integration, visualisation and reporting, delivery teams, planners, risk, commercial and internal comms teams. CRL was putting together a business plan for the roles and resources needed to complete the programme based on EOP assumptions which would be taken to the CRL Board and then to Sponsor Board.

In the meantime, CRL was continuing to establish its priority roles and hold daily meetings to review progress in recruiting them. Chris Sexton agreed to take P-Rep through CRL's recruitment progress and induction process, and to provide graphs on rate of progress versus requirement at the April Sponsor Board (**Action 103b/04**).

P-Rep discussed with CRL the extent to which infrastructure managers could be better used in the delivery of infrastructure rather than witness testing. It was agreed that P-Rep and Howard Smith would discuss this outside the meeting (**Action 103b/05**).

7. Stages 2:2 and 5A opening

Howard Smith presented on Stage 2:2. BT had been testing trains at Heathrow every Friday for several weeks. Performance had begun to improve last week with the train travelling to Terminals 4 and 5.

Howard said there was a risk that a further software update would be required which would mean

As a contingency

On Stage 5A Howard said MTR's safety approval would be ready in for driver training and placing the trains into service. He emphasised that in his view the key risks to Stage 5A were the On Network Works.

8. On Network Works (ONW)

NR presented on ONW and the key deliverables for Stage 5A: driver only operation (DOO) CCTV and platform extensions. An integrated DOO programme had been received by the contractor. NR said that Maidenhead (DOO and platform extensions) and Twyford (DOO) needed to be brought forward. NR was exploring a new solution called 'MegaTech' which enables off-site prefabrication of platform extensions to reduce the access required which had gone well at Slough.

Mark Wild asked why a QSRA was needed for a programme of this (relatively small) size. NR said this was needed to demonstrate the requirement for additional access to the operators.

NR said it was talking to GWR about access and that it was being receptive. The QSRA would determine whether further access would be required and NR would then engage with the operators and inform DfT. Sponsors clarified that GWR and MTR were the only affected operators and NR confirmed that they were.

Ruth Hannant asked how close the works were to December 2019.

NR is discussing with MTR on whether it can commence its train testing in advance of completion in September 2019.

Ruth Hannant asked about contingency plans. Howard Smith said there are operational mitigations for platform extensions but it was more difficult for DOO CCTV. Mark Wild asked if CRL could support NR with its engagement with the DOO contractor (who is also a comms contractor for CRL in the central section). NR said no support was needed at that time.

Graham Stockbridge thanked CRL, TfL and DfT colleagues for meeting the 'D40' timetable submission deadline. Ruth Hannant echoed these thanks and emphasised the importance to Sponsors of delivering Stage 5A and said she would consider raising the delivery of ONW with Andrew Haines.

9. KPMG recommendations

Due to time, Sponsors asked the Secretariat to circulate Chris Sexton's slides following the meeting. It was agreed that the draft close-out report would be presented at the April Sponsor Board (103b/06).

10. AOB

Graham Stockbridge asked how organisational morale and health were. Mark Wild said morale was a lot better and that there was noticeable difference across CRL. He said CRL was revamping its internal comms plan to engage all its staff including several staff events. Mark said people were thriving currently in developing the EOP despite working long hours but the Executive and Board would need to review this if the hours continued for a long period.

Action Tracker:

No.	Action	Responsible	Target and Update
103b/01	CRL to write to TfL and set out its required delegation. TfL to consider this, inform DfT and respond to CRL	David Hendry & Simon Adams	Complete: CRL letter sent to TfL on week commencing 18 March. TfL sent its revised delegation letter on 1 April.
103b/02	CRL to articulate the threshold criteria for a decision on the EOP and discuss with P-Rep.	Mark Wild & P-Rep	End of March
103b/03	Meeting between CRL, DfT and TfL to be scheduled to discuss the communications plan.	Lucy Findlay, Richard Zavitz & [REDACTED]	Complete: Meeting held on 13 March and discussions continuing on the communications plan.
103b/04	CRL to take P-Rep through its recruitment progress and induction process, and to provide graphs on the rate of progress versus requirement at the April Sponsor Board.	Chris Sexton & P-Rep	March & April Sponsor Board
103b/05	P-Rep and CRL to discuss the extent to which infrastructure managers could be better used in the delivery of infrastructure rather than witness testing.	P-Rep & Howard Smith	April
103b/06	JST Secretariat to circulate CRL KPMG slides for Sponsor review. CRL to present close-out report on KPMG at the April Sponsor Board.	[REDACTED] & Chris Sexton	Complete: KPMG slides circulated to Sponsors on 11 March 2019 and close-out report included in April Sponsor Board pack.