

## CROSSRAIL SPONSOR BOARD MINUTES NO.102A

### MINUTES OF MEETING HELD ON

Friday 15<sup>th</sup> February, 13.00-14.15

Venue: CRL, 5 Endeavour Square, Room 9RMR03

#### Present:

Ruth Hannant*	Chair, DfT Director General for Rail
David Hughes*	TfL, Director of Strategy & Network Development
Matt Lodge*	DfT, Director for Major Rail Projects

[REDACTED]

Joint Sponsor Team (JST), Secretariat

#### By invitation

[REDACTED]

Project Representative

[REDACTED]

Project Representative

Andrew Wallace

JST

(\* Voting Members)

#### Apologies:

Simon Kilonback\*

TfL, Chief Financial Officer

Simon Adams

Head of Joint Sponsor Team (JST)

Graham Stockbridge

DfT, Crossrail Project Director

[REDACTED]

DfT, Crossrail Deputy Project Director

### **1. Minutes and Actions of Meeting 101a**

The minutes of the last meeting, held on the 18 January were discussed and were agreed at the subsequent Sponsor Board. It was noted that, pending agreement of DfT, TfL and CRL, all Sponsor Board minutes would be publicly released by TfL once they had been finalised and reviewed for redactions.

[REDACTED]

summarised the actions:

- 101a/01** Complete: Letter sent from Sponsor Board Chair on 31 January setting out Sponsors' expectations for the Deputy Chairman role to the Senior Independent NED.
- 101a/02** Complete: The Head of JST wrote to set out Sponsors' response to CRL's Remedial Action Plans in a letter on 1 February (following the finalising of the KPMG reviews).
- 101a/03** Complete (KPMG recommendation meetings): Workshops were held with CRL on 24/1 and 29/1 to prioritise the KPMG recommendations and discuss the action and implementation plan. Updates were provided to Sponsors on 29/1 and 1/2. A JST paper was tabled for discussion in Item 2 and CRL presented in their implementation plan in Part B.
- 101a/04** Sponsors are reviewing any wider lessons learned for other programmes: A

separate joint DfT and IPA review is considering the implications from Crossrail and other major programmes. TfL has committed to undertake a similar exercise for TfL projects at the TfL Board on the 30 January.

**101a/05** Complete: P-Rep and JST reviewed their visibility of operational readiness. A fortnightly JST/P-Rep/DfT stage opening call has been established to review operational readiness.

## **2. Implementation of KPMG recommendations**

Sponsors noted the JST paper on the implementation of the KPMG recommendations and the actions already taken to strengthen governance arrangements (see (SB102-02). Sponsors agreed that the paper should be reviewed and updated to provide a high-level narrative on the governance arrangements, to be clearer on timescales for actions, and include actions on enhanced reporting and transparency to ensure Sponsors are receiving the right information (**Action 101a/01**).

Sponsors discussed the CRL Board composition and noted three additional areas of expertise (commercial, project close-out and London businesses) which they had agreed with the CRL Board Chairman. Sponsors agreed to discuss potential candidates following the meeting and the approach to engaging identified individuals (**Action 101a/02**).

Sponsors discussed whether intervention, review and warning points would be helpful as part of the revised governance arrangements. P-Rep emphasised the importance of Sponsors having visibility of cost pressures and schedule slippage to provide focus and enable effective mitigations. Sponsors agreed that cost intervention points were not needed because CRL have to evidence the cash drawdowns of the GLA loan each period which provides visibility and the opportunity for regular review and challenge. It was also noted that intervention points did not prevent previous cost pressures and could have a negative impact on transparency and reporting. Sponsors did agree that it would be important to review schedule progress and variance against the baseline and asked the JST to produce recommendations on review and warning points and the holding of contingency in discussion with CRL (**Action 101a/03**).

The remaining items were discussed by Sponsors in a follow-up meeting due to time. *Post-meeting note: Sponsors agreed:*

- *The additional reserved matters and that the JST should consult CRL on these areas and draft a side-letter to be sent by the Sponsor Board Chair (**Action 101a/04**).*
- *For there to be ongoing review of the need for “regular independent advice” (KPMG recommendation 8.2), including reviews in certain areas of the project, by the JST and P-Rep and Sponsor Board (with views sought from the new independent Sponsor Board member – to be appointed).*
- *That Sponsor Non- Executive Directors to the CRL Board are best placed to review Audit and Risk committee reports and escalate issues to Sponsors where appropriate.*
- *That the head of JST should develop a proposal with CRL for its commercial close-out strategy to be presented to Sponsors (**Action 101a/05**).*

## **3. P-Rep Programme Assessment and Key Risks**

P-Rep presented P-Rep’s Executive Summary and the key points in P-Rep’s letter to Sponsors (included in the annotated agenda SB-01, Part A, Item, 3).

P-Rep noted that CRL's reporting remained optimistic and that its productivity needed to increase significantly. CRL had identified the critical resources, many of which were scarce resources, and P-Rep had requested CRL's plan for its recruitment.



Ruth Hannant asked what CRL could do differently. P-Rep said CRL was doing the right things, particularly in switching from monthly to daily reporting and management reviews to improve visibility of progress and 'line of sight'. CRL was also establishing dedicated improvement teams but the pace at which they do so would be critical.

P-Rep ended by emphasising the limited time for CRL to assure the programme it was developing and that there would be insufficient time to assure all activities. Sponsors agreed they need to ask CRL for clarity on its assurance plan, particularly what assurance would be completed ahead of approving the new schedule, and what would need to be completed after.

#### 4. AOB

N/A

#### Action Tracker:

No.	Action	Responsible	Target
102a/01	Sponsors agreed to discuss potential candidates for the three additional areas of CRL Board expertise (commercial, project close-out and London businesses) which they had agreed with the CRL Board Chairman.	Matt Lodge and David Hughes	March Sponsor Board
102a/02	Paper SB102-02 to be updated to be clearer on timescales for actions, set-out high-level roles and responsibilities between Sponsors & CRL and include actions on enhanced reporting and transparency to ensure Sponsors are receiving the right information	Andrew Wallace and [REDACTED]	Complete: SB103-02 included in the Sponsor Board pack.
102a/03	JST to produce recommendations on review and warning points and the holding of contingency in discussion with CRL	Simon Adams and [REDACTED]	End of March ahead of revised schedule
102a/04	Sponsors to send reserved matters to JST. JST to consult CRL on these areas and draft a side-letter to be sent by the Sponsor Board Chair	Matt Lodge and [REDACTED]	End of March ahead of revised schedule
102a/05	The head of JST should develop a proposal with CRL for its commercial close-out strategy to be presented to Sponsors	Simon Adams	End of March ahead of revised schedule