

CROSSRAIL SPONSOR BOARD MINUTES NO.99A

MINUTES OF MEETING HELD ON

Thursday 15 November, 11.30-13.00

Venue: DfT, Great Minster House, 33 Horseferry Road, Room 3/23

Present:

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

Simon Adams	Head of Joint Sponsor Team (JST)
██████████	JST, Secretariat

By invitation

Graham Stockbridge	DfT, Crossrail Project Director
██████████	DfT, Crossrail Deputy Project Director
██████████	JST
Richard Zavitz	JST
██████████	JST
Richard Powell & team	KPMG (for Items 3 & 4)

(* Voting Members)

1. Minutes and Actions of Meeting 98a

The minutes of the last meeting, held on 15th October, were agreed without alteration.

The actions were covered as follows:

- 98a/01** Sponsors agreed for KPMG to finalise its reviews shortly which was discussed further in Items 3 & 4.
- 98a/02:** KPMG has reviewed the critical contracts and illustrative scenarios were discussed in Item 3.

2. Undertakings and Assurances (U&As)

Sponsors agreed to change the agenda order and for this item to be discussed first.

██████████ presented the attached paper (SB99-03), noting that although the JST was requesting Sponsors to agree to the proposed approach, approval through each organisation's internal governance process would be required. **Action 99a/01:** JST to identify appropriate governance routes within each organisation.

Sponsors asked about the timescales and support needed to appoint new nominated undertakers and develop agreements between Sponsors and the 'responsible parties' for the long-term U&As. ██████████ said that ideally the new nomination orders (to appoint new nominated undertakers) and the allocation of U&As to the 'responsible parties' would be

completed by the Handover of the Crossrail Elements when Infrastructure Managers (IMs) and the Operator may need to draw on the Crossrail Act powers. In addition, following Handover the IM and Operator, rather than CRL, would be best placed to manage the requirements of the U&As. It was noted in the paper that independent support may be required to assess the cost and liabilities of complying with the U&As and that the required support will be identified to Sponsors as needed.

DfT Sponsors noted that DfT legal resource will be stretched over the next year due to ongoing EU Exit discussions and therefore arrangements should be put in place to cover for this work extending beyond Handover. **Action 99a/02:** JST to identify with CRL and the relevant stakeholders arrangements for IMs and Operators to exercise the Crossrail Act powers on behalf of CRL after Handover to ensure compliance with the U&As.

Sponsors said they would like more information on the potential cost of compliance and liabilities in the event of an 'Undertakings Default' and agreed for the JST to engage with relevant stakeholders, including the IMs and Operator, to agree the 'responsible parties' and assess the costs and liabilities ahead of an agreement being developed. Sponsors emphasised their support for this work and asked the JST to return with an update next year (**Action 99a/03**).

3. Independent financial and commercial review

KPMG presented illustrative scenarios with different assumptions on when the key contractors could demobilise by, which is a key driver of the cost to go. Sponsors asked about the limitations of the approach and KPMG noted that the scenario analysis treats all contracts in the same way whereas in reality some contracts are performing better than others.

KPMG presented on the indicative view of schedule dates which had been shared by CRL. This suggested that the Tier One Substantial Demobilisation (TOSD) dates (the key driver of cost) in general remain [REDACTED] in the updated Remedial Action Plan (RAP 2, issued to Sponsors on 2 October 2018).

KPMG said that the Master Operational Handover Schedule (MOHS) is being developed and 'bottom-up' reviews are now being undertaken on stations based on a detailed review of Tottenham Court Road station. Sponsors asked whether reviews should be done across the stations and whether these would impact upon the station works. KPMG said there could be an impact but these reviews were necessary to ensuring an accurate understanding of the work and cost to go. KPMG said the MOHS presented to the CRL Board on 5 December will include an extrapolation based on the Tottenham Court Road review but will not be a fully detailed MOHS.

KPMG presented to Sponsors the key actions which need to be taken to minimise cost, including establishing an accurate baseline, identify critical milestones, developing a updated dashboard with key metrics and ensuring transparent reporting on progress versus planning action. Sponsors and KPMG agreed for a workshop to be organised with KPMG, Sponsor representatives and CRL to consider the recommendations (both from the financial and governance reviews) (**Action 99a/04**).

4. Independent governance review

KPMG summarised the outputs from the Sponsor KPMG workshop on 12 November. Sponsors agreed to discuss these outputs and agree the next steps in Sponsor meetings ahead of the workshop with KPMG & CRL and the December Sponsor Board.

5. Semi Annual Construction Report (SACR) 20

Sponsors noted the SACR20 paper (SB99-02) and that at SACR20 the Anticipated Final Crossrail Direct Cost (AFCDC) had exceeded Intervention Point 2, and that TfL may exercise the Put Option and DfT may exercise the Call Option (as an “SoS Step-in Event”) within 90 days (to 7 February 2019).

Sponsors agreed for the Head of the JST to write to CRL confirming the outcome of Sponsor Board discussions on SACR20 (**Action 99a/05**). David Hughes said that Sponsors should set out again that Sponsors do not accept CRL’s narrative that costs have increased due to “unfunded scope” and changes in interest rates.

Sponsors agreed that the Intervention Points may need to be reviewed and this would be picked up in the funding and financing discussions.

6. Lessons learned / audit preparation

Sponsors noted the attached paper (SB99-04) on the lessons learned work to date. Sponsors noted that following the independent KPMG reviews and the likelihood of an NAO review it would be appropriate for the JST to review the scope of the lessons learned review of costs to avoid overlap after the NAO and all of the KPMG reviews.

Sponsors also discussed the options for carrying out a ‘fact-finding’ / ‘chronology of events’ exercise to document how cost and schedule pressures were reported to Sponsors. Sponsors emphasised the need for an independent assessment and agreed for the JST to prepare a Terms of Reference for KPMG to undertake this work (**Action 99a/06**). As they are familiar with the project this would keep costs down and lead to less disruption to the project.

7. AOB

N/A

Action Tracker:

No.	Action	Responsible	Target
99a/01	U&As: JST to identify appropriate governance routes within each organisation.	[REDACTED] / [REDACTED] & [REDACTED] Richard Zavitz	Update to Sponsors in February 2019
99a/02	U&As: JST to discuss with CRL how arrangements could be put in place for Handover to enable the Infrastructure Managers and Operators to continue to exercise the Crossrail Act powers on behalf of CRL and to ensure compliance with the U&As.	[REDACTED] / [REDACTED]	Update to Sponsors in February 2019
99a/03	U&As: JST to engage with relevant stakeholders, including the IMs and Operator, to make them aware of the commitments and better understand any potential costs and liabilities.	[REDACTED] / [REDACTED]	Update to Sponsors in February 2019
99a/04	A workshop to be organised with KPMG, Sponsor representatives and CRL to consider the recommendations from both the financial and governance reviews.	[REDACTED]	Complete
99a/05	JST to write to CRL confirming the outcome of Sponsor Board discussions on SACR20	Andrew Wallace / Simon Adams	Complete
99a/06	JST to prepare a Terms of Reference for KPMG to undertake the 'Chronology of Events' review.	Richard Zavitz & Simon Adams	Complete

CROSSRAIL SPONSOR BOARD MINUTES NO.98A

MINUTES OF MEETING HELD ON

Monday 15th October, 9.00-10.30

Venue: TfL, 55 Broadway, 7th floor, South Wing, Manor Park Room

Present:

Polly Payne*	Chair, DfT Director General for Rail
Simon Kilonback*	TfL, Chief Financial Officer
David Hughes*	TfL, Director of Strategy & Network Development
Matt Lodge*	DfT, Director for Major Rail Projects

Simon Adams	Head of Joint Sponsor Team (JST)
██████████	JST, Secretariat

By invitation

Graham Stockbridge	DfT, Crossrail Project Director
██████████	DfT, Crossrail Deputy Project Director
Robin Wilkin	Project Representative (for all Items except Item 2)
Barry Long	Project Representative (for all Items except Item 2)
██████████	JST
Richard Powell & team	KPMG (for Item 2)

(* Voting Members)

1. Minutes and Actions of Meeting 97a

The minutes of the last meeting, held on 20th September, were agreed without alteration.

The actions were covered as follows:

- 97a/01 &** The Independent Schedule Reviews undertaken by John Boss and Ian
- 97a/02:** Rannachan have been finalised and were circulated to Sponsors on 5 October 2018.
- 97a/03:** The Terms of Reference for the financial and commercial and governance reviews have been finalised.
- 97a/04:** Fortnightly Sponsor meetings have been arranged by the JST.

2. Independent financial and commercial and governance reviews: initial findings

KPMG provided an update on the independent financial and commercial and governance reviews that have been commissioned by both Sponsors. The update focused on three areas; the robustness of CRL's approach to cost and schedule; funding assumptions; and CRL's current governance arrangements.

KPMG summarised the key issues in relation to CRL's approach to cost and schedule. These included:

- CRL has taken a pragmatic, high-level approach to producing the Remedial Action Plan (RAP; issued on 18 September 2018) and the update to the RAP (RAP2; issued on 2 October 2018) rather than a more detailed bottom-up approach.
- CRL's control over key dependencies may not be absolute. For example, the availability of the train to enable dynamic testing to begin is reliant on a number of assumptions that may be outside of CRL's control. Sponsors highlighted however that the Operations Director is seconded into CRL and reports into the CRL Chief Executive.
- There is uncertainty in assessing the time that is required for dynamic testing and the potential risks to the successful completion of dynamic testing.
- There is uncertainty on when the routeway will be available and its interaction with when dynamic testing is due to start.
- There are potential resource constraints on the programme for the completion of systemwide works, in particular the availability of people to complete testing.
- The timing and extent of assumed demobilisation of tier 1 contractors and the achievement of station takeover dates are key drivers on out-turn costs. Whilst CRL is able to encourage effective contractor productivity and demobilisation, [REDACTED]
- It is unclear how CRL's demobilisation plans now align with the schedule and costs presented in the RAP.
- It is also unclear what [REDACTED] are available to CRL to incentivise the supply chain to achieve the forecast dates in the RAP and updated RAP. KPMG also questioned how the contractor programme assumptions compared to CRL's.

KPMG highlighted key themes that were being considered as part of the governance review, including:

- Enhancing control and oversight by Sponsors and the Board and ensuring the CRL Board has the right Sponsor expertise and balance.
- Ensuring transparency of performance for Sponsors including options to provide Sponsors with increased scrutiny of CRL.
- Increasing the effectiveness and clarity of reporting particularly on key metrics of progress versus planned activities
- Considering the accountability of CRL in integrating all aspects of the programme.
- Strengthening governance without it compromising progress and the need for timely decisions.

It was agreed that KPMG would complete their reviews as soon as possible in order to feed into Sponsor discussions on the funding required to complete the Crossrail project (**Action 98a/01**). It was also agreed that KPMG would also seek to understand the critical contracts and the CRL Project Managers' and contractors' schedules in order to support Sponsors' understanding on costs (**Action 98a/02**).

3. Costs, funding and governance and revised schedule

Sponsors noted the RAP2 cost forecast provided by CRL on 2 October 2018. *Post Meeting Note:* Following the Sponsor Board, Sponsors agreed that CRL should report on the RAP2 cost forecast for the Semi Annual Construction Report 20 (SACR 20). This was communicated to CRL by the JST.

4. Sponsor risks

The highest-scoring Sponsor risks and the actions being taken by the JST and Sponsors to mitigate each one were noted.

5. AOB

No other business was raised by attendees.

Action Tracker:

No.	Action	Responsible	Target
98a/01	KPMG to complete the financial and commercial and governance reviews as soon as possible.	JST	The financial and commercial review is being finalised. Sponsors to discuss whether an update is needed once the MOHS is finalised; the governance review is due in mid November.
98a/02	KPMG to understand critical contracts and schedules to support understanding on costs.	JST	Complete (based on the RAP rather than the revised MOHS).

CROSSRAIL SPONSOR BOARD MINUTES NO.97a

DRAFT MINUTES OF MEETING HELD ON

Thursday 20th September 2018, 14.30-15.30

Venue: Department for Transport, Great Minster House, Floor 3, Room 3/23

Sponsor Board Members

Ruth Hannant*	Chair, DfT Director General of Rail
David Hughes*	TfL, Director of Strategy & Network Development
Matthew Lodge*	DfT, Director for Major Rail Projects
Simon Kilonback*	TfL, Chief Finance Officer

In attendance

Graham Stockbridge	DfT, Project Director
[REDACTED]	DfT, Crossrail Deputy Project Director
Simon Adams	Head of Joint Sponsor Team (JST)
[REDACTED]	JST, Secretariat

By invitation

Barry Long	Project Representative
John Boss (for Item 2 only)	John Boss Consulting BV

(* Voting Members)

1. Minutes and Actions of Meeting 96a

The minutes of the last meeting, held on 3rd September, were agreed without alteration. [REDACTED] updated Sponsors on the actions:

- 96a/01:** CRL submitted their Remedial Action Plan to the JST which was subsequently circulated to Sponsors in the Sponsor Board pack.
- 96a/02:** JST agreed the contents of the Remedial Action Plan with CRL (set out in Appendix A of Sponsor Board paper 97-02).
- 96a/03:** The Executive Summary of the second stage of the Independent Schedule Review has been circulated to Sponsors. John Boss is presenting his findings in Item 2.

2. Stage 2 of the Independent Schedule Review

John Boss summarised the key findings of his Independent Schedule Review of Crossrail. It was clarified that the review focused on operational commencement as opposed to Ian Rannachan's review which considered construction completion.

John Boss highlighted that whilst there is confidence in an autumn 2019 delivery for Stage 3, it is not possible to determine the exact date for Stage 3 opening. More clarity on this date is likely to be provided within two months of the start of dynamic testing. The report recommends that the train should be run in the tunnel as soon as possible to test it in the environment within which it will operate.

Simon Adams summarised that a key difference between the Ian Rannachan and John Boss reviews is that the former recommends completion of construction before dynamic testing is started whereas the latter recommends that sufficient construction is completed and that dynamic testing is started as soon as possible. In terms of 'sufficient' completion of construction activities, John Boss highlighted that this would involve completion of those activities using the work train fleet so access to sidings is opened up for use.

Graham Stockbridge questioned the extent to which delaying completion of construction to commence dynamic testing as soon as possible could affect costs. John Boss noted that full consideration had not been given to costs but would reflect this in the final version of his report. Ruth Hannant also asked John Boss whether he would wait for sufficient progress against the 29 tests before commencing dynamic testing, as per CRL's strategy. John Boss highlighted that whilst passing the tests at Melton should be seen positively, it does not necessarily resolve issues that could be found when the trains run in the tunnel. As a result his review recommends a period of 'Function and reliability growth' to check that the train can function and can do it reliably followed by the gradual incorporation of dynamic testing. It was emphasised that this dynamic testing should commence as soon as possible.

██████████ questioned how the proposal included in the John Boss review relates to the dynamic testing that has already been undertaken by CRL. John Boss noted that CRL were right to commence dynamic testing when they did noting that lessons have been learnt. It was also felt that CRL should continue to drive contractors to be able to start dynamic testing on 22 October, recognising that this is unlikely to happen.

John Boss noted that there could be insufficient resource within CRL for dynamic testing, which is part of the reason he recommended a System Integration team which would cross CRL, Network Rail, rolling stock and timetabling teams. Matthew Lodge questioned what CRL can learn from other projects to ensure the train and system teams work more collaboratively together. John Boss noted that the System Integration team is likely to help in this regard by orchestrating the process. However, John Boss's observation was that the teams did seem to be working collaboratively on site.

John Boss also raised Sponsors attention to the Romford Control Centre, which was absent from many discussions. It was recommended that this is investigated further to identify potential programme clashes and the JST will raise this issue with CRL.

It was agreed that John Boss will reflect comments from Sponsors (in addition to other considerations which are provided to him) and then issue the final report by the end of next week (**Action 97a/01**).

It was also agreed that the Ian Rannachan review should also be signed off and circulated to Sponsors (**Action 97a/02**).

3. Financial and Commercial independent review

Simon Adams summarised the draft terms of reference for the independent financial and commercial review and the independent governance review. Sponsors agreed to provide feedback on the terms of reference (**Action 97a/03**).

On governance, given that the Crossrail situation is rapidly evolving, Ruth Hannant questioned whether Sponsors should meet more regularly. It was agreed that fortnightly Sponsor meetings would be arranged and it would be decided in advance of those meetings whether CRL should also be invited (**Action 97a/04**).

4. Remedial Action Plan

Simon Adams introduced the Remedial Action Plan that had been received from CRL on 18 September 2018. It was noted that the Remedial Action Plan is not complete with information on some sections being high-level only. It was questioned whether the schedule set out in the Remedial Action Plan is realistic. Sponsors highlighted that [REDACTED] their business planning activities. It was agreed that this would be raised with CRL in Part B.

The revised cost forecasts were also questioned particularly given that these would depend on the revised Master Operational Handover Schedule (MOHS), an update to which is not due to be provided until the next Sponsor Board. Simon Kilonback highlighted that this gives Sponsors limited time to understand the cost position from a clear evidence base and agree how the additional cost would be funded. It was agreed that Sponsors would ask CRL for a strategic risk assessment of the schedule, including the potential financial implications, in Part B.

In terms of the additional funding required by CRL, Simon Kilonback noted that DfT's first payment of £60m of additional funding into the Sponsor Funding Account does not mean that TfL accepts the Heads of Terms signed on the additional £300m or that TfL has agreed to make their payments of additional funding. **Post-meeting note:** both Sponsors have since provided their contributions to the additional £300m to the Sponsors Funding Account.

It was noted that the Remedial Action Plan includes a section on business plan and management structure and that Sponsors should ask CRL in Part B whether the proposed plan appropriately reflects where the project is given the delays.

5. AOB

It was highlighted that the Crossrail business case should be reviewed in light of the additional funding required.

Action Tracker:

No.	Action	Responsible	Target and Update
97a/01	John Boss to reflect comments from Sponsors and finalise the Independent Schedule Review.	[REDACTED] to liaise with John Boss	Completed and circulated to Sponsors on 5 October
97a/02	The Ian Rannachan review to be signed off and circulated to Sponsors.	[REDACTED]	Completed and circulated to Sponsors on 5 October
97a/03	Sponsors to provide feedback on the Terms of Reference for the financial and commercial and governance terms of reference	Sponsors	Completed – feedback provided
97a/04	JST to arrange fortnightly Sponsor meetings	JST	Completed – meetings have been arranged

CROSSRAIL SPONSOR BOARD MINUTES NO.96A

DRAFT MINUTES OF MEETING HELD ON

Monday 3rd September 2018, 12.30-13.30

Venue: St James' Room, 11th Floor (11B2), TfL - Palestra Office

Sponsor Board Members

Ruth Hannant*	Chair, DfT Director General of Rail
David Hughes*	TfL, Director of Strategy & Network Development
Matthew Lodge*	DfT, Director for Major Rail Projects
Simon Kilonback*	TfL, Chief Finance Officer

In attendance

Graham Stockbridge	DfT, Project Director
[REDACTED]	DfT, Crossrail Deputy Project Director
Simon Adams	Head of Joint Sponsor Team (JST)
[REDACTED]	JST, Secretariat

By invitation

Robin Wilkin	Project Representative
[REDACTED]	JST

(* Voting Members)

1. Minutes and Actions of Meeting 95a

The minutes of the last meeting, held on 26th July, were agreed without alteration.

[REDACTED] updated Sponsors on the actions:

- 95a/01:** Further discussions on Crossrail's governance will be held following the meeting between Bernadette Kelly and Mike Brown.
- 95a/02:** Discussions are ongoing with CRL to provide better visibility of the rate of change to the Anticipated Final Crossrail Direct Cost (AFDCD). Robin Wilkin summarised the meetings he has been involved in and the feedback received. Sponsors noted their disappointment that this has not yet been resolved and agreed to reiterate the need for Sponsors to get earlier visibility of potential cost pressures in Part B.
- 94a/03 & 04:** Actions complete and have fed into recent announcements on Crossrail.

2. Schedule Review and questions for Part B

Simon Adams noted that an Adverse Event Notice was issued by CRL on 30th August 2018 notifying Sponsors that Stage 3 services would not be introduced in December 2018 as planned. Sponsors noted their disappointment at this news and agreed that CRL should be asked to submit the Remedial Action Plan (in accordance with the Project Development Agreement) ahead of the next Sponsor Board on 20 September (**Action 96a/01**). In terms of the contents of the Remedial Action Plan, it was discussed that it would be helpful to

understand the detail behind the proposed recommended schedule. It was agreed that JST would agree the contents of the Remedial Action Plan with CRL (**Action 96a/02**).

Ruth Hannant noted that Sponsors should expect to receive a Change Notice from CRL. It was agreed that the timing of this should be discussed with CRL (in Part B) but that it should only be provided once there is more certainty on the project, in particular when there is a clearer understanding on what the delay means for Stages 4 and 5.

Simon Adams introduced the key findings of the first stage of the Independent Schedule Review. The Review concluded that it would be prudent to assume a Stage 3 opening in autumn 2019. It was highlighted that CRL's revised opening plan provides a more optimistic view of risk allowances compared to the Independent Schedule Review though also recommends autumn 2019 for Stage 3 passenger services. Uncertainty was raised on the opening dates for Stages 4 and 5 in light of this revised proposed schedule for Stage 3.

Simon Adams highlighted that CRL are holding Systemwide contractors to a completion date of 22nd October 2018 but recognise that this is likely to slip to 5th November (which is recognised in CRL's recommended plan). David Hughes noted that it wasn't clear what entry criteria for Dynamic Testing the Independent Schedule Review had assumed and whether they were the same as CRL's. Robin Wilkin added that the entry criteria are not necessarily black and white and that there could be some flexibility on some of them.

Matthew Lodge fed back advice from Andy Pitt (Crossrail Non-Executive Director) that whilst Dynamic Testing had been delayed to the beginning of January 2019 in Ian Rannachan's revised schedule, Andy Pitt's experience of working with Bombardier Transportation is that it may be beneficial to bring this forward to December to get the team up and running before the Christmas break.

Simon Adams highlighted that the second stage of the Independent Schedule Review, being undertaken by John Boss, had commenced and would focus on the integrity of the revised schedule proposed by CRL for Stage 3 opening. It was agreed that the aim should be for the conclusions of the Review to be provided to Sponsors ahead of the next Sponsor Board on 20 September (**Action 96a/03**).

3. Cost discussion and questions for Part B

It was noted that CRL provided indicative costs for its revised schedule in their 'Update Slides', although these are under review and further assurance is required. Simon Kilonback highlighted that the additional funding as agreed in the Heads of Terms would run out in Period 10. It was discussed that in order to resolve the costs situation, Sponsors would require sight of the Remedial Action Plan, the second stage of the Independent Schedule Review and further assurance and clarity on the figures.

Simon Kilonback confirmed that he had not sent a further letter of comfort to CRL and explained that the existing letter is sufficient.

4. Comms update

The Comms actions from the previous Sponsor Board were completed (as noted above) and these fed into CRL's announcement on delays to Stage 3 opening. There was no further update on Comms in light of the further work that is to be carried out as part of the Remedial Action Plan.

5. Update on lessons learned review and P-Rep resourcing

Key outputs on lessons learnt and P-Rep resourcing were discussed outside of Sponsor Board.

6. AOB

No other business was raised by attendees.

Action Tracker:

No.	Action	Responsible	Target and Update
96a/01	CRL to submit the Remedial Action Plan ahead of the next Sponsor Board on 20 September.	Simon Adams	Complete
96a/02	JST to agree the contents of the Remedial Action Plan with CRL	Simon Adams and Andy Wallace	Complete
96a/03	The second stage of the Independent Schedule Review to be provided to Sponsors ahead of the next Sponsor Board on 20 September.	Simon Adams	Complete

CROSSRAIL SPONSOR BOARD MINUTES NO.95a

DRAFT MINUTES OF MEETING HELD ON

Thursday 26th July, 2018, 9.00-12.00

Venue: Department for Transport, Great Minster House, Floor 3, Room 3/23

Sponsor Board Members

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

In attendance

[REDACTED]	DfT, Crossrail Deputy Project Director
Simon Adams	Head of Joint Sponsor Team (JST)
[REDACTED]	JST, Secretariat

By invitation

Robin Wilkin	Project Representative
Vicky Morley	TfL, Head of Press Desk
Sarah Gasson	TfL, Head of Media
[REDACTED]	DfT, Senior Media Officer
[REDACTED]	DfT Sponsorship Team
Andy Wallace	JST
Richard Zavitz	JST

Apologies:

Simon Kilonback*	TfL, Chief Financial Officer
Graham Stockbridge	DfT, Project Director

(* Voting Members)

(** Alternate Voting Member)

1. Minutes and Actions of Meeting 94a

The minutes of the last meeting, held on 25th June, were agreed without alteration.

[REDACTED] updated Sponsors on the actions:

94a/01: Progress on the identification of key cost metrics to provide better visibility of the rate of change in costs was provided in Item 2 of Part A (Cost and Schedule Update).

94a/02: Meetings have been held between TfL Comms teams and the Joint Sponsor Team (JST) following the June Sponsor Board and TfL and DfT Comms teams are providing an update on plans for Stage 3 in Item 5 of Part A (Comms Update). A meeting was held between Simon Baugh (DfT Communications

Director) and Vernon Everitt (TfL Managing Director – Customers, Communication and Technology) on 24th July to discuss Crossrail/Elizabeth Line communications. A paper on Comms principles (SB03) has been included in the Sponsor Board pack as a paper to note (Item 4, Part A).

94a/03 Live risks and issues raised during the Crossrail Weekly Calls are recorded and summarised on the Weekly Call summary (which is circulated to Sponsors and Sponsor teams). The full list of live risks and issues is appended to the Sponsor Board briefing, including reference to where the risks and issues are to be discussed on the Sponsor Board agenda.

2. Cost and Schedule Update

Simon Adams and Robin Wilkin presented on the cost and progress update for Period 3. It was noted that the Anticipated Final Crossrail Direct Costs (AFCDC) have increased by £87m in Period 3 to £12,810m. This breaches Intervention Point (IP) 2 by £298m; £2m below the additional funding recently made available by Sponsors.

The cost of work done up to Period 3 is £12,266m which equates to a rate of spend of £120m per period. There is a remaining £294m cost to go and £87m of unallocated contingency (19% of the cost to go).

Simon Adams highlighted a number of metrics to chart the current cost and schedule position, including:

- There is a significant variation between the number of planned and actual Installation Release Notes (IRNs) that have been completed. Progress in completing IRNs is behind the Master Operational Handover Schedule (MOHS18) and there has been no upturn in the rate of completions as anticipated by CRL.
- Over half of the Operations and Maintenance manuals (which are required for bringing the railway into service) have not been delivered. Only 14 have been accepted to date.
- Submissions to the Railway Acceptance Board for Crossrail (RABC) for safety approvals is behind the late date curve. Simon Adams noted that the multiple-train testing under signalling protection was intended to be carried out at the next test window (27 to 31 July 2018) but following an amendment to Bombardier Transportation's approach to this test, it is no longer compatible with the safety case and will need to be undertaken in a subsequent test window.

Simon Adams noted that a significant component of the defined cost gap will be driven by schedule. It is anticipated that CRL will present their update on schedule in Part B. However, David Hughes highlighted that CRL will need to present any revised schedule to the CRL Board, in accordance with their governance arrangements, before presenting it to Sponsors. Ruth Hannant asked about the Crossrail governance structure and David Hughes noted that both the management resource and governance structure were designed for a ten year long construction programme but may be out of kilter with this final phase of the project. Simon Adams agreed that the JST would gather ideas and proposals for any revisions that are needed in the Crossrail governance structure to ensure it is agile and fit for purpose (**Action 95a/01**).

It was agreed that Sponsors would ask in Part B for clarity on the process and timescale for confirming the Crossrail schedule and cost.

Simon Adams noted that increases to the AFCDC have been characterised by significant step changes and that a revised approach is needed to track costs on a periodic basis. Robin Wilkin highlighted that he attends the Commercial and Change Sub-Committee which

approves Unresolved Trends (URT) and that he asks for each URT whether it has been included in the AFCDC. This helps to provide an indication of expected changes to the AFCDC on a more regular basis. It was agreed that the JST and P-Rep will finalise the proposal on key cost metrics to provide better visibility of the rate of change to the AFCDC (**Action 95a/02**).

David Hughes noted that Mike Brown and Terry Morgan are meeting the Mayor of London on 26th July and will discuss current risks and Comms. TfL's last Programmes and Investment Committee (PIC) highlighted the risks associated with the current Crossrail programme.

3. Cost lessons learnt proposal

Richard Zavitz presented the updated method for continuing to identify lessons learned around Crossrail's increases in costs that can be applied to current and future projects being sponsored by DfT and TfL. Richard highlighted that given limitations in the data available to the JST, the proposal is to work more closely with CRL and P-Rep.

David Hughes noted two concerns. Whilst it would need to be carried out promptly to focus on current issues such as the governance structure, interviewees are likely to be more open about lessons closer to completion of the programme. Secondly, David questioned whether it could be classed as independent if it's being commissioned by Sponsor Board and undertaken by the JST, CRL and P-Rep.

Matt Lodge noted that the lessons learnt review could be undertaken in two phases; the first to understand what we can learn now to feed into any changes that need to be implemented in the immediate term. The second stage could then be undertaken independently in slower time. Richard Zavitz highlighted that this could align with the proposal where data gathering is done as part of the first phase and interviews as part of the second phase.

It was agreed that Sponsors would reiterate the importance of a collegiate approach to lessons learnt to CRL in Part B and that the JST would progress with the lessons learnt work focusing on the lessons that could be implemented in the immediate term.

4. Crossrail and Elizabeth Line marketing principles

The paper on Crossrail and Elizabeth Line marketing principles was noted by Sponsors. Simon Adams noted that a meeting was held between Simon Baugh (DfT Communications Directors) and Vernon Everitt (TfL Managing Director – Customers, Communication and Technology) on 24th July to agree the marketing principles. Comms teams from both Sponsors are continuing to work closely together.

5. Stage 3 Comms Update

Sarah Gasson and Vicky Morley provided an update on Comms activities and the events that are planned for between now and Stage 3 opening. Sarah noted that both Sponsors worked collaboratively in preparing the Written Ministerial Statement (WMS) and that the WMS has received minimal media attention.

Emanuela Cernoia-Russo noted that there are regulatory requirements on TfL to report any material changes in projects. For example, when the WMS was laid, the London Stock Exchange needed to be informed given the additional funding that had been made available. Emanuela emphasised that if a material change occurs, there needs to be a quick turn-round

in agreeing lines between Sponsors and Comms teams. Given this, it was agreed that Emanuela and the Comms teams would clarify the sorts of events that would warrant the publication of information (**Action 95a/03**). [REDACTED] noted that she would clarify what is required to satisfy Parliamentary requirements and would engage with TfL Comms to update reactive lines (**Action 95a/04**).

6. Crossrail 2/HS2 Update (Asset Protection Agreement)

Ruth Hannant highlighted that Old Oak Common is on the agenda for the next DfT One Railway Programme Board and that she will flag the issues noted in the paper and feedback to Sponsors. **Post meeting note:** the next One Railway Programme Board is scheduled for 22nd August 2018.

7. Discussion of Part B Agenda

The Part B agenda was discussed in Item 2 (Cost and Schedule Update).

8. AOB

No other business was raised by attendees.

Action Tracker:

No.	Action	Responsible	Target and Update
95a/01	The JST to gather ideas and proposals for any revisions that are needed in the Crossrail governance structure.	Simon Adams	Ideas provided for Bernadette Kelly / Mike Brown meeting
95a/02	The JST and P-Rep to finalise the proposal with CRL on key cost metrics to provide better visibility of the rate of change to the AFCDC.	Simon Adams and Robin Wilkin	Discussions are ongoing with CRL
95a/03	Emanuela Cernoia-Russo and the Comms teams to clarify the sorts of events that would warrant the publication of information.	Emanuela Cernoia-Russo and Vicky Morley	Complete and has informed comms plans
95a/04	[REDACTED] to clarify what is required to satisfy Parliamentary requirements on communications and to engage with TfL Comms to update reactive lines.	[REDACTED] and Vicky Morley	Complete and has informed comms plans

CROSSRAIL SPONSOR BOARD MINUTES No.94a

MINUTES OF MEETING HELD ON

Monday 25th June, 2018, 10.30-13.30

Venue: CRL, 25 Canada Square, Floor 28

Present

Polly Payne*	Chair, DfT Director General of Rail
David Hughes*	TfL, Director of Strategy & Network Development
Matt Lodge*	DfT, Director for Major Rail Projects
Emanuela Cernoia-Russo**	TfL, Finance 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
Robin Wilkin	Project Representative
Tom Wilne	Jacobs, Head of Independent cost review
[REDACTED]	JST
[REDACTED]	JST

Apologies

Simon Kilonback*	TfL, Chief Finance Officer
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(* Voting Members)

(** Alternate Voting Member)

1. Minutes and Actions of Meeting 93a

The minutes of the last meeting, held on the 18th May, were agreed without alteration.

The Transition Date

[REDACTED] updated Sponsors on action 93a/01 on Crossrail Limited's (CRL) Transition Date proposal, [REDACTED]

[REDACTED] NR would be seeking governance from their Excom for the change, subject to the decision of Sponsor Board. TfL would determine whether Board approval is required. Polly Payne noted that her understanding that this was an accounting issue and David Hughes said his understanding was that this change was reflecting all organisations' financial assumptions. On the basis of this information Sponsors **approved** the change.

2. Cost Review

Tom Wilne presented on the Jacobs review. The final report was included in the Sponsor Board pack (SB94-02). The report concluded that the most expectant or likely cost outturn was c.£300m above Intervention Point (IP) 2 with an upper bookend of c.£400m above IP2.

Graham Stockbridge noted that it was an excellent cost report and thanked Tom and the co-authors. He noted the report's assumption that Stage 3 would be delivered in December 2018 and asked whether there would be a significant cost increase if Stage 3 slipped by more than 6 months beyond December 2018. Tom Wilne said that the majority of CRL's expenditure was on the stations and civils contracts which were largely due to be complete by October. A delay of a few weeks to Stage 3 opening therefore would not be material but if there was a delay of 3-5 months, including on the civils contracts, this could have a significant cost impact. David Hughes echoed Graham's comments on the quality of the report. He said it was reassuring that a couple of months would not have a significant cost impact, provided the civils contracts had been completed. Robin Wilkin noted that this cost analysis assumes there are no catastrophic events.

Tom presented on the trends following the Period 2 Project Delivery Boards (PDBs). The Period 2 numbers were trending between the two Tail scenarios (the scenarios presented at the May Sponsor Board which estimate the cost of activities extending into trial operations and the live railway) of £320m-£370m. This represents the project managers' views alone, rather than the view of the CRL Executive, and as such doesn't allow for CRL's possible successes in managing commercial claims and any disallowed costs. Once the numbers have been formalised Jacobs will circulate these to the JST.

Robin Wilkin noted that CRL are doing a review of all of its major contracts for Period 3 and P-Rep expect the costs may increase following this. Simon Adams said the key thing is for the JST and P-Rep to review the proportion of the pure risk allowance/contingency to cost to go. If funding was provided up to the Tail scenarios there would be a healthy amount of contingency compared to cost to go.

3. Funding agreement and communication to CRL

Sponsors noted that they were close to a funding agreement and that a draft heads of terms had been exchanged. ██████████ noted that the annual Crossrail Written Ministerial Statement (WMS) may need to be amended in light of recent conversations. Sponsors agreed that in Part B of the meeting CRL would be notified about the additional £300m but that Sponsors would only release the current forecast outturn of £211m above IP2, as stated in Semi Annual Construction Report (SACR) 19. It was noted that the CRL Board had set their budget at the P80 forecast (£278m above IP2). It was agreed that there should be no budgetary issue for CRL as once the funding agreement has been finalised TfL will issue a new 'comfort letter' to CRL confirming that it remains a subsidiary of TfL.

Sponsors noted that the intention was to make as few changes as possible to the governance agreements, to keep the IPs the same, and for the DfT and TfL 'Put' and 'Call' options to remain. Polly Payne asked about cost reporting. Simon Adams said that the JST & P-Rep would return with a proposal on key cost metrics which would provide better visibility of the rate of change whilst not adding unnecessary burden on CRL (**Action 94a/01**).

It was agreed that, following the discussion with CRL in Part B, the JST would draft a letter to be sent by the Chair confirming the additional funding, the cash-management requirements and the enhanced reporting (see Part B; Action 94b/01).

Emanuela Cernoia-Russo asked about the process for the notification and release of the WMS. Graham Stockbridge said that notification would need to be submitted to Parliament by close of business the evening before. Emanuela said TfL would need to notify the stock exchange straight after the WMS had been laid before Parliament. DfT said it would notify all stakeholders once the date of the announcement has been confirmed, and immediately after the WMS has been laid.

4. Communications principles

The principle set out in the Sponsors' briefing paper was agreed that:

- Any stage opening event or communications related to stage opening will recognise both Sponsors.
- Any operational or business as usual communication will only include TfL to reflect the usual approach and ensure there is no confusion for customers on who to contact in the event of issues.

██████████ noted that this principle was a condition of the Sponsors' funding agreement. Sponsors agreed that the comms team would be invited to the next Sponsor Board to present on the Stage 3 opening plans, and for the increasing schedule risks to be communicated to the comms teams to ensure the tone and messaging of events is appropriate. David Hughes agreed to discuss this with Vernon Everitt and the JST agreed to discuss it with the TfL comms team (**Action 94a/02**).

Sponsors considered whether the events planned in advance of Stage 3 were appropriate given the increasing schedule risks. Sponsors agreed that these events had been well planned given the current information and Sponsors would need to consider whether to provide new instruction to the comms teams if schedule risks continued to increase.

5. Sponsors' risk

██████████ said that the risk paper was intended to provide visibility to Sponsors of the highest risks and mitigating actions, and seek their views on the risk management approach. The scoring and mitigating actions for all risks have been reviewed by JST and P-Rep following feedback from Sponsors in February and the JST and P-Rep have increased the frequency of their risk review meetings.

Polly Payne said it would be helpful to have more regular Sponsor risk reporting given the increasing proximity to Stage 3 opening. David Hughes agreed but noted the time constraints on the Sponsor Board agenda. Simon Adams said that the agenda is designed to reflect the key risks. Simon Adams and ██████████ agreed to review how live risks/issues are clearly highlighted to Sponsors at each Sponsor Board (**Action 94a/03**).

***Post meeting note on Action 94a/03:** The JST would introduce an issues tracker, attached to each Sponsors' weekly call note, to highlight the key issues (and how they link to the risk register). This would be summarised in each Sponsor Board pack (in the Sponsors' briefing paper and linked to the agenda items) to ensure visibility and management of all risks and issues.*

6. Sponsor confidence and assessment of operational readiness ahead of Stage opening

Polly Payne noted the significant issues being faced with the national timetable and the difficulties for passengers. Ministers were focussed on ensuring Stage 3 would be delivered to schedule whilst ensuring that the timetable would not be further disrupted. Polly noted that HM Treasury were anxious to ensure TfL received their assumed revenue for Stage 3

and DfT its contribution from Heathrow Airport Limited upon the completion of Crossrail Stage 2 Phase 2.

Sponsors noted the increasing schedule risks and agreed that they would discuss with CRL the need for alternative or contingency options for Stage 3 in the event that December 9th cannot be delivered. Polly Payne and Graham Stockbridge noted that Andrew Pitt and Mark Wild (the DfT and TfL Non-Executive Directors to the CRL Board) were meeting with CRL on 9th July to review the alternative options and Stage 3 confidence. The July checkpoint might occur at CRL Board on 19th July and the Sponsor Board on 26th July. David Hughes said Sponsors should seek advice from the CRL Board as there does not appear to be a clear tipping point or decision point for Sponsors to change to an alternative plan. David noted that Simon Wright has emphasised the importance of maintaining the current date to keep the pressure and momentum on contractors. However, Sponsors may wish to consider the possibility of delaying Stage 3 to ensure a reliable service in the context of learning lessons from the timetable challenges. Sponsors agreed they would need to consider both a delay to Stage opening and/or a reduced frequency/ partial opening. CRL would need to advise on this given it may not be possible to descope testing for the routeway and cross-network systems but may be possible to open without discreet elements, such as Bond Street station.

Sponsors noted that the 'year to go' event in December 2017 had announced that "fifteen trains per hour will run through the new tunnels, increasing to 24 trains per hour through the central section by May 2019" and Sponsors would need to be cognisant of this in future decisions and announcements.

Graham Stockbridge noted his concerns over resourcing. Sponsors agreed that they should ask CRL whether their demobilisation plan should be amended given the delayed schedule. Tom Wilne noted that burnout and turnover of people were consistent themes in the PDBs he had observed and that delays in achieving milestones were diverting resource focus away from the completion of the 'paper railway', including completion certificates. ██████ noted that the integration team may be demobilising in advance of Stage 2 Phase 2. This team had been key in introducing lessons from Stage 1 for Stage 2 Phase 1.

Graham Stockbridge asked whether Sponsors could do anything to support CRL such as a joint meeting between the Secretary of State and Mayor with Tier 1 contractors to emphasise the criticality of the next months ahead of December. Sponsors agreed to discuss this further at the July meeting.

7. Discussion of Part B Agenda

The Part B agenda was largely discussed in Item 6, but the following items were covered in Item 7.

Sponsors discussed the Semi-Annual Construction Report (SACR) 19 and **noted** the breach of IP2 by £211m. TfL said they were not going to exercise the 'Put' option. Sponsors agreed that the JST would write to CRL acknowledging receipt of SACR, but would note the significant cost deterioration (c.£845m) in the last eighteen months and the need for a lessons learned review over the causes of the significant cost increases at the end of the programme. (see Part B; Action 94b/03).

8. AOB

N/A

Action Tracker:

No.	Action	Responsible	Target and Update
94a/01	JST & P-Rep would return with a proposal on key cost metrics which would provide better visibility of the rate of change whilst not adding unnecessary burden on CRL.	Simon Adams & Robin Wilkin	July
94a/02	David Hughes agreed to discuss the comms principles and increased schedule risks with Vernon Everitt and the JST agreed to discuss it with the TfL comms team	David Hughes and [REDACTED] / Richard Zavitz	July
94a/03	JST to review how live risks/issues are clearly highlighted to Sponsors at each Sponsor Board	[REDACTED]	Complete (see post-meeting note above), subject to Sponsors' comments.

CROSSRAIL SPONSOR BOARD MINUTES NO.93a

MINUTES OF MEETING HELD ON

Friday 18th May 2018 13:30-15:00

Venue: DfT, Great Minster House, 3rd Floor, 3/23

Present:

Polly Payne*	Chair, DfT Director General for Rail
Simon Kilonback*	TfL, Chief Financial Officer
David Hughes*	TfL, Director of Strategy & Network Development
Matt Lodge*	DfT Director for Major Rail Projects

Simon Adams	Head of Joint Sponsor Team (JST)
██████████	JST, Secretariat

By invitation

Graham Stockbridge	DfT, Crossrail Project Director
██████████	DfT Crossrail Deputy Project Director
Robin Wilkin	Project Representative
Tom Wilne	Jacobs, Head of independent cost review
██████████	JST

(* Voting Members)

1. Minutes and Actions of Meeting 92a

The minutes of the last meeting, held on the 19th April, were agreed without alteration.

██████████ updated Sponsors on the actions:

- 92a/01:** Jacobs completed their work with CRL on an upper end scenario to reflect the 'tail' of activities after December 2018. This was presented in Part B, Item 2.
- 92a/02:** TfL considered whether discussions could be had with ██████████ and ██████████ on deferral of payments and determined that this was not possible due to the need not to impact on CRL's commercial discussions.
- 91a/03:** DfT discussed with NR whether the NR financing charge could be adjusted or bulk power supply points could be transferred to NR to defer or reduce CRL's costs. These options were not possible as NR had no capital available in the short-term.
- 91a/04:** The JST and DfT have agreed on a coordination plan for the communication of the funding as part of the Written Ministerial Statement with DfT, TfL and CRL. The intention remained to submit a Statement before the end of June.
- 91a/05:** The JST will continue to consider contingency planning for CRL's checkpoints to inform Sponsor Board discussions.
- 91a/06:** JST set out options for changes to the Sponsor Board, the agreed demobilisation plan for P-Rep and potential timing for demobilisation of the JST in the paper SB93-03 which was discussed in Item 2.

Sponsors agreed to begin the discussion with resourcing and then move on to cost and schedule.

2. Sponsor Board and resourcing for 2018/2019

Simon Adams presented on the JST paper (SB93-03), which covered the two options for Sponsor Board regularity (maintain current regularity or switch to a T-minus approach to meetings) and the resourcing plans for the JST and P-Rep. Sponsors **agreed** for the Sponsor Board to continue to meet on a monthly basis until December 2018 and for the regularity to then be reviewed. Sponsors **noted** the P-Rep demobilisation plan and that the JST resourcing would be reviewed in advance of December 2018 as set out in the paper. Graham Stockbridge noted that it might be helpful for DfT to attend the Elizabeth Line Readiness Board which he would suggest to Bernadette Kelly to raise with Mike Brown.

3. Cost review

Tom Wilne presented on the final stage of the cost review which has involved working with CRL to consider the upper end scenario and the tail of activities. Tom said that, based on the Jacobs analysis, the upper end cost estimate is beginning to converge towards £400m above IP2. This was Jacobs understanding of the worst outcome based on CRL data, assuming that Stage 3 opening is achieved in December 2018. Tom Wilne said CRL would present in Part B on their assessment of the impact of the tail of activities.

██████████ noted that Sponsors need to continue considering whether savings could be achieved by adjusting the programme, (although the political priority remained to deliver Stage 3 in December). Tom Wilne said that, given the state of work and the level of completion, slowing down the work was unlikely to save any money. CRL were not spending material additional costs on acceleration but primarily on completing the works. Additional costs of acceleration (for example increasing resources on critical activities) would be of the same order of magnitude as the corresponding prolongation costs, which would arise if the works were extended further, and therefore the delivery of Stage 3 by December remained the most cost-efficient approach.

Sponsors asked Jacobs what its view of the most likely outturn was given CRL's P50 forecast remained at £211m above IP2. Tom Wilne said that Jacob's view has not changed that the A3 scenario (£283m above IP2) remains the most likely optimistic outturn.

David Hughes noted that Terry Morgan had informed TfL's Programme Investment Commitment that CRL would deliver within the P50 forecast. Sponsors agreed that it remained prudent to continue to agree further funding up to £300m.

4. Transition Date

Simon Adams presented on the Crossrail NR Protocol's Transition Date¹ [REDACTED]

Sponsors asked for confirmation of i) whether the proposal has any impact on Stage 3 and the required Track Access Agreement, ii) whether the proposal has been included in each organisation's business plans, and; iii) the required governance for the change. Sponsors to consider this outside the Sponsor Board. **(Action 93a/01)**.

5. Cost Messaging

[REDACTED] presented on the cost funding narrative which will form part of the Written Ministerial Statement to Parliament and the 3 main areas to explain the cost increases. Simon Kilonback noted that a 3-4% increase in a major programme's costs should be recognised overall as a good outcome and framed in the right way. Tom Wilne supported this view this based on his experience.

David Hughes noted the importance of communicating that £1.1bn had been reduced from the original funding through value engineering and amending the opening stages. Matt Lodge noted the need to be clear on the changes to the opening stages when communicating this.

David Hughes noted the need to avoid discussing increased scope as many additional items of scope claimed by CRL were part of the Sponsors' requirements. Sponsors agreed that it would be better to reflect on the improvements which had been made to the operation of the railway, such as by extending the railway to Reading to avoid challenges with turning back trains at Maidenhead.

6. Stage 2 comms

Paper SB93-04 was submitted for information outlining the communications plans for Stage 2. DfT Sponsors raised their concerns that DfT's contribution to the programme was not reflected in this material. Both Sponsors agreed this should be changed accordingly.

7. Funding progress

This item was discussed privately by Sponsors due to its commercial nature without the JST in attendance.

¹ The Crossrail NR Protocol¹ was first agreed between CRL, NR and DfT in 2008. The Protocol's Transition Date was intended to be the switchover from construction to operations [REDACTED]

8. AOB

N/A

Action Tracker:

No.	Action	Responsible	Target and Update
93a/01	JST to provide confirmation of i) ; whether CRL's Transition Date proposal has any impact on Stage 3 and the required Track Access Agreement, ii) whether the proposal has been included in each organisation's business plans, and; iii) the required governance for the change. Sponsors to consider this outside the Sponsor Board.	Simon Adams & [REDACTED]	Complete – see Appendix A

Appendix A: Follow-up question on CRL's Transition Date proposal

Responses to the questions raised in Sponsor Board 93 on CRL's Transition Date proposal are set out below. [REDACTED]

- i) **Is there an impact of Stage 3 and the required Track Access Agreement?**

[REDACTED]

CROSSRAIL SPONSOR BOARD MINUTES NO.92a

MINUTES OF MEETING HELD ON

Thursday 19th April 2018 14:30-16:15

Venue: DfT, Great Minster House, 3rd Floor, 3/23

Present:

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

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

By invitation

Emanuela Cernoia-Russo**	TfL, Finance Director
Graham Stockbridge	DfT, Project Director
Robin Wilkin	Project Representative
[REDACTED]	DfT, Deputy Head of Sponsorship Team
[REDACTED]	JST
Richard Zavitz	JST
Tom Wilne (for Items 1-2)	Jacobs, Head of the independent cost review

Apologies:

Simon Kilonback*	TfL, Chief Financial Officer
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(* Voting Members)
(**Alternate Voting Member)

1. Minutes and Actions of Meeting 91a

The minutes of the last meeting, held on the 22nd March, were agreed without alteration.

[REDACTED] updated Sponsors on the actions:

91a/01: The JST has begun to consider what a delay to Stage 3 might mean for Sponsors which was presented in Item 6.

91a/02: The scope and approach for further Jacobs cost review has been agreed which involved reviews of critical contracts and was presented in Item 2.

91a/03&04: The JST articulated the high-level consequences of either Sponsor exercising the Put/Call options in paper SB92-01, which included details on the TfL debt from TfL Finance.

91a/05&6: [REDACTED] in principal there is no material effect of switching to the scenario-based cost analysis. CRL would present a cost reporting proposal to Sponsor Board and then both Sponsors could seek their own legal advice if needed.

91a/07-09: These actions were discussed in the funding item (Item 4).

91a/10: JST has clarified what steps have been taken to safeguard depot space to accommodate 30 trains per hour (tph) (see 91a minutes).

2. Cost Review

Tom Wilne presented on Jacobs's further work to independently assess the reliability of CRL's scenario-based cost estimates. The second stage involved undertaking focussed reviews of specific contracts (Systemwide, Bond Street, Paddington, Whitechapel and Farringdon). The team also attended CRL's programme cost review which considered 10 main contracts covering the majority of the cost to go. The work would be concluded in May and Jacobs's emerging assessment was that the most optimistic outturn cost would likely to be above scenario A3 (c.£280m). This was not the upper outturn bookend which is subject to delivering Stage 3 in December and on the extent of the 'tail' activities extending beyond December. Sponsors agreed for Jacobs to work with CRL to consider the revised upper end scenario which reflects this 'tail' (**Action 92a/01**).

David Hughes asked if costs could be reduced by revising the schedule. Tom Wilne said that this would be worth considering but stated that CRL believe MOHS18 remains the most efficient means to deliver the programme. Simon Adams said that CRL are asking Systemwide to consider whether they can accelerate the programme and what the cost would be. Sponsors could then assess whether the extra time for the operator and infrastructure managers would justify the acceleration costs. Sponsors agreed on the need to be sighted on these trade-offs but to give CRL the space to deliver the programme.

Tom Wilne noted that completion of activities is important for constraining cost as most activities would likely cost significantly more once the railway is operational. Tom said that overall, given the scale and complexity of the programme, CRL were managing safety, schedule and cost within major programme benchmarks. However, Jacobs have observed a concertina effect emerging with activities being compressed against a fixed end date, reducing the ability to accommodate delays and commissioning problems. The programme is also reliant on specialist and highly sought after resources (such as specialist system software programmers) making some activities hard to accelerate. Robin Wilkin noted that CRL have extended key people in response to the revised schedule with £9m approved to support this.

David Hughes noted the concerns of LUL and RfL on the quality of training materials. He said arrangements were being put in place to manage this.

3. Governance implications of put / call

Sponsors **noted** the JST's paper (SB92-01), which explained the high-level consequences of the Put/Call options. David Hughes noted that if SACR19 triggered the Put option TfL would need to make an active decision on whether to exercise the option.

4. Funding discussions

Both Sponsors noted the helpful discussion on the morning of the 19th April. Sponsors considered whether there were possible options for reprofiling CRL's spend to support a funding resolution. TfL agreed to consider with CRL whether discussions could be had with [REDACTED] and [REDACTED] (**Action 92a/02**). DfT agreed to consider with Network Rail (NR) whether the [REDACTED] could be adjusted or bulk power supply points could be transferred to NR to defer or reduce CRL's costs (**Action 92a/03**). Sponsors noted that the DfT funding [REDACTED] was required for other DfT projects and could not be used to fund Crossrail.

Both Sponsors noted the Mayor / Secretary of State meeting scheduled for the 25th April. It was agreed that the funding challenge should be presented as a shared problem to be solved jointly. David Hughes noted that even if Sponsors were able to defer costs a funding resolution would be needed by June because CRL's accounts would be audited at that point and CRL will need to demonstrate financial authority for its planned expenditure.

Sponsors discussed the need to be aligned on the communication of the funding. The Written Ministerial Statement will be issued at the end of June with a DfT press notice which could be aligned with a TfL and CRL press notice. The JST will agree a coordinated plan with DfT, TfL and CRL (**Action 92a/04**).

5. Substantial Completion for Stage 2

██████████ explained to Sponsors that the Substantial Completion (SC) approach (as agreed with CRL and by Sponsors in April 2016) needs to be considered for Stage 2. As Stage 2 is split into two phases with reduced length trains running for phase 1, SC will not occur until completion of phase 2. Following the example of Stage 1 CRL and the operator will write to Sponsors confirming it is safe to operate the trains and seeking their endorsement to commence Stage 2 phase 1. David Hughes asked about the value of SC.

██████████ explained that it was a requirement of the Project Development Agreement and gave Sponsors confirmation that the handover to the operator/infrastructure manager had occurred satisfactorily and the functional requirements (and by extension the Sponsor Requirements) had been met. Sponsors emphasised the need for SC to be as light touch as possible and not impact on CRL's delivery. CRL were due to present at the next Sponsor Board on SC for future stages and Final Completion of the Crossrail Programme. Sponsors **noted** the paper and **agreed** for the head of the JST to endorse Stage 2 phase 1, subject to the operator's approval.

6. Contingency Planning

Richard Zavitz presented on the JST's work to consider different contingency scenarios (such as a delay to Stage 2, severe mitigations needed to deliver Stage 3, sub-optimal opening for Stage 3 and a delay to Stage 3). The JST had begun considering what the impact might be of these scenarios for both Sponsors. Richard emphasised that the approach was designed not to distract anyone from programme delivery but to begin considering how the impacts might be managed.

Polly Payne asked how Sponsors will know when a decision needs to be made. ██████████ explained that CRL were due to present on this in Part B as part of its 'routemap' of decision / checkpoints. David Hughes said that he believed the JST needed to consider CRL's routemap and keep the discussion to a small group of people. David said it would be helpful to consider any 'long-lead' items or actions which would need to be planned for, and any actions which Sponsors should not undertake, or any actions which might be closed down should the programme continue and then face delay. Sponsors **noted** the paper and **agreed** that the JST should consider this contingency planning in the context of CRL's routemap, identify any long-lead items or actions and be ready to advise Sponsors at the relevant checkpoints if appropriate (in June, July and October) (**Action92a/05**).

7. Part B Agenda

The cost pressures were discussed in Item 2.

On Stage 2 readiness Matt Lodge agreed to ask CRL about train performance and to emphasise that a final decision on phase 1 is needed at this Sponsor Board if a contingency plan is required. Polly Payne noted the red 'RAG' ratings on phase 2 for ORR approval and said she would raise this with CRL.

Matt Lodge noted there was still no formal date for Stage 2 phase 2. David Hughes asked if that was an issue for DfT. [REDACTED]

On Stage 3 Matt Lodge noted the red items for RfL, LUL and MTRC readiness. David Hughes said this reflected a lack of float in the programme.

8. Comms update

Sponsors **noted** the paper and the planned communications events.

9. JST objectives

Sponsors **noted** the paper and the JST's 2018/2019 objectives. David Hughes asked what the demobilisation plan was for the Sponsor Board, JST and P-Rep. Simon Adams said a demobilisation plan was being agreed by the JST with P-Rep. David Hughes asked what the role of the Sponsor Board should be in the future, how frequently should it meet as TfL increasingly take over delivery. Sponsors agreed on the importance of holding NR to account for delivering the enhanced stations and the need to involve NR in Part B meetings in the future. JST agreed to set out options for changes to the Sponsor Board, the agreed demobilisation plan for P-Rep and potential timing for demobilisation of the JST (**Action 92a/06**).

10. AOB

Matt Lodge noted how useful he finds the weekly calls with CRL. Robin Wilkin agreed and noted the quality of the information. Polly Payne agreed to thank Simon Wright for CRL's involvement in the Jacobs cost review.

Action Tracker:

No.	Action	Responsible	Target
92a/01	Jacobs to work with CRL to develop a revised upper end scenario which reflects this 'tail' of activities.	Simon Adams & Tom Wilne	May
92a/02	TfL to consider with CRL whether discussions could be had with [REDACTED] and [REDACTED] on deferral of payments.	Simon Kilonback	May
92a/03	DfT to consider with NR whether the [REDACTED] [REDACTED] could be adjusted or bulk power supply points could be transferred to NR to defer or reduce CRL's costs.	[REDACTED] & [REDACTED]	Complete
92a/04	The JST will agree a coordinated plan for the communication of the funding with DfT , TfL and CRL.	[REDACTED] & Richard Zavitz	May
92a/05	JST to consider the contingency planning in the context of CRL's routemap, identify any long-lead items or actions and be ready to advise Sponsors at the relevant checkpoints if appropriate (in June, July and October).	Richard Zavitz	June
92a/06	JST to set out options for changes to the Sponsor Board, the agreed demobilisation plan for P-Rep and potential timing for demobilisation of the JST.	Simon Adams & [REDACTED]	Complete

CROSSRAIL SPONSOR BOARD MINUTES NO.91a

MINUTES OF MEETING HELD ON

Thursday 22nd March 2018 14:30-16:15

Venue: TfL, Palestra, 8th Floor, London Bridge Room

Present:

David Hughes*	TfL (Chair)
Polly Payne*	DfT
Matt Lodge*	DfT

Simon Adams	Head of Joint Sponsor Team (JST)
██████████	Secretariat

By invitation

Emanuela Cernoia-Russo**	TfL
Graham Stockbridge	Head of DfT Sponsorship Team
Robin Wilkin	Project Representative
██████████	DfT Sponsorship Team
██████████	JST
Tom Milne (for Items 1-3)	Jacobs

Apologies:

Simon Kilonback*	TfL
Andy Wallace	JST

(* Voting Members)

(**Alternate Voting Member)

1. Minutes and Actions of Meeting 90a

Sponsors noted that, since the last meeting, the weekly calls with Crossrail Limited (CRL) had been established and were working well. The minutes of the last meeting, held on the 22nd February, were agreed without alteration.

██████████ updated Sponsors on the actions:

90a/01: The JST has reviewed the Sponsors' risks scoring and established regular JST / P-Rep risk review sessions.

90a/02: The terms of reference for the Jacobs independent cost review was completed in March and the outputs of the review were presented in Item 3.

90a/03: The terms of reference for a review of the reasons for the cost movements were presented in Item 6.

90a/04: The JST have agreed with Vicky Morley and Sarah Gasson that they will table a communications paper every two months to update Sponsors on the communications plans for the Elizabeth Line.

2. P-Rep review of MOHS

Robin Wilkin presented on P-Rep's assessment of the Master Operational Handover Schedule (MOHS). Robin emphasised that P-Rep believe the schedule is ambitious, contains virtually no float and relies on first time delivery.

Polly Payne noted the starkness of P-Rep's assessment and said Sponsors should challenge CRL on whether they agreed with this assessment. David Hughes said that, whilst he believed it was important that CRL keep driving everyone to Stage 3 opening in December, CRL need to be clear on the criteria, timing and checkpoints for establishing the deliverability of Stage 3. This is important to ensure effective planning can occur in the event that the schedule becomes unachievable. David noted that London Underground Limited (LUL) and Rail for London Infrastructure (RfLI) were developing minimum requirements to help with these decision points. Simon Adams said the JST had begun working with P-Rep to identify productivity measures which could be used to inform decision points. Sponsors agreed that they would challenge CRL on this and instruct CRL to develop these measurements with the JST and create a 'roadmap' of decision points. The JST would start to consider what a delay to Stage 3 might mean for Sponsors and for Stages 4 and 5 (**Action 91a/01**).

Graham Stockbridge noted the challenges with Stage 2 Phase 1 opening in May and that Great Western Railway (GWR) and Mass Transit Railway – Crossrail (MTRC) were concerned about the risks. Sponsors agreed to ask CRL about its stakeholder engagement plans and further contingency planning.

3. Cost Review

Tom Milne presented on Jacobs's work to independently assess the reliability of CRL's scenario-based cost estimates (which were presented at the February Sponsor Board). Tom emphasised that the approach was logical but relied on significant judgement from senior members of the CRL executive. He noted that given the time constraints and the need to protect programme delivery Jacobs would have taken a similar approach. However, this means there are some limitations, for example that acceleration costs have been calculated using prolongation costs as a proxy. Tom emphasised that the analysis does provide Sponsors with a likely range of between £200m-£350m (above Intervention Point (IP) 2) but does not provide a 'bookend' position. In order to understand the accuracy of these scenarios in greater detail, including the extent to which there is an exposure above £350m, Tom recommended that further deep dive analysis on some critical contracts should be undertaken.

Robin Wilkin noted that CRL's scenario B (delay to Stage 3, 4 and 5) assumes that an unrecoverable delay occurs during systems or dynamic testing. If a significant delay occurred earlier this could have a larger impact. ██████████ agreed and said the JST had challenged CRL on this. CRL argue that productivity delays are reflected in scenarios A2 and A3 and CRL believe an unrecoverable delay, as envisaged in scenario B, is more likely to occur during systems testing but this would be worth further challenge. Polly Payne asked if a significant delay earlier was possible and Robin Wilkin said it could be and referred to the energisation challenges CRL have faced.

Sponsors agreed that given these uncertainties it would be worth considering further cost analysis to provide greater certainty on the potential cost exposure. The JST were asked to

determine the scope and approach for further work, share with Sponsors, and instruct Jacobs (**Action 91a/02**).

4. Governance implications of the cost pressure

Sponsors **noted** the JST's paper (SB91-02), which explained that the Put option could be exercisable at the next Semi-Annual Construction Report (SACR 19), and that the Call option at SACR 20. Table 1 in the paper summarises the arrangements. Some changes were agreed to the paper:

- In paragraph 5 the wording "The JST believes that if" has been deleted to clarify that it is a fact that if TfL provide additional funding IP2 will increase by the same amount.
- Oversight development opportunities will be added to Table 1.

██████████ said that it would be useful to build on this paper and to understand the practical implications of the Put and Call options for both Sponsors (**Action 91a/03**).

Emanuela Cernoia-Russo said TfL Finance could support the JST with explaining the TfL debt profile (**Action 91a/04**).

Sponsors agreed that under the current arrangements TfL have to provide a guarantee ahead of CRL being audited and therefore the funding issue is critical in advance of June 2018. David Hughes noted that if there was an earlier schedule challenge which increased cost the funding cash requirement may come earlier from CRL. Sponsors agreed to discuss this further under Item 5.

Simon Adams explained the second part of the paper which noted the need to change how cost is reported as CRL's risk team are demobilising meaning that a Quantified Risk Assessment (QRA) will no longer be possible. The JST recommend that the scenario-based analysis is adopted for reporting because it better reflects the uncertainty of risks and is easier to understand. Emanuela Cernoia-Russo asked whether this form of reporting would meet the requirements of external funders such as the European Investment Bank. Simon explained that it would not change the core agreements or reporting format and the central case scenario would become the new reported Anticipated Final Crossrail Direct Costs (AFCDC). Polly Payne emphasised that careful thought should be taken in determining and updating the central case scenario. David Hughes said that Sponsors would need to ensure that the scenario-based analysis does not affect the governance agreements and the Put/Call options (**Action 91a/05**). Sponsors agreed that, should the scenario-based analysis be adopted, the approach needed to be clearly documented (**Action 91a/06**). Sponsors agreed for the JST to discuss this further with CRL.

5. Funding discussions

Sponsors agreed on the importance of addressing the funding challenges to ensure the programme remains on track. Given the earlier discussions on the cost review, they agreed to work towards an assumption of funding an additional £250m between the two organisations.

David Hughes noted that it may be possible to transfer the bulk power supply equipment to Network Rail in return for capital for the Crossrail programme. Whilst the equipment was constructed as part of the Crossrail programme, it will supply the Elizabeth line and also the wider network. As a result, ongoing usage and leasing costs are being considered which might be avoided through asset transfers. David said TfL / JST would consider this further (**Action 91a/07**).

David Hughes noted that TfL would be making an offer to DfT of using [REDACTED] to fund the Crossrail programme. It was noted that DfT Finance was expecting that all of the funding provided by DfT to TfL would be returned and that it had been assigned to other projects. Graham Stockbridge agreed that he would discuss this with DfT Finance and respond as soon as possible **(Action 91a/08)**.

Both Sponsors agreed it would be worth considering whether the Crossrail Supplementary Access Charge could be increased and used as a means of funding additional capital if financing arrangements could be established **(Action 91a/09)**.

Matt Lodge noted the Network Rail cost challenges which created an additional funding pressure for DfT. NR had recently come to DfT and advised that a further £54m of funding was required (in addition to the £230m provided above the £2.3bn Intervention Price) with a cost pressure range of £32m-£76m. NR and DfT were considering the funding solution. Matt asked whether Sponsors should reconsider the requirement for the enhanced stations given the funding pressures. David Hughes agreed it would be prudent to question CRL and said the key question to ask was whether the stations could be descoped whilst maintaining the planning permission. The previous design had not achieved planning permission which had led to the enhanced station designs.

Sponsors agreed to consider these options and reconvene at the next Sponsor Board to discuss a solution.

6. Independent lesson review scope and timing

Sponsors **noted** the JST's terms of reference, as set out in SB91-04, for a review to explore the reason behind the cost increases. [REDACTED] Richard Zavitz and [REDACTED] in the JST would commence this work in April and present a paper to the Sponsor Board in May.

7. Future capacity enhancements to 30 trains per hour

Sponsors **noted** the paper, which summarised CRL's report on how 30 trains per hour could be achieved with modest investment. CRL's report was produced to meet Clause 4.1.10 of the Sponsor Requirements and the JST would write to CRL to confirm this. David Hughes asked what actions have been taken to safeguard stabling space to achieve 30 trains per hour and asked Andy Wallace to respond by correspondence **(Action 91/05b)**. Andy Wallace has responded and explained that Old Oak Common depot is designed to maintain up to 84 units with potential further capacity available and that practical opportunities for future protection of stabling sites are being considered.

8. Any Other Business

N/A

Action Tracker:

No.	Action	Responsible	Target
91a/01	The JST to begin to consider what a delay to Stage 3 might mean for Sponsors and for Stages 4 and 5.	JST	May
91a/02	JST to determine the scope and approach for further work, share with Sponsor and instruct Jacobs for the start of April.	Simon Adams & [REDACTED]	Complete
91a/03	JST to build on the summary governance paper (SB91-02) and provide guidance for both Sponsors on the consequences of the Put / Call being exercised (looking at Clause 30 of the Sponsors Agreement in particular).	JST	Complete
91a/04	TfL Finance to provide details of the TFL debt amount to support action 91a/03.	JST and TfL Finance	Complete
91a/05	JST [REDACTED] whether swapping to a scenario-based calculation of AFCDC has any material effect and/or could affect the timing of the Put / Call options	Simon Adams	April Sponsor Board
91a/06	JST to work with CRL to document the process on the scenario-based analysis and establish how the most likely scenario will be reported.	Simon Adams / Mathew Duncan	April Sponsor Board
91a/07	TfL to consider whether arrangements for the bulk power supply points could release funding.	David Hughes	April Sponsor Board
91a/08	DfT to consider whether DfT funding (supplied to TfL) for the [REDACTED] could be used for Crossrail.	Graham Stockbridge / [REDACTED]	Complete
91a/09	Sponsors to consider whether the Crossrail Supplementary Access Charges could be amended to release funding.	David Hughes / Graham Stockbridge	April Sponsor Board
91a/10	JST to clarify what steps have been taken to safeguard depot space to accommodate 30tph.	Andy Wallace	Complete

CROSSRAIL SPONSOR BOARD MINUTES NO.90a

MINUTES OF MEETING HELD ON

Thursday 22nd March 14.30-16.00

Venue: 55 Broadway, 1st Floor, East Wing, Room 133

Sponsor Board Members

David Hughes*	TfL (Chair)
Simon Kilonback*	TfL
Ruth Hannant*	DfT
Matt Lodge*	DfT

In attendance

Graham Stockbridge	Head of DfT Sponsorship Team
Simon Adams	Head of Joint Sponsor Team (JST)
██████████	Secretariat

By invitation

██████████	DfT Sponsorship Team
Robin Wilkin	Project Representative
Sarah Gasson (Item 4 only)	TfL
Vicky Morley (Item 4 only)	TfL
██████████ (Item 4 only)	DfT

(* Voting Members)

1. Minutes and Actions of Meeting 89a

The minutes of the last meeting, held on the 26th January, were agreed without alteration. There were no actions from Part A as the discussion items all led to actions in Part B.

2. Sponsors' risk update

██████████ presented the JST's update of the Sponsors' risk register, explaining the three highest risks (of insufficient funding, being prepared in the event of delays to stage opening and the integration of the Crossrail programme) and Sponsors' key mitigations.

Graham Stockbridge emphasised the importance of challenging CRL on its contingency plans in the event of a delay to stage opening. Ruth Hannant asked whether the scoring was sufficiently high given the schedule challenges. Sponsors **noted** the paper and **agreed (action 90a/01)** that the JST would review the scoring and would continue to report by exception on the highest risks, and focus on important risks where Sponsors have less visibility.

3. Cost paper

Simon Adams presented on the cost scenarios which CRL would be presenting in Part B. Simon explained that the JST were exploring whether commercial expertise in Jacobs is available (outside of the P-Rep team) and could be commissioned for the independent review of CRL's cost forecasts (action 89b/04). Sponsors **agreed** to the approach but noted the importance of producing outputs quickly and that the Terms of Reference's objectives should be clarified (**action 90a/02**). Sponsors agreed that the independent cost reviewers were not being expected to validate the CRL numbers but to review how robust the processes were, whether they had been applied correctly and whether the judgements made by CRL were reasonable. Matt Lodge said that commercial expertise within the NR Thameslink team could be used to support Jacobs if needed.

Sponsors **noted** JST's initial analysis on the reasons for the cost increases since SACR14 (Appendix 1 of SB90-02) and **agreed** for the JST to present on the scope and timing for an independent lessons learned review at the March Sponsor Board (action 89b/05). Sponsors **agreed (Action 90a/03)** for the JST to undertake a comprehensive summary of historic cost movements and the reasons for those changes as part of the evidence base for an independent lessons learned review (building on Appendix 1 of SB90-02).

4. Media handling / comms

Sarah Gasson and Vicky Morley presented TfL's communications strategy for the Elizabeth Line, including the recent positive press coverage of the train on the Great Western, and the planned events to cover the start of dynamic testing in the central section (25th February), the fares package and confirmation of the Stage 2 contingency plan (Phase 1). Sarah noted the balance between building excitement to ensure the projected passenger demand is realised and managing expectations about the programme challenges. Sponsors thanked Sarah and Vicky for the presentation and **noted** the paper and the comms plan (Appendix 1). Sponsors **agreed (action 90a/04)** for an update to be provided every other month and for the December opening plans to be discussed in April.

5. Discussion of Part B agenda

Sponsors discussed whether the performance of Bombardier Transportation (BT) had improved since January. Significant attention has been applied including meetings between the Mayor of London and TfL Commissioner with BT. Sponsors agreed to ask CRL whether this attention was leading to improvements.

Sponsors discussed the MOHS (Master Operating Handover Schedule) and emphasised the importance of asking CRL about the level of buy-in and the leading indicators of success, such as productivity rates.

Simon Kilonback agreed to lead the discussion with CRL on cost emphasising the importance of clarity over the cost forecast and scenarios.

6. Project Assurance Review

██████████ presented the Sponsors' responses to the Project Assurance Review¹. Sponsors have focussed on increasing the pace and focus of reporting, communications and meetings. A weekly conference call between JST and CRL has been established with Sponsor Board members as optional attendees. Sponsors **noted** the actions taken and the more focussed approach to minute-taking.

7. Any Other Business

N/A

Action Tracker:

No.	Action	Responsible	Target
90a/01	JST to review and scrutinise the risk register with P-Rep. JST to continue to report by exception to Sponsors on the highest risks and present on important risks where Sponsors have less visibility.	██████████ & ██████████	March
90a /02	JST to review the Terms of Reference for the independent cost review to ensure the outputs are clear and present an update to Sponsors.	Simon Adams & ██████████	Complete
90a /03	JST to undertake a comprehensive summary of historic cost movements and the reasons for those changes as part of the evidence base for an independent lessons learned review (building on Appendix 1 of SB90-02).	██████████ & ██████████	Verbal update in April ; paper in May
90a /04	TfL comms to present every two months and to present in April on the December opening plans.	Vicky Morley & Sarah Gasson	April

¹ This was undertaken by the Infrastructure and Projects Authority in October and provided an amber/green rating, indicating that successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.

CROSSRAIL SPONSOR BOARD MINUTES NO.89a

MINUTES OF MEETING HELD ON

Friday 26th January 13.30-15.00

Venue: TfL, Victoria room, 4th floor, Palestra, Blackfriars Road

Sponsor Board Members

David Hughes*	TfL (Chair)
Simon Kilonback*	TfL
Matt Lodge*	DfT

In attendance

Graham Stockbridge**	Head of DfT Sponsorship Team
Simon Adams	Head of Joint Sponsor Team (JST)
[REDACTED]	Secretariat

By invitation

[REDACTED]	DfT Sponsorship Team
Robin Wilkin	Project Representative

Apologies

Ruth Hannant and Polly Payne*	DfT
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(* Voting Members)

(** Alternative Voting Member)

1. Minutes and Actions of Meeting 87a (there was no Part A in Meeting 88)

The minutes of the last meeting, held on the 23rd November, were agreed without alteration. Action 87a/1 (magnitude and timing of potential IP2 breach) is discussed in Item 2, 87a/02 (year to go event plans) and 87a/03 (JST response to CRL's SACR18) are complete. 87a/04 ('Economies of Experience') has been shared by DfT and JST will ensure all relevant parties have received it.

2. Cost update, unfunded items, scenario planning

Simon Adams presented the updated analysis on the cost scenarios. Simon noted the unfunded items of Ilford Track Speeds, Old Oak Common Second Link, Ilford Wire Heights and the legal agreements which together total circa. £22m. It was agreed that the treatment of these items would be considered once CRL have clarified the potential risk exposure above IP2.

Simon Adams explained that the JST has considered more conservative cost forecast ranges by assuming : i) all of the unresolved trends (UTRs – known changes where the amount has yet to be agreed) would materialise; ii) a range for the settlement of defined costs with contractors; iii) increased costs from schedule prolongation due to the revised Master Operating Handover Schedule (MOHS) and; iv) increased costs from the risk of programme delay from the rolling stock and depot contract with Bombardier Transportation (BT). This suggests that at a P50 the exposure could be circa. £90m-200m higher than CRL's Quantified Cost Risk Assessment (QCRA) forecast and circa. £100m-£240m higher at the P80 forecast. Simon emphasised that these ranges are based on high-level conservative assumptions rather than detailed calculations. Sponsors would have a better assessment of the potential cost exposure once Matthew Duncan (CRL Finance Director) has factored in the cost implications of MOHS and completed the bookend estimates.

David Hughes said that he understood that Sir Terry Morgan had met with both the Secretary of State and the Mayor to explain that a breach of IP2 was now a possibility and that the CRL Board had instructed CRL to look at all options to reduce cost. David suggested the Part B agenda is reversed to discuss the schedule challenges and then the cost forecast implications. David noted the significant increases of £586m in the CRL forecasts since SACR16 (circa. 16 months ago).

Matt Lodge agreed with David's assessment and explained that the DfT team had met the Secretary of State on 22nd January and that he had asked how the project's costs and schedule had deteriorated to this extent in the last 18 months. Matt suggested that Sponsors commission some independent analysis to learn the lessons on why the cost forecasts had deteriorated so quickly, and Sponsors agreed to discuss this with CRL.

Simon Adams moved onto discuss the 'IP2 note' provided by CRL which sets out the work they had undertaken to look at options to reduce cost. Sponsors agreed that the priority was to establish the cost-saving opportunities, the cost forecast ranges and how much further funding might be required. They would consider the intervention points and treatment of cost items once funding has been resolved, with a principle that all cost treatment should be transparent.

Simon Adams noted that CRL's P50 cash profile showed the drawdown of the final £136m of TfL contingency in Periods 6 (August – September 2018) and suggests that funds will fall beneath £100m towards the end of the financial year 2018/2019. Simon Kilonback noted that in June 2018 CRL's accounts are signed off by the TfL auditor and that CRL are requesting a 'letter of comfort' from TfL in advance. Simon Kilonback said that it was important therefore in advance for Sponsors to know the extent of the potential cost exposure, the timing when any additional funding is needed by, and how Sponsors intend to handle this. Both Sponsors noted that finding additional funding would be extremely difficult and could impact on other programmes. Therefore, it is of the utmost importance to apply pressure on CRL to manage the programme within the existing envelope as far as possible. Simon Kilonback suggested that an independent review of CRL's cost forecast was necessary ahead of any further funding being provided, in addition to the lessons review proposed by Matt Lodge. Sponsors agreed to raise this with CRL.

3. Media Handling

██████████ explained that a further meeting between JST, DfT, TfL and CRL Comms had been held to discuss a media statement which can be used in the event of questioning. The comms teams will continue to work together to develop detailed lines.

4. Discussion of Part B agenda

Sponsor Board members discussed Stage 2 and that CRL need to provide formal notification to Sponsors on what plan will be delivered for May. Sponsors understood that CRL were intending to deliver Plan C in May¹. Matt Lodge noted that DfT needed to recoup the [REDACTED] and so need to understand if the Stage 2 plan affects this. David Hughes noted that proceeding with Plan C mitigates a number of risks, in particular the need to avoid changes to the BT contract and to de-risk the Hayes and Harlington bay platform extension by taking it off the critical path. David Hughes also said that CRL need to clarify when Stage 2 Plan A will be delivered.

Sponsors discussed whether there was a priority order between the stages. Both Sponsors agree that Stage 3 was reputationally very important and Simon Kilonback emphasised the importance of Stage 5 from a revenue perspective.

Robin Wilkin flagged the implications of the revised MOHS for Stage 3 which has pushed back dynamic testing in Zones 1 & 2² to February-May and Zones 3 & 4³ to June – July. Trial running is now scheduled for July – September, with the 8th September a key milestone for the start of Trial Operations. Matt Lodge asked when Sponsors should start to consider contingency options. David Hughes said that work was already in progress by the infrastructure managers and operator to identify the minimum requirements for safe opening of the railway, noting that the handover will be suboptimal. David suggested that, given how important Stage 3 is, Sponsors should ask CRL at what point they would come to Sponsors and ask for a change to the opening strategy if it is required. Robin Wilkin noted that P-Rep would be tracking eight key dates leading up to the safety justification.

5. Any Other Business

Simon Adams updated Sponsor Board members on the revised form of On Network Works cost reporting which had been developed by CRL and NR in response to DfT's request for greater clarity and confidence assessments in the cost forecasts. CRL and NR presented this to DfT and JST on 22nd January. Both DfT and JST recommended the revised approach is approved and based on this Sponsor Board members **agreed to approve** it.

Action Tracker:

There were no actions in Part A, but the discussion points led to actions in Part B.

¹ The three plans described for Stage 2 are:

- Plan A: 4 trains per hour (tph) (full length Crossrail trains) to Heathrow as planned
- Plan B: 2tph (Heathrow connect trains) to Heathrow, 2tph (full length Crossrail trains) to Hayes & Harlington
- Plan C: 2tph (Heathrow connect trains) to Heathrow, 2tph (reduced length Crossrail trains) to Hayes & Harlington.

² The eastern and south-eastern sections of the central section.

³ The western sections of the central section.

CROSSRAIL SPONSOR BOARD MINUTES NO.87a

MINUTES OF MEETING HELD ON

Thursday 23rd November, 9.30-10.30

Venue: TfL, 7th Floor Auditorium, Albany House, 65 Broadway

Present:

David Hughes* TfL (Chair)
Simon Kilonback* TfL
Nick Joyce* DfT

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

By invitation

Graham Stockbridge Head of DfT Sponsorship Team
Robin Wilkin Project Representative
[REDACTED] DfT Sponsorship Team

Apologies:

Matt Lodge* DfT
(* Voting Members)

1. Minutes and Actions of Meeting 86a

The minutes of the last meeting, held on the 30th October, were agreed without alteration. Actions 86a/01-05 are due for completion in 2018 and have been added to the Sponsor Board forward look. The scenario planning workshop (86a/06) has been completed and is covered in Item 2. The Mike Brown and Bernadette Kelly meeting with Terry Morgan (86a/07) has been postponed until Terry Morgan's reappointment letter had been sent. This is due to be sent imminently and DfT agreed to setup the meeting. The JST is considering improvements to reporting (86a/08) with an update scheduled for January/February 2018.

2. Scenario Planning

Simon Adams updated the Sponsor Board on the scenario planning session held on the 15th November with David Hughes and Matt Lodge in which Sponsors discussed how they would respond to a potential breach of IP2. Simon presented to the Sponsor Board the JST's initial analysis which had been used to assess the robustness of CRL's cost forecasts. Simon explained that the JST had made more conservative assumptions than CRL by including: the full exposure of all unresolved trends; upper and lower boundaries for defined costs and risks; key excluded risks (such as overall programme delays and the consequential costs of BT delays) and known unfunded items. With these assumptions included the P50 up to P75 forecast remains under IP2. This initial analysis therefore suggests that there is a 1 in 4 chance of breaching IP2 and at P95 it is estimated to breach IP2 by circa. £100m. Simon explained that the JST had taken a subsequent action to discuss the magnitude and timing

of potential breach with CRL and provide an update at a future Sponsor Board. A meeting has been organised with Matthew Duncan for next week.

Action: 87a/01: JST to discuss the magnitude and timing of a potential breach with CRL and provide an update at the January Sponsor Board.

Simon explained that this analysis served as an introduction to the discussion, showing that the potential issue was manageable. Whilst there was no formal agreement both Sponsors committed to working together to address any potential breach.

David Hughes said that this initial analysis was very helpful and reassuring in estimating a circa. £100m problem for both Sponsors to resolve, rather than an unquantified sum. Nick Joyce and Simon Kilonback agreed but Simon noted that the £156m increase in CRL's P50 AFCDC between SACR17 and SACR18 was concerning.

Nick Joyce noted that there were two additional considerations for the JST's analysis: the cost impact on operations from a programme delay and the final outturn of the ONW in the event that all the efficiencies and savings cannot be achieved. It is necessary to consider a breach of IP2 within this wider picture.

David Hughes noted that the analysis helped inform discussions with TfL's Financial Committee and Nick Joyce said it would flow in DfT's risk reporting mechanisms. Both Sponsors agreed that it is important now to establish the timing of a potential breach of IP2 to ensure Sponsors can cover any in-year obligations and ensure CRL always have sufficient funds to meet the programme requirements.

3. Discussion of Part B agenda

Simon Adams outlined the key concerns for SACR18: the cost forecast and the confidence in Stage 3. The Stage 3 confidence of 71% has limited accuracy given the exclusion of the three most at risk stations and 19 assumptions on 'red' items. Simon Adams noted that the JST would be responding formally on behalf of Sponsors to CRL's SACR18. Simon then asked Robin Wilkin for an update on the latest developments following this week's Project Delivery Boards.

On Stage 2 Robin Wilkin said that CRL were still targeting the two weekends (9th and 16th December) before Christmas for dynamic testing of a Crossrail train on the Heathrow infrastructure but these dates look increasingly at risk.

On Stage 3 Robin said there had been a small explosion of General Electric (GE) equipment at Pudding Mill Lane (PML). GE is issuing a report to CRL to examine the cause and mitigations to enable energisation. However, the issue is likely to delay Dynamic Testing until after Christmas for Zones 1 and 2 and for April for the entire central section. Robin clarified that the GE equipment at PML is currently only being used for Crossrail. He noted that this delay puts increased strain on the schedule to integrate BT's train control management software (TCMS) and Siemens's signalling (CBTC) software for Stage 3 operations. Robin finally noted that there were wider railway system risks, including the need to replace the temporary ventilation with a permanent ventilation system.

David Hughes agreed with this assessment and said that CRL's recent update to the TfL Commissioner showed a range of items where there were risks which need to be mitigated. He noted that the worst case was a delay to Stage 3 or a half-finished opening and that LUL have started to prepare for reduced readiness time.

Graham Stockbridge asked whether Sponsors should begin considering how a sub-optimal or delayed opening would be managed and how Sponsors would choose between them if they have to in the future. Sponsors agreed that this was a good question given the increasing number of items that were falling onto the critical path. David Hughes also noted that the infrastructure managers might need CRL's support as programme integrator to re-plan the readiness activities. Simon Adams pointed out that CRL's business plan assumes they are going to meet key milestones and if they don't they may need to retain resource for longer to manage the increasing risks. He noted that the JST is obtaining CRL's revised business plan in 2018.

Nick Joyce asked about whether the 'year to go' (to Stage 3) event was still being scheduled. Simon and [REDACTED] noted that it was being driven by communications leads on the basis that they felt Sponsors should be seen to be shaping the message. Both Sponsors agreed that they were concerned about this given the increasing schedule and costs risks and suggested that the Sponsors should review how the event can be shaped to minimise the reputational risk. Sponsors also noted the need to reflect on at what point "on time" may need to be reconsidered.

Action 87a/02: Simon Adams and [REDACTED] to consider current plans over the 'year to go' event with their respective comms leads.

Sponsors noted that train controllers have balloted and that CRL should be asked for an update.

Simon Kilonback noted his concerns about CRL SACR slide (slide 4) which claims the adverse effect of the interest rate reduction without noting the cost benefits from low inflation. David Hughes agreed that this was misrepresentative reporting and said Sponsors should note this in the formal response to CRL's SACR and he would raise it in Part B. David also noted that many of the claimed "unfunded changes" were not always Sponsor requested changes, such as the change of Infrastructure Manager to RfL which David Allen and Andy Mitchell (CRL) said at the time would save circa £100m.

Action 87a/03: JST to note Sponsors' rebuttal of CRL's claimed 'drivers of change' in the formal SACR response.

4. Any Other Business

Nick Joyce noted that Andrew Wolstenholme was due to update the Department's Investment Committee on the programme on the 18th December and that there is a meeting of the Mayor and Secretary of State on the 11th December.

The lessons learnt report ('Economies of Experience') produced by Robert Jennings (DfT Non-Executive Director on the Crossrail Board) for Sponsors was discussed and the potential benefits for wider programmes.

Action 87a/04: DfT Sponsorship to speak to Robert Jennings about sharing the 'Economies of Experience' lessons learnt report with TfL.

Nick noted that this would be his final Sponsor Board as he is being succeeded by Polly Payne and Ruth Hannant who will be joining the Department to job-share the role of Director General for Rail. Nick has been appointed as Director General for Resources and Strategy. Matt Lodge will lead the December Crossrail Sponsor Call for the Department.

Action Tracker:

No.	Action	Responsible	Target
87a/01	JST to discuss the magnitude and timing of potential breach with CRL and provide an update at the January Sponsor Board.	Simon Adams	January 2018
87a/02	Simon Adams and ██████████ to consider current plans over the 'year to go' event with their respective comms leads.	Simon Adams and ██████████	December 2017
87a/03	JST to note Sponsors' rebuttal of CRL's claimed 'drivers of change' in the formal SACR response.	Sian Evans	December 2017
87a/04	DfT Sponsorship to speak to Robert Jennings about sharing the 'Economies of Experience' lessons learnt report with TfL.	██████████	December 2017

CROSSRAIL SPONSOR BOARD MINUTES NO.86

MINUTES OF MEETING HELD ON

Monday 30th October 2017, 9.00-10.30

Venue: St James Room, 11th floor (11B2), TfL Palestra building, Blackfriars Road

Present:

David Hughes* TfL (Chair)
Simon Kilonback* TfL
Nick Joyce* DfT
Matt Lodge* DfT

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

By invitation

Graham Stockbridge Head of DfT Sponsorship Team
Robin Wilkin Project Representative
[REDACTED] DfT Sponsorship Team
[REDACTED] JST

1. Minutes and Actions of Meeting 85a

The minutes of the last meeting, held on the 28th September, were agreed without alteration. All actions were complete with the exception of the letter to the CRL Chairman which has been approved by the DfT Permanent Secretary and is expected to be sent by the TfL Commissioner next week.

2. Sponsor Risks

[REDACTED] introduced the Sponsor risk register highlighting the top three risks. The top risk 'funding requirements' (that funding is insufficient to deliver the programme) has increased. Since September there has been a further funding request for the On Network Works of £80m, to be funded from the Network Rail contingency. The AF CDC has increased by £15m at P50 and £41m at P80 in Period 6 and a paper is tabled in item 4 for further discussion. The 'delays to stage opening' risk (that Sponsors have insufficient visibility of delays to manage their impact) has also increased since the February risk update due to the delay in Stage 1 and the Adverse Event Notice on the uncertainty in train software. The 'integration and transition' risk has been reworded to reflect the increased risk of a lack of integration between CRL and BT meaning Sponsors may not have sufficient visibility of an integrated schedule. Sponsors' focus is to understand whether this has been mitigated through the lessons learned from Stage 1.

Nick Joyce agreed with the three highest risks but wondered whether there were other elements Sponsors should be focussing on. He asked whether Sponsors are taking all possible action to maximise benefit realisation. David Hughes suggested that an update on benefits evaluation is provided at a future Sponsor Board. Matt Lodge noted Thameslink have also just completed their baseline evaluation with Crossrail and Thameslink working

closely together. **Action JST to update Sponsor Board on the baseline evaluation in 2018.**

David Hughes noted that the Industrial Relations risk was focussed solely on construction activities and the Sponsors should expand this to consider the operational railway. **Action: JST to amend the Industrial Relations risk.**

Matt Lodge emphasised that if costs increased further and schedule slipped the project might not be seen as a success and asked whether a reputational risk should be added. **Action: JST to add a 'Crossrail reputational risk'.**

3. Undertakings and Assurances (U&As)

██████████ outlined the first part of the paper that CRL is responsible for discharging all construction related commitments (with the exception of LUL commitments) by Final Completion. CRL have processes in place which have been found robust by audit. To provide assurance to Sponsors the JST are recommending assurance activities including a statement from the CRL CEO (that all commitments are discharged unless agreed with Sponsors), access to CRL's evidence in the Commitments Delivery Tracker (to enable Sponsors to defend themselves in the event of a future claim) and an audit of a sample of commitments discharged by CRL.

Nick Joyce asked about the timing of these activities. ██████████ responded that the audit has already been commissioned by the JST and should be complete by early 2018 but that Final Completion follows after all the construction Elements are completed.

Simon Adams asked whether there will be a CRL CEO at Final Completion. ██████████ said this was a good point and that most likely it would be the most senior CRL executive. Nick Joyce stated that there would need to be a CRL Board until that point irrespective of the nature of CRL. David Hughes suggested an interim statement from Andrew Wolstenholme before his term of office ends, followed by a final statement at Final Completion.

The Sponsor Board **agreed** with the assurance activities.

██████████ then explained that any claims against CRL are managed by CRL up until Final Completion. Beyond that any residual claims would remain with CRL as a legal entity and a further Sponsor Board discussion will be needed in advance of Final Completion to determine how these are managed. The Sponsor Board **noted** the need for this discussion.

██████████ set out the final part of the paper, that there are around 340 'long-term' commitments which relate to the operation and maintenance of the railway and therefore cannot be discharged by CRL. The JST has been working with both Sponsors' lawyers and CRL to identify these commitments and who is best placed to manage them. This work needs to be completed ahead of July 2018 when CRL substantially demobilise and the handover to the Infrastructure Managers occurs. It is important that both Sponsors prioritise this work and the JST is identifying contacts in TfL/RfL and Network Rail to support this.

Matt Lodge asked if CRL were sighted and ██████████ responded that they were closely involved and had read and commented on the draft paper.

The Sponsor Board **noted** the requirement of both Sponsors. **Action: JST to update Sponsors on U&As in early 2018.**

4. Update on Cost Position

Simon Adams introduced the paper, noting the increase in the AFCDC and the unfunded items which required resolution: the cost of disruption caused by the need previously for a 'Second Link' into the Great Western Railway (GWR) depot at Old Oak Common, the need to increase track speed at the London end of the Ilford depot to enable the Crossrail timetable and the cost of obtaining regulatory agreement for the railway.

The unfunded cost items were discussed and it was agreed that the JST would return to Sponsor Board with a proposal for each item. The JST would also check with CRL that these items covered all unfunded aspects of the programme. Ilford Track Speed was discussed and Robin Wilkin noted that CRL have a proposal which may mean the work is not required. Matt Lodge agreed that this was positive but that DfT would need to consider any operational costs for future franchises. David Hughes said it would be useful to discuss this issue in Part B.

Simon Adams also highlighted that there is no risk allowance for further train software delays and any associated programme prolongation. Robin Wilkin agreed noting that CRL's risk allowance is based on individual contracts and may be insufficient for an overall programme delay.

Action: JST to confirm unfunded items with CRL and return to a future Sponsor Board with proposals for addressing each item.

David Hughes noted the JST's questions in the cost paper for CRL. Sponsor Board members agreed the key question was CRL's confidence in delivering the programme without breaching IP2. Matt Lodge asked if there is a balance between achieving Stage 3 and delivering the programme in the most cost-efficient way. David Hughes noted that this is likely to be very complex to assess. Simon Adams agreed but said that on Cross Tunnel Rail Links the commencement date was delayed to avoid the need to spend extra money on key contacts and Sponsors may wish to consider this. David Hughes noted that the cost impacts of delivering a Plan B for Stage 2 were also not clear and this should be discussed in Part B.

Robin Wilkin noted that CRL are not planning to provide a schedule confidence for Stage 2 in SACR18. Sponsor Members noted the difficulty of accurately assessing this given the uncertainty over train software. Nick Joyce said it would be useful to have an assessment of how much of a delay this uncertainty could cause and Simon Adams agreed and said it would be useful to request P80 and P95 confidence dates from CRL.

The cost position against the funding envelope was discussed. David Hughes noted the importance of both Sponsors and CRL being aligned on the position and to move away from talking about being "on budget" or "within the funding envelope". He expressed that £1.1bn has been previously removed from the programme budget. Therefore, if the programme comes close to a final outturn of £14.8bn this would represent an achievement and Sponsors should make this clear through proactive lines. Sponsors agreed to discuss with CRL in Part B.

David Hughes said that Sponsors should start considering how they would manage a breach of IP2. He said [REDACTED] on IP2 and how the 'Put'/Call' options work which could be circulated to Sponsor Board members. If neither the 'Put' or 'Call' option is exercised a Sponsor discussion is required. David Hughes noted that the agreements were written to guard against a breach occurring much earlier in the project and it is questionable whether either Sponsor would wish to exercise their respective options at

this stage. Nick Joyce asked at what point CRL might forecast that it needs further funding. Robin Wilkin suggested Matthew Duncan might base this on the P95 forecasts. Simon Adams noted that the JST has begun considering a 'scenario planning' workshop to consider Sponsors' responses in the event of a breach of IP2 or delay to Stage 3. **Action: JST to circulate TfL memo and organise the scenario planning workshop on IP2 and Stage 3.**

Nick Joyce asked whether there was any possibility of de-scoping works in the event of IP2 and Robin Wilkin noted that this had already been considered at IP1. Nick Joyce said it would be important for this evidence to be communicated in the event of a breach of IP2.

5. Discussion of Part B agenda

The lessons learned report was discussed and Matt Lodge noted that it did not mention how CRL would improve their reporting to Sponsors. He noted that Sponsors heard far too late about the delay to Stage 1 and need to ensure they get better visibility for future stages. Simon Adams said that Sponsors should assess whether the new operational readiness reporting (the slides presented in Part B) provide Sponsors with sufficient visibility.

The operational readiness slides were discussed. It was agreed that Sponsors would focus on CRL's confidence in Stage 2 Plan A, the requirements for the fall-back options, and would question CRL on the timing of a decision for Stage 2.

Graham Stockbridge asked about the management of the BT contract and Sponsors agreed to ask Howard Smith on how the management of this contract has improved following the lessons learned report.

Matt Lodge noted that Mark Hopwood, MD of GWR, has said that if GWR's involvement is needed to mitigate against a delay to Stage 2 they need to know immediately. CRL's current fall-back options do not require GWR's involvement and therefore CRL need to make this clear immediately if that could change.

6. Any Other Business

Simon Adams noted that CRL were considering a 'one year to go' publicity event with both DfT and TfL press offices involved. Both Sponsors expressed the need for this to be managed carefully given the reputational risk in the event of a future delay to Stage 3.

Sponsors agreed that a further Terry Morgan meeting with the DfT Permanent Secretary and TfL Commissioner would be organised to emphasise the need for CRL to closely manage all aspects of cost and schedule. This will follow Terry Morgan's reappointment letter. **Action: JST and DfT Sponsorship Team to organise with the respective offices a further Terry Morgan / Bernadette Kelly / Mike Brown meeting.**

Following Part B, Sponsors agreed the operational readiness reporting was better but consideration should be given on how to improve it further, such as by including baseline as well as forecast completion dates. **Action: JST to consider improvements to readiness reporting.**

Action Tracker:

No.	Action	Responsible	Target
86a/01	JST to update Sponsor Board on the baseline evaluation work.	Andy Wallace	April 2018
86a/02	JST to amend the Industrial Relations risk for the next update to Sponsors.	██████████	February 2018
86a/03	JST to add a 'Crossrail reputational' risk for the next update to Sponsors.	██████████	February 2018
86a/04	JST to update Sponsors on progress with U&As in early 2018.	██████████	February 2018
86a/05	JST to confirm unfunded items with CRL and return to a future Sponsor Board with proposals for addressing each item.	Simon Adams	January 2018
86a/06	JST to circulate TfL memo and organise the scenario planning workshop on IP2 and Stage 3.	Simon Adams / ██████████	November 2017
86a/07	JST and DfT Sponsorship Team to organise with the respective offices a further Terry Morgan / Bernadette Kelly/ Mike Brown meeting.	Simon Adams / ██████████	November 2017
86a/08	JST to consider improvements with CRL to the readiness reporting.	JST	January 2018

CROSSRAIL SPONSOR BOARD MEETING No.85a
MINUTES OF MEETING HELD ON

Meeting on: Thursday 28th September 2017, 9.30 to 10.30
Venue: St James Room, 11th floor, (11B2), TfL Palestra building, Blackfriars Road

Present:

David Hughes* TfL (Chair)
Nick Joyce* DfT

Simon Adams Head of Joint Sponsor Team
[REDACTED] Secretariat

* Voting Members

By invitation:

Robin Wilkin Project Representative
[REDACTED] DfT Sponsorship
Sian Evans Joint Sponsor Team

Apologies:

Matt Lodge DfT
Graham Stockbridge DfT
Simon Kilonback TfL

1. Minutes and Actions of Meeting 85

David Hughes began by thanking all for making the time to schedule this meeting at relatively short notice. He explained that it had seemed appropriate to hold this additional interim Sponsors-only board meeting, in light of the cancellation of the September board due to the security incident at Parsons Green and in view of the number of significant matters requiring Sponsor discussion.

The minutes of the last meeting held on 1st August agreed without alteration. Actions all agreed as complete with the addition of the following discussion.

The cost validation paper tabled to the cancelled Board of Sept 15th set out the reasons behind the recent Period 3 increase and also highlighted the existence of items for which the funding source is not clear.

It was agreed that this paper should be refreshed and tabled to October board - to cover unfunded items and any points Sponsors should be aware of when considering CRL's commercial update at the next board meeting.

2. Funding Envelope

KF introduced the paper and set out that the need for a discussion had been prompted by recent cost increases, particularly on the On Network Works, which meant that the project may no longer be considered within the funding envelope of

£14.8bn. A common position on this should be agreed in order to inform (at least) briefings to Ministers and public statements on the project.

The treatment of depot costs was discussed and it was noted that a historical inconsistency has persisted in the way in which depot costs were included within the calculation of the AFC whilst rolling stock is not, despite both being funded separately by TFL and not from the Sponsor Funding Account. It was agreed that although this is an inconsistency with the AFC, it would not be advisable to correct this now or alter the reporting of the AFC without this potentially being perceived as advantageous manipulation.

Sponsor Board members noted that costs being above the funding envelope amount of £14.8bn did not mean that the project had exhausted available funding. The recent increase costs in the On Network Works takes this element of the project costs to £2.530bn versus the original planned funding of £2.3bn for these works, which was the level factored into the £14.8bn. The Sponsor Board members noted that the available funding had been increased to meet these increased costs and the messaging around the position against the funding envelope should look to make this point plain.

██████████ noted that there was a pressing need to have a headline position on this issue agreed, since a briefing was very shortly due to the Secretary of State ahead of the Transport Select Committee. A response to the question 'is the project on time and on budget' is always included and up to now, and it has been reported that the project remains within its funding envelope.

The Sponsor Board did **NOT AGREE** with the presentation of costs as presented in the tabled paper ie. that depot costs be excluded when comparing project costs to the funding envelope.

The Sponsor Board **AGREED** that the AFC as compiled in SACR according the PDA definition should be the basis of the comparator to the funding envelope and that, following the recent increase of £80m in the ONW AFC, this meant that the overall AFC now exceeded £14.8bn.

The board **AGREED** that the Head of Joint Sponsor Team would set out a proposed position and messaging around the funding envelope position and return this to the next meeting.

3. ONW Funding

The Sponsor Board had tabled a letter from Sponsors instructing the termination of the incentives arrangement between NR and CRL. Nick Joyce asked what the position with this was, as he had understood that Sponsors had already instructed CRL to execute this following the discussion in August and to release the £22m held in the AFCDC for these incentives as a contribution to the cost of the On Network Works. The release of the £22m was to stand alongside the grant payment from DfT which had been made in early September and an internal reallocation of budget from NR.

David Hughes agreed and noted that it wasn't clear why CRL had not progressed this and this letter was intended to clarify firmly that this should be taken forward.

Sponsor Board **AGREED** for David Hughes to send the letter on behalf of Sponsors instructing CRL to progress with NR's consent, the termination of the incentives agreement.

With regards to the residual £84m funding gap relating to the variation notices which the DfT was working to find a funding solution for, Nick Joyce confirmed that the SoS had now given a commitment to this money being found from departmental resources. He had however requested a meeting with the NR Crossrail programme director to explain the cost position with the overall ONW, and confirmation of the financial approval would be given to NR after this meeting had been held.

KF provided a further update regarding the On Network Work funding. In the last week, a further cost increase of £80m has been reported by NR to the Crossrail AFC. A request to fund this addition from the DfT / NR CP5 portfolio contingency was made, and although unwelcome, was approved in principle by the DfT / NR governance of that board. The NR Crossrail Programme director has presented to CRL and DfT the reasoning behind the increase, which is driven by cost increases in three key contracts – [REDACTED], and the write-off of unachievable efficiencies. The revised AFC is now considered to be in a more stable position because of these measures, but not without continuing commercial risk. In particular NR are concerned about the possibility of increases in the Costain contract, and the lack of a meaningful estimated final cost from this contractor.

The CRL Surface Director would be asked to provide an update at the next Sponsor Board, having not had the opportunity to do so in September.

4. CRL Chairman appointment

A draft letter was tabled recommending the reappointment of Terry Morgan as Crossrail chairman.

[REDACTED] confirmed that DfT were happy with the letter and that all internal governance had been concluded.

SE noted that TfL Remuneration Committee was considering the reappointment at the meeting in the coming week and following this, TfL would have concluded their governance

The Sponsor Board agreed that the letter would be better signed by Mike Brown and Bernadette Kelly rather than from David Hughes and following this change, the letter should go to Mike Brown for final approval.

Action: Simon Adams to seek TfL Commissioner approval for letter and work with DfT to issue.

5. Adverse Event Notice

David Hughes outlined that the PDA requires Sponsors to give a response to the Adverse Event Notice 90days following its receipt, meaning that a response is required by 7th October. A draft response letter had been brought to the meeting which asks Crossrail Limited to bring a detail assessment of their delivery confidence and the status of fallback planning to the next Sponsor Board in October.

Action: JST to review the letter and get approval from both DfT and TfL and to issue on behalf of the Chair of the Sponsor Board.

6. AOB

There was no other business.

OFFICIAL – SENSITIVE COMMERCIAL

84/02			
No.	Action	Responsible	Target
85/01	JST to update the cost paper due to be tabled to September board and return to the October board, covering any items requiring funding clarification from Sponsors.	Simon Adams	30 th October
85/02	JST to set out a proposal for lines to take regarding the position against the funding envelope for Sponsors to consider	Simon Adams	30th October
85/03	Letter to be issued to Crossrail Limited instructing termination of incentives agreement.	David Hughes	Asap
85/04	Reappointment letter for CRL Chairman to be agreed by both sponsors and issued	Simon Adams	30 th October
85/05	Sponsors' response to Adverse Event Notice to be finalised by JST and issued	Sian Evans	7 th October

**CROSSRAIL SPONSOR BOARD MEETING No.84
MINUTES OF MEETING HELD ON
TUESDAY 1ST AUGUST, 15.30-16.30
27TH Floor, Windsor House, 42-50 Victoria Street**

Present:

David Hughes*	TfL (Chair)
Simon Kilonback*	TfL
Nick Joyce*	DfT
Matt Lodge*	DfT
Richard Lyon	Joint Sponsor Team (JST)
[REDACTED]	JST (Secretary)

* Voting Members

By invitation:

Robin Wilkin	Project Representative
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Apologies:

Graham Stockbridge	DfT
[REDACTED]	JST

MEETING PART A

1. Minutes and Actions of Meeting 83

David Hughes introduced the meeting, the three papers for discussion and asked if there were any other areas for discussion. Matt Lodge said it would also be helpful to discuss how Sponsors can have more visibility of the rolling stock and depot contract and Nick Joyce said it would be useful to discuss the regularity of the Sponsor Board.

The draft minutes of meeting no. 83 (Part A) were **AGREED** as circulated. The actions were discussed: Simon Kilonback will provide an update following the meeting on the changes to the Crossrail Executive incentives, as agreed at the TfL Remuneration Committee. It was noted that Sarah Johnson has written to CRL in response to SACR (83/01) and CRL have shared the independent commercial and cost review report with Sponsors (83/01 Part B). All other actions are dealt with in the course of the agenda.

2. Period 3 – Delivery and cost position

David Hughes introduced the paper (SB84-01: Period 3 Cost Position and Validation). There was a challenging discussion at the June Sponsor Board following the increased costs over the previous SACR period and it was disappointing to see a further significant cost increase at Period 3, leading to a £410m increase in the AFCDC (P50) since SACR16. David Hughes noted that the JST is proposing to do further cost validation work as set out in paragraph 9 of paper 84-01.

Richard Lyon explained that in the cost validation work the JST would be considering the robustness of the 'run rate' applied to the forecast and the stability of the forecast cost position. The JST will request the detail of the components and build-up of latest forecast.

Robin Wilkin said that P-Rep were also undertaking more detailed analysis of the cost position to provide a better understanding. Robin Wilkin noted that P-Rep has been reporting a likely cost increase but that the size of the Period 3 cost increase was greater than expected. It also was noted by the Sponsor Board that CRL did not alert Sponsors to the cost increases at the Crossrail Board Away Day.

Matt Lodge noted his concern over whether this was a stable cost forecast or whether further cost increases were likely and all members agreed that understanding this better was critical. David Hughes noted that the P50 – P80 were converging which might provide more certainty on the final cost outturn. All board members agreed that it was of critical importance that the costs did not exceed IP2, and that their focus should be on tracking cost progress towards this.

Nick Joyce asked whether there were costs excluded from the risk allowances. Robin Wilkin responded that there were some exclusions, most notably the Ilford track/line speed adjustment works (needed ahead of Stage 4) and the impact of any delays in Bombardier Transportation's (BT's) rolling stock and depot contract. Nick Joyce noted the importance of understanding the extent of any such exclusions and welcomed the inclusion of this point as part of additional cost assurance work.

Sponsor Board agreed that the JST cost validation work proposed in paragraph 9 of paper 84-01 should be undertaken and that CRL would be asked to present at the September Sponsor Board and send through materials in advance for the Board's scrutiny.

Action 1: The JST to undertake cost validation work as proposed in paragraph 9 of paper 84-01. CRL to present at the September Sponsor Board.

Nick Joyce asked if the CRL Board was doing all it could to oversee and challenge the cost position. David Hughes responded that, from speaking to the TfL non-executive director, the CRL Board is providing a good level of challenge to the CRL executive. Both Sponsors agreed to reiterate to their non-executive directors the importance of the CRL Board providing an appropriate level of challenge.

Nick Joyce noted that it was unusual that the CRL Board report does not report the cost position against the £14.8bn funding envelope. All members agreed that the cost position was now getting very close to the £14.8bn and that the JST should work with CRL to agree the exact assumptions on the 14.8bn (as part of work in paragraph 9 in paper 84-01) and this figure should be reported against in future.

Action 2 The JST to ensure there is reporting against the £14.8bn funding envelope.

Matt Lodge asked whether Sponsor Board should now consider the escalation route for the Crossrail forecast cost position via the DfT Permanent Secretary and TfL Commissioner. All members agreed this would be appropriate given the latest forecast cost position and that the Sponsor Board Chair will write to Terry Morgan to

ensure he is aware of the Sponsors' strength of feeling and concern over the cost increases and ask him to attend a joint meeting with the Permanent Secretary and Commissioner.

Action 3: Head of the JST to draft a letter to Terry Morgan on behalf of the Sponsor Board Chair.

The Sponsor Board **NOTED** the Crossrail period 3 cost position; **AGREED** the outline of the additional cost validation work which the JST will undertake with CRL; and **NOTED** that the JST will provide a summary of the review to the Sponsor Board by the end of August 2017.

3. On-Network Works Funding – Update

██████████ gave an overview of the paper (SB84-02): NR require an additional £154m of funding to deliver the On Network Works with £59m of financial authority required by the end of August. The paper proposed that £70m of funding to be provided by the end of August in line with the proposal made by CRL and NR in their response to the Permanent Secretary, and with a further £84m to be identified by DfT by the end of October. The £70m proposal is for £20m to be contributed by NR, £28m by DfT and £22m to be provided by terminating the CRL/NR incentive agreement. CRL and NR have informally agreed to this on the basis that NR is forecast to meet most of the delivery milestones but this requires the approval of Sponsors.

David Hughes explained the background on the delivery incentives agreement. In general there has been a principle of not mixing the AFCDC funding and ONW funding. However, in circa. 2010 it was agreed to use some of the AFCDC funding to incentivise Network Rail's performance to ensure ONW delivery met CRL's requirements. David Hughes noted that provided NR are on forecast to meet the delivery milestones TfL are content for the £22m to be released but that the Sponsor Board needed evidence of this. Richard Lyon said that CRL had provided written evidence which indicated that NR was forecasted to deliver the majority of the milestones.

David Hughes asked that Sponsors agree that any cost overruns which take the final cost of the ONW above £2.3bn would not be added onto the Crossrail Supplementary Access Charge (which seeks to recover the cost of the works up to £2.3bn from Crossrail users) or alter the amount TfL would pay through access charges which the Crossrail operator would have to pay. All members agreed.

David Hughes asked about the position with Ilford station upgrade works in the context of the £70m now being provided. Richard Lyon noted that the next step for the upgrade works was the commissioning of the detailed design which the £70m would secure in August.. Nick Joyce said that DfT needed to have a further discussion with the Secretary of State on the £84m but that the Secretary of State understood both the importance and timescales of the funding requirement.

Simon Kilonback asked what assurances Sponsors have that there will be no further cost increases. Both Sponsors emphasised the importance of CRL continuing to manage NR's delivery and commercial performance and to work with DfT to ensure there are no further cost increases.

David Hughes asked whether the pain/gain arrangement (based on the target price of £2,159m) could be used to incentivise performance. Matt Lodge responded that in effect the pain/gain arrangement no longer had any effect because NR's financial accounts had been placed on DfT's balance sheet and therefore any pain/gain was effectively passed onto DfT.

Nick Joyce observed that if the £22m is being released from the AFCDC and being used to fund the ONW it is important that it is no longer included in the AFCDC as otherwise Sponsors would effectively be double-counting costs.

Action 4: JST to confirm how the £22m will be used and to ensure it is not double-counted in costs.

Matt Lodge noted that Mark Hopwood of Great Western Railway had informally indicated in discussions with DfT that opportunities existed for CRL to save money from the current arrangements at stations like Taplow where GWR doesn't require the level of staffing being committed. David Hughes recommended a discussion with Howard Smith.

The Sponsor Board **NOTED** the residual £84m of unfunded pressure which remains after the package of contributions totalling £70m are implemented, and the actions that DfT is taking to resolve this as responsible Sponsor.

The Sponsor Board **AGREED** that CRL progress the termination of the incentives agreement with NR and use the £22m to fund the On Network Works, provided that;

- i) CRL can confirm that NR are currently forecast to deliver most of the milestones;
- ii) no cost increase above £2.3bn will be added to the Crossrail Supplementary Access Charge;
- iii) CRL remain focussed on managing NR's cost; and
- iv) that designs for Ilford station are progressed as part of the £70m of additional funding.

Action 5: Head of the JST to draft a letter to Andrew Wolstenholme on behalf of the Sponsor Board Chair, confirming approval to terminate the incentives arrangement and redirect the money towards the surface works.

4. Stage Delivery and Adverse Event Notice

David Hughes outlined that an Adverse Event Notice ('the Notice') had been received from CRL regarding delays in the development of the train control management software. The Notice indicated CRL were due to provide Sponsors with a further assessment of the concerns, and that the JST were proposing to work with CRL to understand the impacts of Stage 2 'fall-back' or 'Plan B' options for both Sponsors.

Richard Lyon explained that shortly before the meeting he had received the further assessment from CRL that the JST would review. As a headline, it states that the Stage 2 date for passenger services ('plan A') remains achievable but challenging, and that CRL are developing a 'plan B' option to explore the feasibility of running the Heathrow Connect class 360s trains from Heathrow to Paddington, and running the Crossrail class 345 trains between Hayes and Harlington and Paddington.

Matt Lodge noted that previously 'plan B' had involved consideration of whether it was prudent to delay Stage 2 in order to prioritise resource and effort towards Stage 3. David Hughes said that CRL need to explain this at the next Sponsor Board.

Sponsors discussed the need for greater visibility and management from CRL of the RfL led rolling stock and depot contract. Nick Joyce noted that at the June Sponsor Board Andrew Wolstenholme recognised that he is accountable for this contract but did not feel he had the levers to manage it. David Hughes said Sponsors need to ensure CRL are actively managing this contract. Nick Joyce agreed and said that Sponsors need assurance that CRL are doing their utmost to manage this and are flagging to those with greater influence where they are unable to do so. Robin Wilkin commented that there is no reason why CRL cannot get the management information required because Howard Smith is a CRL Executive and reports to Andrew Wolstenholme. All agreed that CRL need to be more intrusive in RfL's management of the rolling stock and depot contract. David Hughes proposed to include in the Andrew Wolstenholme letter a request for an update on the confidence in Stage 2 and 3, the feasibility and impact of 'plan B' options, and how CRL are actively managing the rolling stock and depot contract.

(addition to) **Action 5:** Head of the JST to include these points in the Andrew Wolstenholme letter.

Matt Lodge asked if Sponsors could usefully make greater use of independent assessments, noting the work of Chris Green, a CRL Expert Panel Chair who also provides independent advice for Thameslink. Matt Lodge suggested that Chris Green be asked to brief the Sponsor Board. Members agreed this could be useful, provided it did not undermine the influence of individuals in presenting to CRL. Robin Wilkin noted that the Project Representatives do attend the Expert Panel sessions and report the outputs in their periodic reports.

Nick Joyce noted that it was important that Sponsors fulfil their obligations under the Project Development Agreement and respond to the Adverse Event Notice in a

timely manner. All members agreed there was sufficient time to respond following the September Sponsor Board.

The Sponsor Board **NOTED** the contents of the Adverse Event notice; **AGREED** to consider the matter further at the September Sponsor Board upon receipt of CRL's assessment of the Adverse Event; and **AGREED** for the JST to work with CRL to analyse the impact on DfT and TfL of Stage 2 services commencing at a later date than planned.

Action 6: JST to work with CRL to assess the impact of 'plan B' options for both Sponsors.

5. AOB

Matt Lodge asked whether the Sponsor Board should meet on a monthly basis given the current position of the Programme. All members agreed to a full Part A and Part B Sponsor Board every month after September with the option of standing down either or both parts depending upon the circumstances. Nick Joyce noted this would send the right signal to CRL given the latest cost and schedule challenges.

Action 7: JST to schedule monthly meetings following the September Sponsor Board.

No.	Action	Responsible	Target
84/01	i) The JST to undertake cost validation work as proposed in paragraph 9 of paper 84-01; ii) CRL to present at the September Sponsor Board on the forecast cost position.	i) JST ii) Head of the JST	End August
84/02	The JST to ensure there is reporting against the £14.8bn funding envelope.	JST	End August
84/03	Head of the JST to draft a letter to Terry Morgan on behalf of the Sponsor Board Chair to note Sponsors' strength of feeling and concern over the cost increases and ask him to attend a joint meeting with the Permanent Secretary and Commissioner.	Head of the JST	End August
84/04	JST to confirm how the £22m will be used and to ensure it is not double-counted in costs.	JST	End August
84/05	Head of the JST to draft a letter to Andrew Wolstenholme on behalf of the Sponsor Board Chair to: confirm approval to terminate the NR delivery incentives arrangement and redirect the money towards the surface works; and to request an update on: lessons learnt from Stage 1; risks to Stage 2 and 3 and the feasibility and impact of 'plan B' options; and how CRL are actively managing the rolling stock and depot contract.	Head of the JST	End August
84/06	JST to work with CRL to assess the impact of 'plan B' options for both Sponsors.	JST	Early September
84/07	JST to schedule monthly meetings following the September Sponsor Board.	JST	End August

SUMMARY OF OUTSTANDING ACTIONS ARISING FROM PART A - SPONSOR BOARD MEETING (SPONSORS ONLY)

No.	Action	Responsible	Target	Status
84/01	<p>i) The JST to undertake cost validation work as proposed in paragraph 9 of paper 84-01;</p> <p>ii) CRL to present at the September Sponsor Board on the forecast cost position.</p>	<p>i) JST</p> <p>ii) Head of the JST</p>	End August	Completed. Paper outlining JST work done tabled to September meeting for discussion and CRL to present on cost position.
84/02	The JST to ensure there is reporting against the £14.8bn funding envelope.	JST	End August	Complete. Board paper outlining the proposal position on the funding envelope tabled to September meeting
84/03	Head of the JST to draft a letter to CRL chairman on behalf of the Sponsor Board Chair to note Sponsors' strength of feeling and concern over the cost increases and ask him to attend a joint meeting with the Permanent Secretary and Commissioner.	Head of the JST	End August	Complete. Letter was sent dated 23 rd August was sent to Sir Terry Morgan and a meeting between DfT Permanent Secretary / TfL Commissioner and the CRL Chairman and Chief Executive held on 5 th September on this matter.
84/04	JST to confirm how the £22m will be used and to ensure it is not double-counted in costs.	JST	End August	Ongoing. The termination of the £22m incentives arrangement remains under negotiation.
84/05	Head of the JST to draft a letter to Andrew Wolstenholme on behalf of the Sponsor Board Chair to: confirm approval to terminate the NR delivery incentives arrangement and redirect the money towards the surface works; and to request an update on: lessons learnt from Stage 1; risks to Stage 2 and 3 and the feasibility and impact of 'plan B' options; and how CRL are actively managing the rolling stock and depot contract.	Head of the JST	End August	Complete. A letter was drafted


CROSSRAIL SPONSOR BOARD MEETING No.83

MINUTES OF MEETING HELD ON

FRIDAY 23rd JUNE 13:30-16:30

VICTORIA ROOM, 4TH FLOOR, TFL PALESTRA BUILDING

Present:

Ian Nunn*	TfL (Chair)
David Hughes*	TfL
Nick Joyce*	DfT
Matt Lodge*	DfT
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Graham Stockbridge	DfT
Robin Wilkin	Project Representative
Howard Smith	CRL (for agenda point 5)

Apologies:

None

MEETING PART A

1. Minutes and Actions of Meeting 82

Ian Nunn introduced himself as the new chair of the meeting.

The draft minutes of meeting no 82 (Part A) were **AGREED** as circulated. Ian Nunn noted that the minutes advised that the revised KPIs relating to the remuneration of CRL executive directors were to be presented to the TfL Remuneration Committee. He understood that the next Remco meeting was on the 19th July and asked that the Joint Sponsor Team follow up whether a paper was to be submitted to that meeting.

ACTION: Head of the Joint Sponsor Team to follow up.

2. SACR 17

Ian Nunn observed that the SACR17 presented a gloomy picture of increasing costs and decreasing confidence in achieving stage completions. Large withdrawals of contingency have been made in the period, and there remain

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key outstanding issues such as regards the funding resolution for the On Network Works. However, it was not clear what meaningful remedy or consequence sponsors are able to trigger in light of this. Ian Nunn invited the perspectives of the other board members on the project and how they should or could respond as a board.

Sarah Johnson noted that previous discussions at the board had already considered the formal remedies available to Sponsors and a request for the review of the KPIs underpinning executive remuneration had resulted. Sponsors were now reliant upon their direct influence with CRL to reinforce their concerns and gain reassurance.

Nick Joyce queried what level of confidence sponsors should have in the figures being reported, especially in light of a £245m increase in forecast cost in the last 6 months alone, noting that the actions that may be taken would look different depending on whether the figures are considered to be robust or not. Robin Wilkin reported that there has been a further £12m increase in costs since the figures shown SACR report and further sizeable increases are expected in the Period 3 report relating to Systemwide and Whitechapel contract.

David Hughes commented that the CRL Board had recently commissioned their own independent cost review and that may provide a new insight to Sponsors and should be requested to be shared. Otherwise, he viewed that the main course of action available for the Sponsor Board was to ask CRL management to outline what they are doing to address the challenges.

Matt Lodge commented that he would like to hear what CRL are doing to improve the confidence level of achieving Stage 2, and to understand when Sponsors may see the result of lessons learned in the delay to the launch of Stage 1. Robin Wilkin noted that Stage 2 confidence rests upon the progress on the development of the Train Control Management System software with the signalling which has been experiencing delays for some time.

Graham Stockbridge suggested that one action the Sponsors could take would be for DfT Permanent Secretary and the TfL Commissioner to invite the CRL chairman Terry Morgan in and to ask him to explain his perspectives on the project and what measures are being put in place. Sponsor board members agreed that this was a sensible measure.

The Sponsor Board considered the relative importance of delivering on time against delivering within budget considering the concerns around both cost and programme. There was a general consensus that delivering the current staged opening plan on time was the priority, based on an assumption that costs stayed within IP2 and the TfL £600m contingency. Beyond IP2, that equation would be different, given the different consequences that that then triggered.

In view of the concerns that exist around Stage 2 and ETCS development, board members could see merit in considering a re-phasing of Stage 2 and

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Stage 3 to ensure Stage 3 central section opening was protected. Sarah Johnson noted that the delivery of Stage 2 was an issue as much for the DfT as well as TfL, given that there would be ramifications on the franchising arrangements of Heathrow Connect and Great Western services if Stage 2 were not to go ahead as planned.

In summary, Board members agreed three actions that should be taken based on these concerns:

- i) Elevate the issue to Permanent Secretary and Commissioner level and arrange a meeting with CRL Chairman;
- ii) Undertake further review work to provide reassurance to Sponsors on the validity of the cost forecast;
- iii) Consider the contingency options for Stage 2 and Stage 3 phasing.

Action: Joint Sponsor Team to take forward.

The Sponsor Board agreed to communicate the first action to CRL in Part B but not the following two. Instead this work should be done to inform a further sponsor discussion as soon as practicable.

In view of her imminent departure from her role, Sarah Johnson proposed that she draft a formal letter for Ian Nunn to send CRL on behalf of Sponsors, accepting the Crossrail Investment Model as formally required, but also noting the Sponsors' concerns around the headlines from the SACR, and the intention to arrange a senior level meeting to discuss with the CRL Chair.

The Sponsor Board **NOTED** the contents of the paper SB 83-1; **NOTED** the contents of SACR 17 and the Prep; and **AGREED** that, in the SACR 17 Period, there has been a TfL Significant Remedy Event, **AGREED** that the Chair of the Sponsor Board write to CRL confirming the outcome of the Sponsor board discussion.

Action: Sarah Johnson to draft letter for the Chair of the Sponsor Board to send to CRL.

3. Discussion of Part B Agenda (exc SACR 17)

The Sponsor Board considered other matters that they wished to pick up with CRL in Part B that they had not already discussed.

Board members agreed that they must discuss with CRL the delay to the launch of Stage 1 train operations, and what they expect to do differently for Stage 2 as a result of the experience.

Nick Joyce reported to the board that DfT would like to have a greater visibility over and input into the communications planning ahead of future stages, due to a concern that the communications and branding accompanying the launch of the Stage 1 train did not give as much weight to DfT's input as was felt

appropriate. Ian Nunn acknowledged the concern and agreed that that should be addressed.

██████████ provided an update on the status of ONW funding. Andrew Wolstenholme and Mark Carne had jointly responded to DfT with a revised funding challenge of £154m. £70m of additional funding had been identified already; from £22m of funds held by CRL for future NR incentives payments, a further £20m of funding from NR, and £28m of year-end underspend to be released by DfT to NR.

This leaves a further £84m to be found by the end of October this year, and ██████████ reported that the DfT would be considering what funding sources for this might exist through a departmental financial forecasting exercise taking place in July. A submission to ministers to seek approval for the funding of this amount would then be presented in early September on their return from summer recess. This funding challenge was not currently holding up delivery on the Crossrail programme.

4. Forward Look

The Sponsor Board **NOTED** the forward look as tabled.

5. Heathrow Spur – Regulation & Charging

Howard Smith joined the meeting for this agenda item. Ian Nunn asked the position regarding the agreement of track access charges for the running of trains to the airport in May 2018.

Howard Smith reported that the level of charges was known based on the information that Heathrow had published within their network statement. There were only two caveats to this. The first being that HAL are proposing a 'mark-up' charge which would be new for the whole industry and on which the ORR will consult in due course. However this will not apply for trains running at May 2018 since HAL have run out of time to get this agreed and in place for that timetable period.

Howard Smith reported that it is expected that the base amount of charges relating to directly incurred costs is circa £6m per annum, with a potential for a further £3-4m of 'mark-up' charges applied. This means that charges remain within £10m of the TfL business plan estimate.

The second caveat related to the ongoing question of an infrastructure recovery charge. HAL have submitted a formal appeal of the judicial review judgment, however this is expected to be withdrawn imminently.

Sponsor Board **NOTED** the contents of paper SB 83 – 2.

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No.	Action	Responsible	Target
83/01	Joint Sponsor Team to advise of the date of the TfL Remuneration Committee which will approve the CRL Executive directors remuneration and related KPIs.	Head of the Joint Sponsor Team	17 th July
83/02	Develop and take forward the following: <ul style="list-style-type: none"> i) Elevate the issue to Permanent Secretary and Commissioner level and arrange a meeting with CRL Chairman. ii) Undertake further review work to provide reassurance to Sponsors on the validity of the cost forecast iii) Consider the 'plan B' options for Stage 2 and Stage 3 	Head of the Joint Sponsor Team	End July
83/03	Draft letter in response to SACR for Ian Nunn to send to CRL.	Sarah Johnson	30 th June


CROSSRAIL SPONSOR BOARD MEETING No.82

MINUTES OF MEETING HELD ON

THURSDAY 20 APRIL 2017

CROSSRAIL, 8TH FLOOR, 1 WESTFERRY CIRCUS, CANARY WHARF

Present:

David Hughes*	TfL (Chair)
Matt Lodge*	DfT
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (secretariat)

* Voting Members

By invitation:

Graham Stockbridge	DfT
Robin Wilkin	Project Representative
Andrew Wallace	Joint Sponsor Team (for agenda point 3)
Howard Smith	CRL (for agenda point 6)

Apologies:

Bernadette Kelly	CRL
Ian Nunn	TfL

MEETING PART A

1. Minutes and Actions of Meeting 81

The draft minutes of meeting no 81 (Part A) were **AGREED** as circulated.

The two open actions have both now been completed. Sarah Johnson reported that a letter had been drafted and sent to Sir Terry Morgan on behalf of Sponsors and both Ian Nunn and Bernadette Kelly had discussed the matter with him individually, and both were understood to be content that new proposals would be aligned to Sponsors' interests. New proposals for executive remuneration arrangements were currently being made and which will ultimately be brought to TfL Remuneration Committee.

The Sponsor Board meeting was being held at the Crossrail Integration Facility as requested.

2. Sponsors responsibilities for the completion of the project

Sarah Johnson introduced the paper SB 82-1 which made proposals as to how Sponsors' responsibilities would be discharged, in line with the provision of the core agreements, in confirming substantial and final completion of the project. It is proposed that CRL write to the Joint Sponsor Team on behalf of Crossrail Sponsors in advance of each stage opening confirming that substantial completion has been achieved for that stage and with relevant supporting evidence. In practice, and given the proximity to Stage 1, it is expected that a degree of flexibility should be shown around Stage 1 and the timing of CRL's written confirmation and the availability of all the formal supporting documentation. The Head of the Joint Sponsor Team should be granted delegated authority to endorse the substantial completion on behalf of Sponsors.

Firm and more detailed proposals for exactly how the discharge of responsibilities at Final Completion will be executed will be brought back to the Sponsor Board at a later date when more is known of the CRL composition in the final stages of the project.

David Hughes asked whether the JST considered that it had adequate resources to discharge this. Sarah Johnson considered that it did and that guidance from the PRep or other experts could be engaged if required. In terms of document management, there is already a plan for CRL's document system to be transferred to TfL as part of ongoing transition.

Matt Lodge queried how reliability of assets will be assured through this process. Sarah Johnson noted that part of the substantial completion process was to demonstrate that the infrastructure manager had formally accepted the relevant assets. During the course of the next 18 months, there will be many opportunities for snagging issues to be identified and resolved through Early Dynamic testing, station handovers and final design overviews. Defect periods exist on all contracts for at least a year and will be passed to operators. Ultimately, Final Completion certification won't be issued without adequate assurance that all of the above has been demonstrated.

The Sponsor Board **NOTED** the contents of the paper and; **APPROVED** the substantial completion process for Stages 1 and 2 including delegating the authority to the Head of the Joint Sponsor Team as outlined in the paper, and; **NOTED** proposals for Stages 3, 4 and 5 and Final Completion will be returned to the board.

3. Sponsors Benefits Evaluation

Andrew Wallace introduced the paper SB 82-2 which provided the Sponsor Board with an update on the progress of the Benefits Evaluation work and an specifically an update on interim report of the three-year baseline evaluation study.

Andrew Wallace outlined that the Crossrail Benefits Evaluation work has three distinct phases; developing a pre-opening baseline, followed by evaluating the impact of Crossrail one and five years post completion. The work will both

assess the impact of the Crossrail project but also help to fill critical gaps in the evidence base for the impact of transport initiatives on economic outcomes.

The first phase of the work will establish a robust picture of the baseline conditions before Elizabeth line services commence in Dec 2018 against which the post-opening impacts will be measured. This initial phase will also seek to identify any early impacts of, for example, the introduction of new rolling stock. The first interim report of the baseline evaluation has now been published with the findings summarised in the paper.

In response to a question from Matt Lodge, Andy Wallace noted that the baseline evaluation went back as far as 2008, making it a ten year baseline study up to 2018. One of the challenges for the evaluation team during this phase is to robustly measure the counterfactual and what would have happened without the advent of the Crossrail project.

Sponsor Board members commended Andy Wallace on an interesting and substantive piece of work which would provide a great deal of value in the coming years.

David Hughes commented that it would be important to consider how best to publicise this important piece of work when the final reports come out. Sarah Johnson noted that it was expected that alongside the formal final reports, a wide variety of other communications materials would be put together to be used to disseminate the findings for different audiences and interests. Andrew Wallace agreed and added that there would be both technical and non-technical studies published, a study on 'what works' and a number of different stakeholder events planned throughout the course of the work.

Graham Stockbridge noted that politicians in particular would certainly be interested in the work, especially findings around land value impacts, and the DfT sponsorship team would be happy to assist in any way that was helpful in communicating and publicising the results at the right time.

Sponsor Board **NOTED** the contents of the paper SB 82-2.

4. Discussion of Part B agenda

Sponsors discussed the Part B agenda. Sarah Johnson proposed that Sponsors would want to ask Andrew Wolstenholme for an update regarding the review that CRL have been asked to jointly undertake with NR by Bernadette Kelly on the level of the additional funding requirement for the On Network Works. It is understood that CRL have been taking forward this with NR but it would be useful to understand the current position and when Sponsors may see a response on which they can act.

Regarding the Stage 1 operational readiness update, Matt Lodge asked what the impact the General Election Purdah is expected have on the plans for the Stage 1 opening, especially in light of prior plans for a public event led by the

Mayor with invitations to local politicians. Sarah Johnson reported that specific guidance on this was being sought and although a revised proposal had not yet been agreed, it was clear that holding an event during Purdah would severely restrict who could be invited, such that an event held less meaning. The option of holding an event later in June following Purdah was being discussed and once a firm proposal had been developed in the coming days this would be shared with all those relevant.

5. Forward Look

Sarah Johnson introduced the forward look, highlighting the Sponsors' teleconference ahead of Stage 1 which has now been scheduled for Monday 8th May.

Sponsor Board **NOTED** the forward look.

6. Heathrow Spur – Regulation & Charging

██████████ introduced paper SB 81 – 5 which gave an update on the position on the Judicial Review and the status of the access documentation, and invited any relevant feedback from a senior level DfT/TfL/HAL trilateral that had taken place before the Sponsor Board.

Howard Smith reported that a productive but relatively high level discussion had taken place in which it had been emphasised to Heathrow that time remained short in which to agree the terms of the track access contract for Crossrail services to Heathrow in May 2018. However it was also recognised that there would likely be no agreement on this before the outcome of the Judicial Review is known, and parties would want to move quickly after that point. Heathrow gave no indication as to whether they may appeal, but it was clear that they will be led by the interests and views of their shareholders. They proposed that it would be helpful for a working group to be convened to review the strategic vision around future services to the airport with DfT and TfL, and which would help build a persuasive case for shareholders around the long term plans. This will be set up in the coming fortnight, whilst the outcome of the judicial review is awaited.

Sponsor Board **NOTED** the contents of paper SB 81 – 5

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CROSSRAIL SPONSOR BOARD MEETING No.81

MINUTES OF MEETING HELD ON

Thursday 16th February 2017

RM H3 DFT, GREAT MINISTER HOUSE, HORSEFERRY RD

Present:

Ian Nunn*	TfL
David Hughes*	TfL
Bernadette Kelly*	DfT (Chair)
Matt Lodge*	DfT
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Graham Stockbridge	DfT
Robin Wilkin	Project Representative

Apologies:

Howard Smith	CRL
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MEETING PART A

1. Minutes and Actions of Meeting 80

The draft minutes of meeting no 80 (Part A) were **AGREED** as circulated.

Sarah Johnson provided an update, in relation to the one open action, on the communications planning for Stage 1 opening. The Mayor will board the first Class 345 in passenger service on Tuesday 23rd May which will travel from Liverpool Street to Shenfield. There will be no reserved carriage so invited guests (including VIPs) will board alongside other passengers. Stakeholders who have been supportive to the project will then be invited to board at Liverpool Street for a second trip. The date of the launch is in the diary of the DfT ministers and private offices will advise in due course who is available to attend. Final arrangements for this event will remain under review whilst the remaining operational readiness activities are completed. Formal invites will not be issued until approximately two weeks before the event itself.

2. Risk Register

Sarah Johnson introduced the risk register and covering paper. This outlined that the two highest rated risks for the project relate to Heathrow Terms of Access and funding pressures. She noted that a new risk had been included on the register in relation to industrial relations as agreed at the Sponsor Board's last discussion of the register.

IN queried whether there was a need to include the impact of the new IR35 legislation regarding the tax and NI arrangements of contracted workers, which had recently been reported as an issue for Crossrail. After discussion, the Sponsor Board agreed that this was primarily a CRL risk at this stage, and therefore did not merit being on the Sponsors' register, as well as CRL's.

Sponsor Board **NOTED** the highest-rated Sponsor risks and the actions being taken by the JST to mitigate each.

3. Sponsors' Options: Breach of Intervention Point 1

Sarah Johnson introduced the paper SB 81-2 which sets out the Sponsors' options in the event of a formal breach of Intervention Point 1 at SACR 17. She noted that the relevant provisions of the project's governing documents were written to account for Intervention Point 1 being breached much earlier in the project, not at 80% completion. The provisions of the project documents allow for action to be taken around three broad themes.

- Changes to management and governance, such as calling for more frequent meetings or consciously altering the format or nature of the meeting.
- An alteration or reduction in scope. There is considered to be no or limited opportunity in this respect given the advanced and committed nature of the project.
- Key Performance Indicators (KPIs) – a potential streamlining of the KPIs against which the remuneration of the CRL Executive Committee are measured to be more narrowly focussed on those areas of Sponsors concern which are, health and safety, programme and cost.

Sponsors discussed the options, and agreed that alteration or reduction in scope was not a feasible option. BK queried the details of the current remuneration arrangements of the Executive Committee. Sarah Johnson outlined that Sponsors are aware that there is a split between in-year bonus and Long Term Incentive Provision. The in-year arrangements are managed on the basis of a set on Key Performance Indicators which are agreed by the CRL Board on an annual basis. It is understood that the CRL Board is due to consider the KPIs for 17/18 year with a view to approval by the end of March.

Sponsors agreed that a letter should be sent to Sir Terry Morgan, Crossrail Limited chairman, setting out that, in the context of a potential and likely breach of IP1, Sponsors would like to understand what the incentives plan for the senior team looks like and how the Remuneration Committee will seek to

ensure that those arrangements remain properly aligned with the Sponsors' priorities at this stage of the project.

Sponsor Board **NOTED** the contents of this paper; and **AGREED** to take forward an option to review executive remuneration arrangements and ensure alignment with Sponsors' interests.

Action: Sarah Johnson to draft and coordinate a letter to send to Sir Terry Morgan on behalf of Sponsors.

4. Discussion of Part B agenda

Sarah Johnson introduced paper SB 81-3 which outlined the situation regarding the Material Event Notice recently raised by CRL. This related to the potential impact on the project of the implementation from 6th April 2017 of the new finance legislation 'IR35'. CRL flagged the potential risk that workers contracted by CRL may leave the project or move to the private sector to avoid the changes in their tax arrangements, and this could have an impact on delivery.

Sponsor Board **NOTED** the contents of paper SB 81 – 3 and **AGREED** to consider the matter further on receipt of CRL's assessment of the Material Event.

Sarah Johnson introduced paper SB 81-4 and set out the latest position regarding the funding pressures being experienced on the On Network Works. CRL have been instructed to lead a formal assessment of what de-scope or deferral opportunities exist whilst still being able to complete and open an operational railway. CRL have been asked to provide their report back to Sponsors by 3rd March in view of indications that additional financial authority may be required by 31 March 2016.

Sponsor Board **NOTED** the contents of paper SB 81 – 3 and the status of the ONW funding position.

5. Forward Look

Sarah Johnson introduced the forward look and highlighted that additional teleconferences are being scheduled to allow Sponsors to discuss the ONW descope/deferral report after its receipt in the first week of March, and to hold a go/no-go discussion a fortnight ahead of the Stage 1 opening in the week commencing 8th May.

Sponsors agreed that it would be helpful to look at whether the next Sponsor Board could be held at the Crossrail Integration Facility in Canary Wharf and thereby giving Sponsors the opportunity to view the facility used to support train testing and training.

Action: [REDACTED] to follow up holding April Sponsor Board at Crossrail Integration Facility.

6. Heathrow Spur – Regulation & Charging

██████████ introduced paper SB 81 – 5. This outlined the latest position with the agreement of terms of access for Crossrail to run to Heathrow airport. The judicial review is taking place in a week's time. ██████████ outlined that there remained confidence in defending the ORR's decision making process but there was a degree of caution around the argument that the Regulations apply to Heathrow given the lack of case law precedent.

Exact contingency planning for the multitude of possible judgements was difficult, but it was possible to draw out some broad courses of action which were outlined in the paper. Overall, it was considered unlikely that the judicial review judgement would provide a 'silver bullet' for the agreement of suitable terms, in almost any scenario. Even in the circumstances of a favourable judgement, to start services in May 2018 a swift agreement on acceptable charges and terms was required and this was unlikely to be straightforward and may rely on the ORR's determination of the appeal. Temporary deferral of the start of services remained a likely option for Sponsors in many scenarios. ██████████ agreed to provide Sponsors with updates during the course of the Judicial Review

Sponsor Board **NOTED** the contents of paper SB 81 – 5

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No.	Action	Responsible	Target
22/01	Draft and coordinate a letter to send to Sir Terry Morgan on behalf of Sponsors regarding executive remuneration arrangements.	Sarah Johnson	Mid March
22/02	Follow up holding April Sponsor Board at Crossrail Integration Facility	[REDACTED]	28 Feb

CROSSRAIL SPONSOR BOARD MEETING No.80

MINUTES OF MEETING HELD ON

Thursday 17th November 2016

RM H2 DFT, GREAT MINISTER HOUSE, HORSEFERRY RD

Present:

Ian Nunn*	TfL
David Hughes*	TfL
Bernadette Kelly*	DfT (Chair)
Matt Lodge*	DfT
Graham Stockbridge	DfT
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Howard Smith	CRL (for agenda point 5)
Robin Wilkin	Project Representative

Apologies:

None

MEETING PART A

1. Minutes and Actions of Meeting 79

The draft minutes of meeting no 79 (Part A) were **AGREED** as circulated.

Sarah Johnson reported that Mark Wild, the new TfL NED on the CRL Board had received an induction and briefing in advance of his attendance at the first meeting, and therefore this action has been closed.

2. Forward Look

This item was moved forward in the agenda. Sarah Johnson outlined the forward look of meetings, noting that a Sponsors teleconference has been pencilled in for early December to discuss the situation with the additional funding for On Network Works. If the matter can be resolved without the need for further Sponsors discussion, a teleconference won't be called and the situation ratified on email. Sarah Johnson noted that the dates of the Sponsor Boards have been adjusted back into February and April to better fit with the

preparation and monitoring for Stage 1 opening. A further Sponsors tele-conference is proposed in early May which will allow Sponsors to give a formal 'go-ahead' to Stage 1.

Sponsors discussed the arrangements for Stage 1 opening, and noted that prior experience showed that it may be prudent to plan for a formal launch or other communications events once the running of the train had been established.

Action: Sarah Johnson to return to the board with a Stage 1 Communications Strategy.

Sponsor Board **NOTED** the Forward Look.

3. Preliminary Discussion of Part B Agenda

Sarah Johnson highlighted the matters identified within the SACR report on which CRL are requesting Sponsors Support. She noted that all were known to the Joint Sponsor Team and being dealt with. Whitechapel possessions are now agreed so support will no longer be required on that matter. Sarah recommended that Sponsors remind CRL that if they want help working with franchise operators, CRL seek this support early and be as specific as possible.

Sarah Johnson also provided an update on the situation with the Barbican interchange link which is mentioned within the SACR Sponsors Support section. Following substantial structural surveys, it is no longer considered reasonably practicable to provide platform to platform step-free interchange between Crossrail's Farringdon East ticket hall and Barbican eastbound London Underground (LU) platform. This is because constructing a link bridge and lifts would cause the adjoining building (33-37 Charterhouse Square) and the retaining wall to become structurally unstable. An affirmation request has been made by CRL for Sponsors to confirm that it is acceptable for this interchange not to be provided and this is being considered.

Sarah Johnson noted the AFCDC position which has substantially reduced the headroom to IP1 to only £20m. Bernadette Kelly queried what would happen in the event of a breach of IP1, and Sarah Johnson outlined that the Sponsors Agreement defined this as a TfL Significant Remedy Trigger Event with associated available actions open to the Crossrail Sponsors. These include making changes to the financial profile of the project, amending the Sponsors' Requirements, or taking action to amend the CRL executive structures or delivery partners.

It was noted that there is a link between the payment of [REDACTED] and the AFCDC of the project remaining within Intervention Point 1. Different estimates have been made as to when a breach of IP1 may occur whether this could be before the end of March 2017. Sponsors agreed that it would be worthwhile

reviewing the criteria of the Long Term Incentive Plan for CRL executives, and if necessary, renew these structures to de-link them from Intervention Points and instead reset them to incentivise individuals against targets relevant to the completion of the project.

ML expressed his ongoing concerns around the development of train software and the inherent challenges this brings as seen in other projects, and his intention to raise again with CRL.

There was a further discussion around how Sponsors could best make use of the Operations update on the agenda to get a good sense of the operational readiness of the project. Sponsors agreed to propose to CRL that more extensive use of the February Sponsor Board be made to cover this topic thoroughly.

4. Crossrail Services

Graham Stockbridge provided a short update on the position with Crossrail Services. TfL and DfT have been working together over several months on the timetable for Crossrail. Although an indicative timetable proposal had been recently agreed with TfL, DfT had now identified what was considered to be a more optimal timetable solution which would provide greater clarity to passengers whilst still delivering the level of capacity required. This proposal had been approved by the Secretary of State, DfT have written formally to Howard Smith with the new proposal, which is considered deliverable, and work will now be jointly taken forward on this.

Sponsor Board **NOTED** the position with this work.

5. Heathrow Spur – Regulation & Charging

██████████ introduced paper SB 80 – 3 which provided an update on the position with the Judicial Review and the progress with agreeing the wider terms of access through the ORR-led trilateral meetings. Even with a positive outcome from the JR at the end of February, progress on agreeing the wider terms of access remained limited and there was a risk that an acceptable track access agreement could not be achieved by the end of March 2017 as required.

Sponsors discussed whether there was further appropriate action that could or should be taken now to plan for alternatives if the running of the service to Heathrow as currently planned was not possible due to a lack of agreement over terms of access or charges. Options to temporarily defer the start of Crossrail running to Heathrow, or running only 2tph to Heathrow in substitution of Heathrow Connect was indicatively discussed with a view that a complete deferral would be preferable.

Sponsors agreed that they were content for Bernadette Kelly to communicate to John Holland Kaye in an upcoming meeting that without agreement or

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certainty over acceptable access terms and charges, it was not an inevitable fact that Crossrail would run to the airport as currently planned.

Action: [REDACTED] to provide briefing to BK ahead of a telecon with JHK.

Sponsor Board **NOTED** the contents of paper SB 80 – 1

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No.	Action	Responsible	Target
21/01	An update on the communications strategy for Stage 1 to be briefed to Sponsor Board.	Sarah Johnson	Feb 2017
21/02	Briefing to be provided on the status of Crossrail terms of access to BK ahead of a planned telecon with JHK.	[REDACTED]	Dec 2017

CROSSRAIL SPONSOR BOARD MEETING No.79

MINUTES OF MEETING HELD ON

Monday 26th September 2016

RM 3.23 DFT, GREAT MINISTER HOUSE, HORSEFERRY RD

Present:

Ian Nunn*	TfL
David Hughes*	TfL
Bernadette Kelly*	DfT (Chair)
Matt Lodge*	DfT
Graham Stockbridge	DfT
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Robin Wilkin	Project Representative
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Apologies:

None

MEETING PART A

1. Minutes and Actions of Meeting 78

The draft minutes of meeting no 78 (Part A) were **AGREED** as circulated.

All actions on the action log are complete and closed with the exception of 17/01 relating to the action to circulate an unfunded scope review to the New TfL NED once appointed. Sarah Johnson reported that Mark Wild, the new Managing Director of London Underground, has been approved by the TfL Board as the TfL representative on the CRL board with immediate effect.

2. Risk Register

Sarah Johnson introduced the paper, and explained that the review of the register which had been agreed at the last Sponsor Board had been carried out. The paper outlined the changes that had been made to ensure that the register clearly reflected risks that Sponsors' bear responsibility for rather than CRL and which were relevant to the latter stages of the project. The highest three rated risks remain risks relating to pressures on funding, the agreement

of terms of access for Heathrow, and the agreement of the Crossrail timetable.

In response to a question from Bernadette Kelly, Sarah Johnson outlined the various ways in which operational readiness is monitored by Sponsors. Firstly, the standing update on Operations by Howard Smith provides an opportunity to interrogate the latest position at first hand in the Sponsor Board, and this is going to be supplemented by a further 'Bringing into use' update from CRL at the first Sponsor Board in 2017. Advice regarding the assurance and reporting that Sponsors can expect to see that will demonstrate that the Crossrail project has fulfilled the formal Sponsors' Requirements (as set out in the original Crossrail Agreements) is being developed by the Joint Sponsor Team. Additionally, the new transition risk included on the register will ensure that consideration is regularly given to the actions taken to safeguard the passage of the new railway into operations.

In light of recent reports of possible industrial action within the construction industry, Sponsors agreed that a risk should be included on the risk register to reflect this. **Action - Sarah Johnson**

The Sponsor Board **NOTED** the approach taken in updating the risk register, including the three highest rated risks, and the action taken by the Joint Sponsor Team to mitigate each.

3. Preliminary Discussion of Part B Agenda

Sarah Johnson recommended that Sponsors' seek an update from CRL on the delays to the 'masterplan shaft' at Bond Street which is causing a potential delay to the overall programme of works at the station. Additionally, Sponsors should question CRL on the overall cost status of the project, given that it is understood that the headroom to IP1 is expected to decrease further in the next period. Finally, Sponsors should be aware that there are ongoing discussions around where Crossrail trains will be stabled ahead of the Stage 1 introduction of service, and should seek an update on the options being explored by the Operations team.

██████████ introduced the paper SB79-2 which provides advice on the latest cost position of the On Network Works. She noted that a formal response to CRL's Adverse Event Notice had been issued, which reflected the teleconference which Sponsors' held in August, and the approach agreed by which CRL and NR should complete cost verification work later in the year on which to base a funding decision. CRL and NR had also agreed that they would instruct the next stage of design for the Stations West work to maintain delivery, whilst this overall cost work continued to November.

██████████ also noted that in the meantime, the Joint Sponsor Team would be looking into the options for further funding for ONW. In particular, this would involve linking into the CP5 Portfolio funding review work taking place within DfT. Bernadette Kelly noted the timescales for taking wider decisions

on the CP5 funding would likely be in advance of December and therefore the CP5 review should be informed by the best available information on the likely funding requirement for the Crossrail On Network Works

4. Forward Look of Sponsor Board Business

Sarah Johnson introduced the forward look, noting that an additional Sponsors' teleconference had been scheduled for early December to facilitate a likely decision around the additional funding for ONW. Meetings in January and March were to be rescheduled for February and April to better fit with reporting after Christmas, and to more effectively time the conversations ahead of Stage 1 commencement. An additional teleconference was also planned for early May directly in advance of Stage 1.

Matt Lodge queried whether Stage 1 would be undertaken as a 'soft launch', with for example, a single train running early in the morning of the first day with limited or no media initially, until a period of consistent running had taken place. Sarah Johnson noted that this has not yet been agreed, and all Sponsors agreed that the appropriate manner of the launch should be considered in due course, and booked into The No10 and Mayoral communications 'Grids' as necessary.

Sponsor Board **NOTED** the Forward Look.

5. Heathrow Spur – Regulation & Charging

██████████ introduced paper SB 79 – 3 which provided an update on the status of the Judicial Review launched by Heathrow Airport Limited against the ORR, an indicative timescale for a decision and some high-level contingency options for Sponsors to consider. ██████████ noted that even the most optimistic of timescales (as set out in the paper) to achieve a Judicial Review decision in a timeframe which would meet the critical timetabling dates at the end of July looked extremely challenging, and there remains a significant risk to the commencement of services in May 2018. Although contingency options had been sketched out for discussion, ██████████ confirmed that the Joint Sponsor Team did not recommend pursuing any of these options substantively yet, but rather wait for the outcomes of both the Permission to Apply hearing, and to see the progress that may be made with the tripartite discussions being led by the ORR on the TfL application, which were due to start imminently.

IN queried what happened to revenue if Crossrail did not run to Heathrow. Howard Smith confirmed that if the service turned at Hayes & Harlington and instead Heathrow Connect was kept running, TfL would be penalised by not receiving the forecast revenue of running to Heathrow. HAL would keep revenue but would be running in such an inefficient way it was likely that they wouldn't be making much in the way of profit on this revenue.

Sponsor Board **NOTED** the contents of paper SB 79 – 3

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No.	Action	Responsible	Target
20/01	Draft and include a new risk on the risk register relating to the impact on Crossrail of potential industrial action in the construction industry.	Sarah Johnson	Feb 2017

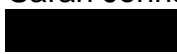
CROSSRAIL SPONSOR BOARD MEETING No.78

MINUTES OF MEETING HELD ON

THURSDAY, 28 JULY 2016

RM 2.26/27 DFT, GREAT MINISTER HOUSE, HORSEFERRY RD

Present:

Ian Nunn*	TfL (Chair)
David Hughes*	TfL
Graham Stockbridge*	DfT
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
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Apologies

Bernadette Kelly	DfT
Matt Lodge	DfT

In addition to the expected absence of Bernadette Kelly, Matt Lodge was also unable to attend the meeting at short notice due to unforeseen circumstances. Under Schedule 2 of the Sponsors Agreement, it is allowable for the one remaining voting member to cast two votes and the meeting remained quorate.

MEETING PART A

1. Minutes and Actions of Meeting 77

The draft minutes of meeting no 77 (Part A) were **AGREED** as circulated, pending an amendment to ensure that Graham Stockbridge was noted as an attendee at the meeting.

All actions on the log remain ongoing. A new TfL NED has not yet been appointed (Action 17/01). Additional cost analysis work is not due until Nov 16 meeting (Action 18/01).

Sarah Johnson agreed to circulate the CRL Remuneration Policy to Board members to progress action 18/02.

2. Elizabeth Line Sponsor Change Notice

Sarah Johnson introduced the paper, and explained that the cost of the change was low because the largest potential cost would have arisen from the change in the pantone for the rolling stock, but this change had been instructed sufficiently early to incur only minimal cost.

Graham Stockbridge noted that the figures shown in the Sponsor Change Notice are those which are now used by both Sponsors in response to any requests for information, such as recent Freedom of Information requests. These are routinely shared between DfT and TfL when they arise.

The Sponsor Board **APPROVED** the Change Confirmation Notice; and **DELEGATED** authority to the Head of JST to issue the Change Confirmation Notice.

3. Adverse Event Notice

Sarah Johnson introduced paper SB 78 - 2. Since CRL issued the Adverse Event Notice, a great deal of work has taken place to understand the issue raised in the Adverse Event Notice and what it means for Sponsors and the Project.

The Joint Sponsor Team has been holding regular discussions with the CRL Surface Director and Network Rail to closely understand the status of the work which is challenging the costs of the On Network Works ('ONW'). JST has seen evidence of more positive, open and collaborative working between CRL and NR on the commercial aspects of the ONW. CRL are sharing expertise with Network Rail around the cost reduction strategy which is being implemented in the Central Section contracts, and are considering together how these principles can support Network Rail in delivering their cost reduction opportunities. CRL and Network Rail expect that it will take until the end of the year for this work to crystallise in a stable and robust cost forecast for the ONW.

In the meantime, as set out in the paper, there are a number of Variation Notices which need instruction (and financing to be in place) in the intervening months in order to maintain delivery schedules. In particular, variation notices relating to West Stations need to be agreed in mid September to provide sufficient time for Network Rail to instruct their contractors and maintain their presence on site. However, if all variation notices were instructed they would currently take the cost of works above the available 'funding limit' of £2.199bn. Hence, consideration has been given to any options to de-scope the outstanding variation notices.

Sarah Johnson explained each option in the paper in turn. She set out that the JST are not recommending the de-scoping of West Stations works, because to do so carries significant political, reputational and delivery risk. Moreover, the deferral of the West stations work would likely result in a higher cost

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overall, as some cost would have to be incurred in any event, if only to maintain necessary temporary facilities until the full works take place. E.g. at Hayes & Harlington where the station has already been demolished.

Additionally, deferring the works to be funded in Control Period 6 will only result in further applying pressure to an already stretched budget in this period. Overall therefore, JST recommend that Sponsors should seek to ensure the necessary funding is in place to instruct West Stations variation notice in mid September.

The option to de-scope the provision of new staff accommodation at Gidea Park presents operational risk for a relatively low value saving. It is recommended that this variation notice is funded although CRL should continue to challenge the detail of the cost estimates and scope..

Sarah Johnson reported that the option to reconsider or defer the Ilford station works is thought to be the most feasible of those outlined in the paper and proposed that further work is undertaken to consider the viability of deferring these works.

Sarah Johnson went on to explain the second aspect of the paper; the options available to increase the 'funding limit' to bring it back in line with the Crossrail Core Agreements.

Ian Nunn advised that he did not consider the option of a TfL loan to NR to merit any realistic consideration although he understood that it was right to include in the paper to complete the balance of options. Ian Nunn proposed that the option of DfT supporting NR to raise the current funding limit should be the preferred option.

Sponsor Board members discussed the possible way in which a CRL loan to NR could work, and Sarah Johnson outlined that CRL and NR both tentatively supported the loan of c.£35m of delivery incentives money for this purpose. The money for these incentives is already a provision included within the AFCDC and therefore making use of this would also improve the headroom to IP1.

Sponsor Board members **NOTED** the content of SB 78-2 Adverse Event Notice and **AGREED** that the following actions should be taken to manage the impact of the Adverse Event Notice

1. A revision of the proposal for the Ilford station enhancement should be explored further with CRL;
2. DfT to consider options to increase the 'funding limit' available to NR, including the use of the CP5 portfolio contingency;
3. JST to work with CRL to consider the details of a loan from CRL to NR, and what alterations to Crossrail agreements would be required to make that possible; and
4. Follow-up teleconferences should be set up for Sponsor Board members in mid-August, following upcoming leave commitments, and in the first

week of September. Updates on the actions above should be brought to these calls.

Sponsor Board **AGREED** to delegate authority to the Head of the Joint Sponsor Team to write to CRL confirming the outcome of Sponsor Board discussions regarding the Adverse Event Notice.

4. Preliminary Discussion of Part B Agenda

Sarah Johnson noted that there were two main priorities for Sponsors in the Part B section of the meeting. Firstly, Sponsors should look to obtain an update from Crossrail around the status of the planning for the blockade at Ilford depot, due to start on August 6th. It was understood that there were a number of outstanding issues still to be resolved with train operators and Network Rail, which put the start of the blockade at risk. Completion of the blockade was critical for achieving Stage 1, and hence Sponsors should understand the current position, and whether there was any further support that they could usefully offer to Crossrail on this matter.

Additionally, Sarah Johnson flagged that Sponsors needed to agree whether they were happy for the Crossrail Services proposal to go forward, and with further work and development, be taken through each Sponsors' internal governance in due course. All members indicated their support for the paper to go forward.

5. Forward Look of Sponsor Board Business

Sarah Johnson highlighted that the Sponsor Board in November will be a significant meeting, because the work which the JST has commissioned to understand better the cost and contingency profile across the opening stages will be complete. The November meeting will also include SACR 16 and this report is likely to show that the project is closer to breaching IP1.

Sponsor Board **NOTED** the Forward Look.

6. Sponsor Risks

██████████ introduced paper 78-3 and explained that JST are recommending a more comprehensive review of the risk register on the grounds that, after a recent review, it was felt that several of the current risks could be closed or reshaped, and new risks introduced to better recognise the latter stages of the project. A full risk register will return to the September Board.

Sponsors welcomed this proposal at this stage of the project and Sponsor Board **NOTED** the contents of paper SB 78 – 3.

7. Heathrow Spur – Regulation & Charging

██████████ introduced paper SB 78 – 4 which set out the status of the work on charging and access agreements with Heathrow. The main development since the last Sponsor Board was the very recent notification by Heathrow Ltd (“HAL”) of their potential challenge to the ORR’s charging decision of May 2016.

██████████ outlined the work that was underway to consider what involvement each Sponsor should have in defending any challenge. It was important to remember that the claim would be against the ORR, rather than Sponsors, so there was a decision to be taken by each Sponsor organisation around the level of involvement each should have in proceedings.

██████████ set out the broad timescales of a possible judicial review process, highlighting that it would not be until the end of August before Sponsors would know if HAL had lodged a claim and their grounds for doing so. It would likely be October before we knew if the court had granted permission for the judicial review to be heard. The criteria for granting permission are low so it was considered likely that permission would be granted.

There was the option to apply to expedite the hearing and Sponsors would expect to do so. A judgement would be needed from DfT and TfL respectively as to whether they wished to be formally involved in the defence of the claim, which would also bring with it the risk of being liable for cost if the claim were lost. The court was also unlikely to look favourably on the involvement of interested parties without a substantive reason to do so. This was a decision to be taken in due course, based on the confidence that ORR have defending the claim themselves, and dependent on the specific grounds of the claim. The Joint Sponsor Team will continue to co-ordinate work in the coming weeks to take any action necessary and coordinate the respective position of each Sponsor on their involvement.

Additionally, consideration was now being given to what the contingency options were in the likely event that the judicial review timescales threatened the commencement of Stage 2 services in May 2018. Sponsor Board welcomed this and requested an update at the next Board.

Action – Sarah Johnson

Sponsor Board **NOTED** the contents of paper SB 78 – 4

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No.	Action	Responsible	Target
19/01	JST to work with CRL to explore the feasibility of a revised proposal for the Ilford Stations works.	Sarah Johnson	5th Sept
19/02	DfT to explore options, including the use of CP5 contingency funding, for the ONW works and Stations West variation.	Graham Stockbridge	5th Sept
19/03	JST to arrange teleconferences for Sponsors during August to allow JST to update on progress of work to explore and agree funding options for Stations West variations by the decision point of mid-Sept.	Sarah Johnson	22 August
19/04	An update on the contingency options available to Sponsors in the event of a judicial review being lodged by HAL to be brought to the next Sponsor Board.	Sarah Johnson	26 Sept

CROSSRAIL SPONSOR BOARD MEETING No.77

MINUTES OF MEETING HELD ON

WEDNESDAY, 8 JUNE 2016

RM 2.26/27 DFT, GREAT MINISTER HOUSE, HORSEFERRY RD

Present:

Ian Nunn*	TfL
David Hughes*	TfL
Bernadette Kelly*	DfT (Chair)
Matt Lodge*	DfT
Graham Stockbridge	DfT
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
Howard Smith	CRL (Agenda item 5 only)

MEETING PART A

1. Minutes and Actions of Meeting 76

The draft minutes of meeting no 76 (Part A) were **AGREED** as circulated.

Actions 17/02 & 17/03 have been closed. Updates on actions 16/03 and 17/04 are dealt with as part of the meeting's agenda.

Action 17/01 regarding circulation of the Unfunded Scope Review to NEDs remains ongoing. Bernadette Kelly reported that she had spoken to Robert Jennings, and this could now be sent on to him. Sarah Johnson explained that the process to appoint a new TfL NED was underway and the paper will be provided to the appointed individual when in post, which was likely to be later in the summer.

Action: Sarah Johnson

2. SACR 15

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Sarah Johnson introduced paper SB 77-1 which summarised the key points from the SACR 15 report for the attention of Sponsors:

- The breach of IP0 has increased, with headroom (at P50) to IP1 reduced to £101m. This has partly been driven by the reduction in forecast interest rates which in turn reduces the Intervention Points.
- JST are discussing with TfL Treasury whether there is any action that could be taken to mitigate the current position (e.g. adoption of different interest rates) but this does not look to be a feasible option from initial discussions.
- If raised by CRL, Sponsors could flag that the impact of interest rate changes is being considered but should avoid making any commitments in this respect.
- It may be appropriate for Sponsors to begin to consider their potential response in the event of a breach of IP1.
- There appears to be insufficient focus from CRL on Stages 4 and 5 and too great an emphasis on delivery to Stage 3. CRL should be reminded that the funding provided is for the delivery of all stages.
- The increase in the cost of On Network Works remains an issue on which there is a separate paper and CRL should be asked to explain their position on this.
- CRL have flagged a number of items potentially requiring Sponsor support however all are known to the JST and support is being given where required. Sponsors should remind CRL that if help is needed, they should look to seek it as early as possible.
- JST intend to commission some specific work ahead of SACR 16 which is set out in paragraphs 34 – 41 of paper SB 77-1.

David Craig noted that the impact of signing supplemental agreements had now been fed through into the AFCDC analysis in SACR 15. However, continuing cost pressure on IP1 was expected.

He also reinforced the apparent inadequacy of focus from CRL on the period following Stage 3 delivery. The CRL business plan covered the period to Sept 2018, at which point many staff have been released, and details are vague beyond that point.

David Craig noted that in the QRA, CRL do not extend their risk analysis or analysis of contingency drawdown across all five stages. CRL have been challenged on this and should address this in future.

David Hughes queried what point should be considered the end. In considering this question Sponsors need to be clear what remains as CRL responsibility beyond December 2018 and at what point the operator begins to take on the risk.

Ian Nunn reinforced the need for the project, at each stage, to clearly understand what was left to deliver, what money is available and what are the risks? Sarah Johnson confirmed that the JST would undertake some detailed work on this point and report back to Sponsors.

Action: Sarah Johnson

With regards to the breach of IP1, Ian Nunn noted that at P80 there is a breach of IP1 of £112m, and arguably P80 is a reasonable expectation for a project of this size.

David Hughes commented that he would expect to see a narrowing of the potential outturn cost as time goes on since risk should diminish. The response to a potential breach depends on the extent of the likely breach, and it would be useful to get an idea of the likely outturn range.

In response to a query from Ian Nunn, Sarah Johnson confirmed that there were only a few more supplemental agreements waiting to be finalised, and recommended that Sponsors ask CRL to confirm this in Part B of the meeting.

David Hughes raised the fact that the funding reporting focusses on IP2 but [REDACTED] actually revolve around IP1. All agreed that it would be useful to refresh the understanding of the remuneration arrangements and to explore who signs off these arrangements. There was a concern that the Sponsors could be exposed without a TfL NED on the CRL Board.

Action: Ian Nunn

Sponsor Board **NOTED** the contents of paper SB 77 – 1; **NOTED** the contents of SACR 15 and the PRep SACR 15 Report; **AGREED** that in the SACR 15 Period, there continues to be an occurrence of a TfL Remedy Trigger Event; and **AGREED** to delegate authority to the Head of the JST to write to CRL confirming the outcome of Sponsor Board discussions on SACR 15.

3. Preliminary Discussion of Part B Agenda

Sarah Johnson noted that the preliminary Part B discussion was to focus on the Surface Works and in particular the cost and funding of the works, on which there was a recent call between Bernadette Kelly and Andrew Wolstenholme.

[REDACTED] introduced the update paper which set out the background and current position of the ONW costs. In summary:

- SACR 15 is reporting a forecast final outturn cost of £2,221m at P80. NR Portfolio Board recently agreed the funding limit is £2,199m thereby meaning that there is a gap of £22m.
- However this position is changing due to uncertainty around the valuation of outstanding Variation Notices which are included within the forecast outturn.
- CRL currently value these at £110m, whilst NR report £167m. Work to stabilise these costs is ongoing and needs to be continued.
- CRL remain concerned that Network Rail are working to an internal funding limit set by the CP5 Review (and now revised by the NR

Portfolio Board) which is at odds with the £2.3bn DfT Intervention Price as set out in the Crossrail Core Agreements.

- Sponsors should consider what they would do if the overall forecast remains above the current agreed limit of £2,199m.

Bernadette Kelly noted that £2.199bn has been agreed but any extra can only be found from the CP5 programme. The NR Portfolio Board is the right route and any decision around provision of additional monies would have to come back to the NR Portfolio Board.

All agreed that the right approach was to continue to keep pressure on CRL to manage Network Rail as any other sub-contractor. The letter from Ian Nunn earlier in the year (following SACR 14 discussions) elicited a positive response in this regard and the same messages should be given in the letter which follows SACR 15.

Sponsor Board **NOTED** the contents of paper SB 77 – 2; and **ENDORSED** the proposed actions as set out in the paper.

4. Forward Look of Sponsor Board Business

Sponsor Board **NOTED** the Forward Look.

5. Heathrow Spur – Regulation & Charging

Sarah Johnson introduced paper SB 77 – 3 which sets out the current position in relation to Heathrow Regulation and Charging matters. The ORR recently determined in favour of Sponsors' position and ruled out the recovery by HAL of historic long-term investment costs in the Heathrow Spur.

The application made by TfL to the ORR under the Railway Infrastructure (Access & Management) Regulations (due to ongoing grievances with the access documentation proposed by HAL) had been accepted by the ORR and was now subject to due process. This was likely to continue for several months.

Howard Smith added that the charging decision was a positive one, and it was now simply important to continue to maintain the momentum around this work, because the process would likely be a lengthy and frustrating one, even though we are working to a milestone of May 2018.

Sponsor Board **NOTED** the contents of paper SB 77 – 3.

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Summary of Actions

No.	Action	Responsible	Target
17/01	Unfunded Scope Review: Briefing paper to be circulated to Robert Jennings, and to the new TfL NED when in post.	Sarah Johnson	30 September 2016
18/01	Additional cost analysis – JST to commission detailed work to understand the financial position at all five stages including level of contingency and risk.	Sarah Johnson	For discussion at SACR 16 (Nov 2016)
18/02	CRL remuneration – Understand the incentive arrangements and the sign-off process, and any action needed to fill the TfL NED vacancy on the CRL Board.	Ian Nunn	28 th July 16

CROSSRAIL SPONSOR BOARD MEETING No.76

MINUTES OF MEETING HELD ON

WEDNESDAY, 9 MARCH 2016

5TH FLOOR, ROOM 05R1M1, WINDSOR HOUSE, VICTORIA STREET

Present:

Ian Nunn*	TfL (Chair)
David Hughes*	TfL
Bernadette Kelly*	DfT
Graham Stockbridge*	DfT
Sarah Johnson	Joint Sponsor Team
Sian Evans	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
Howard Smith	CRL (Agenda item 5 only)

MEETING PART A

1. Minutes and Actions of Meeting 75

The draft minutes of meeting no 75 (Part A) were **AGREED**.

Further to the paper circulated to Sponsor Board members in relation to the £307m of unfunded change stated within CRLs SACR14 presentation, Sponsor Board agreed that this paper should be shared with the Sponsor-appointed Non-Executive Directors on the CRL Board.

Action: Sarah Johnson

Actions 16/01 and 16/02 have been closed.

Action 16/03 remained open. An initial meeting had been held with the DfT GW franchise team to discuss the Crossrail Services proposal and the issues and concerns were noted but have not yet been resolved. A follow up meeting is to be arranged in April once the timetable work has been developed to a sufficient level to provide a response to the queries raised. This work is to be discussed in greater detail during part B of the meeting.

2. Sponsors Risk Register

Sarah Johnson introduced paper SB 76 – 1, entitled “Sponsors Risk Register.” The paper included the updated Sponsor Risk Register and a summary of the changes that had been made to the Risk Register since it was last reviewed in November 2015.

Ian Nunn requested a review of the Programme Delays section of the risk register and that more detail be provided on these risks and associated mitigating actions in the next update.

Action: Sarah Johnson

Ian Nunn noted that risk C1 (escalation of On Network Works Costs) should be revisited to reflect the output from the NR ONW cost review.

Action: Sarah Johnson

Sponsor Board **NOTED** the contents of paper SB 76 – 1.

3. Preliminary Discussion of Part B Agenda

Sarah Johnson noted that the Part B agenda discussion was to focus on CRL and Network Rail’s preparation for the Easter works and a Bringing into Use presentation.

4. Forward Look of Sponsor Board Business

Sponsor Board **NOTED** the Forward Look.

5. Heathrow Spur – Regulation & Charging

Sarah Johnson updated Sponsor Board that the consultation on the ORR’s ‘minded to’ decision in relation to HAL’s proposed Investment Recovery Charge closes on 10th March 2016. Heathrow has still not provided Sponsors with a full set of Access Documentation, despite this being promised by the end of 2015.

Sponsor Board discussed potential options for escalation and agreed that if no documentation was provided by HAL immediately following the conclusion of the ORR consultation period, the Head of the JST would provide a proposed plan for escalation.

Action: Sarah Johnson

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Summary of Actions

No.	Action	Responsible	Target
17/01	Unfunded Scope Review: Briefing paper to be circulated to the Sponsor-appointed NEDs once Bernadette Kelly and Ian Nunn have spoken to the respective NEDs; Robert Jennings and Daniel Moylan.	Sarah Johnson	31 March 2016
17/02	Sponsors Risk Register: Complete a review of the Programme Delays section of the risk register and breakdown the individual risks and associated mitigating actions.	Sarah Johnson	8 June 2016
17/03	Sponsors Risk Register: Review the position on the risk rating for cost escalation on the ONW following the review underway by NR on the cost forecast	Sarah Johnson	8 June 2016

CROSSRAIL SPONSOR BOARD MEETING No.75

MINUTES OF MEETING HELD ON

WEDNESDAY, 20 JANUARY 2016

IN ROOM 181, 1ST FLOOR, NORTH WING, 55 BROADWAY

Present:

Ian Nunn*	TfL (Chair)
David Hughes*	TfL
Bernadette Kelly*	DfT
Matt Lodge*	DfT
Sarah Johnson	Joint Sponsor Team
Sian Evans	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
Howard Smith	CRL (Agenda items 6 & 7 only)
Emanuela Cernoia – Russo	TfL (Agenda item 4 only)

MEETING PART A

1. Minutes and Actions of Meeting 74

The draft minutes of meeting no 74 (Part A) were **AGREED**.

In relation to the £307m of unfunded change stated within CRLs SACR14 presentation, Sponsor Board requested that the JST prepare a short paper detailing the facts relating to each item of 'unfunded change', plus any savings that have been identified as a result of Sponsor Board decisions.

Action : Sarah Johnson

Actions 15/34 and 15/35 had been closed.

2. Update on Potential Changes (including OOC Depot)

Sarah Johnson introduced paper SB 75 – 1, entitled "Future of the Crossrail Depot." The paper summarised the outcomes of phase 1 of the study and reported on progress to date and the next steps for phase 2.

Ian Nunn noted that the Sponsors position was as per the position stated in paragraph 6 of the paper; under current plans the depot is ideally located to support Crossrail operations.

David Hughes noted that any change to the depot would be extremely difficult and that TfL did not have a budget for the reconfiguration or relocation of the depot.

Sarah Johnson reported that a formal update is to be provided to the Mayor on the 11 February 2016 and a further update is to be provided to the OPDC Board in March 2016. In preparation for the meetings, and in response to claims from some individuals that there is still time to make changes to the depot pre-opening, further work is being undertaken on the delay impact that a change would have on the Crossrail opening dates.

Sponsor Board **NOTED** the contents of paper SB 75 – 1.

3. Preliminary Discussion of Part B Agenda

Sarah Johnson noted that the Part B agenda discussion was to focus on the Network Rail Interim Funding Payments Agreement (IFA), Project Delivery Partner Incentives and the Funding of the Temporary Second Link at Old Oak Common. The discussion on the IFA would determine the level of discussion required for agenda item 4 - Deferral of TfL Contributions to the Sponsor Funding Account.

Matthew Lodge stated that with regard to the Extension of the IFA DfT needed confirmation on the following points;

- The repayment profile is within CP5;
- The credit worthiness of Network Rail; and
- That neither CRL nor Network Rail were, in effect, 'profiting', as a result of the proposed extension of the IFA.

Action : Sarah Johnson

4. Deferral of TfL Contributions to the Sponsor Funding Account

Emanuela Cernoia-Russo introduced paper SB 75-2 entitled "Deferral of TfL Contributions to the Sponsors Funding Account." The paper outlined a potential opportunity for TfL to achieve better value for money through a more efficient approach to the funding of the Sponsor Funding Account (SFA) by allowing TfL to defer part of the remaining scheduled TfL contributions to the SFA in accordance with clause 17.3 (f) of the PDA.

Sarah Johnson updated Sponsor Board that the proposal would not be possible if the Network Rail IFA was extended.

Ian Nunn stated that even though Sponsor Board was minded to approve the extension (Paper 75 - 4 in Part B), the benefits of this proposal were

significant and that this would be a good alternative in the event that an extension of the IFA did not materialise.

Sponsor Board **APPROVED** the proposal to defer part of TfL's future scheduled contribution to the SFA in the event that the extension to the IFA is not implemented.

5. Forward Look of Sponsor Board Business

There were no issues to report.

6. Heathrow Spur – Regulation & Charging

Sarah Johnson updated Sponsor Board that the outcome of the ORR Board held in January 2016 is not yet known. The ORR has confirmed that it will be undertaking a period of consultation on its decision which is expected to begin in week commencing 8 February 2016 and to last for about 4 weeks.

7. Crossrail Services

Howard Smith introduced paper SB 75-3, entitled "Crossrail Service Frequency." The paper outlined the economic appraisal for a 20tph (rather than 16tph) off peak Crossrail service and the initial findings of the work undertaken to recast the 24tph peak Crossrail service to mitigate some of the risks with the latest Crossrail timetable (Iteration 5).

Matthew Lodge asked about how the proposal impacts the Great Western services and noted that the franchise team should be consulted on the developing timetable and service proposal.

Action : Howard Smith

Ian Nunn requested that an explanation and breakdown on the derivation of the BCR for both options be included in future updates.

Howard Smith reported to Sponsor Board that to date, each option had been developed and evaluated independently and the next step is to combine both options to produce a complete business case.

Sponsor Board : -

- **NOTED** the work undertaken on the off peak and peak service proposal presented in this paper
- **AGREED** to issue the Sponsor Change Notice for CRL to progress the Sponsor Change Process; and

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- **AGREED** that JST will present an update on the programme for development, examination and potential implementation of the proposed changes at a future Sponsor Board.

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FINAL

Summary of Actions

No.	Action	Responsible	Target
16/01	SACR 14 : Prepare a breakdown of the CRL assumed £307m unfunded scope and identify any savings realised from Sponsor Board decisions.	Sarah Johnson	9 Mar 16
16/02	IFA Extension : Provide confirmation on the points raised by DfT relating to IFA extension; CP5 inclusion, Profiteering and Credit Position of NR.	Sarah Johnson	9 Mar 16
16/03	Crossrail Service : Consult with the GW team on the proposed timetabling and service assumptions.	Howard Smith	15 Feb 16

CROSSRAIL SPONSOR BOARD MEETING No.74

MINUTES OF MEETING HELD ON

FRIDAY, 20 NOVEMBER, 2015

IN ROOM 05R1MI, 5th FLOOR, WINDSOR HOUSE, VICTORIA STREET.

Present:

Ian Nunn*	TfL (Chair)
David Hughes*	TfL
Bernadette Kelly*	DfT
Becky Wood*	DfT
[REDACTED]	DfT
Sarah Johnson	Joint Sponsor Team
[REDACTED]	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
Howard Smith	CRL (Agenda item 7 only)

MEETING PART A

1. Minutes and Actions of Meeting 73

The draft minutes of meeting no 73 (part A) were **AGREED**.

Actions 15/23, 15/29, 15/30 and 15/31 had been closed.

2. Update on Potential Changes (including OOC Depot)

Sarah Johnson introduced paper SB 74 – 1, entitled 'Future of the Crossrail Depot at Old Oak Common.' The paper summarised the work carried out in the first phase of the study and provided details of the second phase. TfL has appointed Mott MacDonald and KPMG as technical and commercial advisors respectively. There were a number of conditions precedent which would have to be met before a change to the depot could be implemented. More formal progress updates will be given to Sponsor Board and the OPDC Board in January 2016.

Becky Wood noted that the Department was trying to be supportive regarding the early transfer of land to assist with regeneration. The Department was also intent on avoiding any impacts on IEP services. David Hughes noted

that any change to the depot would be extremely difficult and that TfL did not have a budget for the reconfiguration or relocation of the depot.

Sponsor Board **NOTED** the contents of paper SB 74 – 1.

Sarah Johnson reported that TfL had agreed to carry out some technical feasibility work on the extension of Crossrail services to Ebbsfleet which was due to be completed by Christmas and which would be the subject of a separate paper. TfL was not preparing a business case for the extension of Crossrail services.

Sarah Johnson reported that the work reviewing possible service patterns to Heathrow T5 would recommence. Separately Howard Smith was looking at the timetable implications of operating Crossrail services to T5.

3. **SACR14**

Sarah Johnson introduced paper SB 74 – 2, entitled 'Semi Annual Construction Report 14.' The first formal breach of Intervention Point 0 (IP0) had occurred and Sponsor Board needed to consider its response. However the schedule confidence had increased from 72% to 77%. CRL should be challenged regarding progress at Whitechapel on the subject of which CRL had been expected to submit options for consideration.

David Hughes reported that TfL planned to install critical signalling equipment at Whitechapel. Sponsor Board **REMITTED** Sarah Johnson to investigate the issue of the installation of the signalling equipment.

Action: Sarah Johnson

David Hughes noted that CRL's presentation stated there had been £307m of unfunded change. At previous SACRs, Sponsors had written to CRL on this issue as each of the changes had been a grey area.

Sponsor Board agreed that it would not invoke its powers associated with the breach of IP0. Ian Nunn noted that CRL should be put on warning that it should be doing better in controlling costs and that the letter should refer to the counterfactual as regards the impact of the SONIA rates. Ian Nunn noted that a decision would be required as to who should sign the letter; the Sponsor Board Chair or the Head of JST. Sponsor Board **REMITTED** Sarah Johnson to amend the draft letter to reflect the discussion at Sponsor Board and to circulate the revised draft to Sponsor Board members by 23 November so that the letter could be sent to CRL by 27 November.

Action: Sarah Johnson

Sarah Johnson noted that SACR14 included a list of items where CRL had requested the support of Sponsors. The most pressing issue was the extension of the Interim Funding Agreement (IFA) with NR which would require the approval of Sponsors and which was now pressing. Becky Wood

noted that the Department would have to consider NR's ability to repay any CRL funding and would require time to do so.

Becky Wood raised concerns with the processing of the Reading variation and noted that this should be raised with Matt Steele in part B of the meeting. [REDACTED] noted that the Hendy CP5 replan included a budget based on a total cost £2,159m for the Crossrail On Network Works rather than on £2,049m which had been included in CP5. Briefing on the variations issue could be provided in advance of the NR Board meeting which was to consider the issue.

Sponsor Board:-

- **NOTED** the contents of paper SB 74 – 2;
- **NOTED** the contents of SACR 14 and the PRep report; and
- **AGREED** that, in the SACR 14 Period, there had been an occurrence of a TfL Remedy Trigger Event.

4. Sponsors' Risks

Sarah Johnson introduced paper SB 74 – 3 entitled, 'Sponsors' Risk Register.' Two new risks had been introduced and it was proposed to retire the risk of breaching IP0 as that had become an issue. Ian Nunn noted that it was acceptable to retire the IP0 risk provided that JST continued to include the issue in its report. In addition, the register included the risk of breaching IP1.

Sponsor Board noted:

- The changes that have been made to specific risks since the Sponsor Board meeting on 17 July 2015;
- The new risks D7 and E8;
- The recommendations to close risks C3, C4 and F5; and
- The updated Sponsors' Risk Register.

5. Preliminary Discussion of Part B Agenda (Other than SACR14)

Sarah Johnson noted that, under the actions item, CRL should report on discussions with ORR regarding approvals. Under the Surface Works item, Sponsors should raise the GW signalling programme, the TPWS signalling derogation, preparation for ONW works at Christmas and variations.

6. Forward Look of Sponsor Board Business

There were no issues to report.

7. Heathrow Spur – Regulation & Charging

██████████ introduced paper SB74 – 4, entitled 'Heathrow Spur – Regulation & Access.' There were three parts of the progress update; the charging framework, the access documentation and Access Options issues. ORR has provided assurances that the charging framework will be considered at its Board meeting which is to be held on November 24. DfT, TfL and JST had been working with HAL to address the flawed access documentation, though it was pressing for HAL to produce some output in terms of re-drafted documents. As regards the Access Option, ORR had queried whether a 30 year Access Option would be consistent with the Regulations and DfT had consulted on the draft regulations to implement the recast Rail Directive. ORR had responded to the consultation noting its preference to approve all access contracts; if implemented, this change could result in a delay to the execution of the Access Option. Sponsor teams were working through both Access Option issues.

Becky Wood reported that in the teleconference call which had been held on 17 November, HAL committed to provide re-drafts of specific documents and that there would be a follow-up call to check progress. Sponsor Board agreed that if the documents had not arrived by the next call, DfT and TfL would write to HAL.

Sponsor Board **NOTED:**

- In relation to the future charging framework which will apply to the Heathrow Spur, that the ORR's determination of the matter has slipped from its Board meeting at the end of October to the meeting at the end of November;
- That although Heathrow has engaged constructively with Sponsors over the last month, it will be very challenging to rectify the flawed access documentation by Christmas as HAL has scheduled; and
- That there are issues to address in relation to the Infrastructure Access Option and the draft regulations to transpose the EU Directive (2012/34EU).

8. Any Other Business

Ian Nunn thanked Becky Wood and ██████████ on behalf of Sponsor Board as it was their last meeting.

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Summary of Actions

No.	Action	Responsible	Target
15/34	Whitechapel Signalling Equipment: Investigate the issue of the installation of TfL signalling equipment at Whitechapel	Sarah Johnson	11 Dec
15/35	SACR14 Letter: Amend the draft letter to reflect the discussion at Sponsor Board and circulate the revised draft to Sponsor Board members by 23 November so that the letter could be sent to CRL by 27 November.	Sarah Johnson	23 Nov

CROSSRAIL SPONSOR BOARD MEETING No.73

MINUTES OF MEETING HELD ON

FRIDAY, 18 SEPTEMBER, 2015

IN ROOM 05R1MI, 5th FLOOR, WINDSOR HOUSE, VICTORIA STREET.

Present:

Steve Allen*	TfL (Chair)
David Hughes*	TfL
Brian Etheridge*	DfT
Becky Wood*	DfT
Sarah Johnson	Joint Sponsor Team
██████████	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Ian Nunn	TfL
██████████	DfT
David Craig	Project Representative
Howard Smith	CRL (Agenda item 7 only)

MEETING PART A

1. Minutes and Actions of Meeting 72

The draft minutes of meeting no 72 (part A) were **AGREED**.

Actions 15/22 and 15/24 had been closed.

Action 15/23. Sarah Johnson will circulate a note about the costs arising from the TPWS variation.

2. Update on Potential Changes & WCML Link

Sarah Johnson reported that she had met Michael Cassidy on 17 September. Whilst a route study, which would take about 18 months to complete, had just commenced, Michael Cassidy said that he would continue to lobby for a Crossrail link.

Sarah Johnson introduced paper SB 73 – 1 entitled, 'Crossrail capacity at Old Oak Common post HS2 and WCML extension provision'. Provision was made in the HS2 Bill for two turnback sidings at Old Oak Common to support the extension of existing Crossrail services from Paddington with an

aspiration of providing 14 tph. The view of TfL and NR was that 2 turnback sidings would not be adequate and this view is supported by an independent review by Jacobs. The independent review also concluded that 3 turnback sidings would be an improvement on the arrangements as provided by the HS2 Bill, but would only support 12 tph. AP2 includes a third turnback siding and raising of the Up Relief line to create a grade-separated junction to make provision for a future WCML extension. Work on the business case for a Crossrail WCML extension resulted in a BCR of 0.2:1, but the BCR figure needs to be considered in the context of the wider rail network and there are some strategic reasons for the Crossrail WCML proposal given the forecast congestion at Euston and the need to serve the proposed Old Oak Common development. The costs of the third turnback siding and the WCML stub are estimated to be £7.9m and £19.6m respectively, and these costs would fall to the HS2 project.

Becky Wood noted concerns whether HS2 recognised CRL's operational requirements. There needed to be engagement if the WCML stub was not to be progressed and a more formal commitment to the third turnback. Sarah Johnson noted that if the infrastructure was not progressed now, then it would be problematic to construct it later.

Sponsor Board **NOTED** the contents of the paper.

3. SACR14 Preparation

Sarah Johnson introduced paper SB 73 – 2 entitled, 'SACR14 Preparation'. CRL's SACR14 report is anticipated in the second week of November and is expected to show a breach of Intervention Point 0 (IP0) as the Anticipated Final CRL Direct Costs (AFCDC) (P50) has been in breach of IP0 since Period 2 of 2015/16. In these circumstances and as set out in the Project Development Agreement (PDA), TfL can require CRL to produce a Remedial Action Plan though CRL has already been undertaking a number of actions to address cost pressures as set out in the paper. The paper provides a prompt for discussion so that JST and PRep can do further preparatory work in advance of SACR14.

Steve Allen noted that, in the event of a breach of IP0 at SACR14, Sponsors should write asking how CRL will control costs and avoid a trend of increasing costs, though the question should be nuanced. It is important that CRL realises that Sponsors do not accept that a breach of IP0 is inevitable. Becky Wood agreed that it should be the responsibility of CRL to inform Sponsors if it considered that delivering under IP0 was unattainable, and noted that an increased granularity of reporting would be required following SACR14. David Craig noted that CRL should be required to produce a detailed plan of how it intended to expend the remaining budget in the most economical way. CRL need to understand that there is no more money and it has to control costs. Sarah Johnson noted that further work would be undertaken over the next few weeks.

Sponsor Board **REMITTED** Sarah Johnson to provide an explanation of the external benchmark used in figure 2 of the paper.

Action: Sarah Johnson

Sponsor Board **NOTED:**

- i. The emerging financial position for Crossrail at SACR14;
- ii. The trend of the changes to AFCDC (P50) and Intervention Points since Review Point 4;
- iii. The work that CRL has been doing to validate the forecast and address the increasing cost pressures on the Project; and
- iv. That JST and PRep will do further work in advance of SACR14 to prepare a proposal for Sponsor Board to consider at its November meeting on the basis described in paragraph 26.

Becky Wood noted that the outcome of the PAR was an amber/green rating. Whilst there was a long list of recommendations, most of them can be absorbed though there was considerable mention of the granularity of cost reporting. Comments on the draft report would be welcome. Sarah Johnson will circulate the draft report.

Action: Sarah Johnson

4. Crossrail Business Case

Sarah Johnson introduced paper SB 73 – 3 entitled, ‘Crossrail Business Case Update.’ The business case had been updated in line with WebTAG guidance to reflect the project that was being delivered, to provide a baseline for measuring project benefits and to implement an NAO recommendation, though it was unusual to do so when a project was around 70% complete. The BCR had fallen for a number of reasons including reductions in the Value of Time, a demand cap from 2031, a fares growth cap from 2024 and changes to congestion relief assumptions. There was a wider question over the applicability of WebTAG to very large projects like Crossrail which have a transformational effect.

Becky Wood noted that DfT would follow up the issue of the applicability of WebTAG to very large projects and that the benefits realisation programme would be useful.

Sponsor Board **NOTED:**

- The work undertaken to update the Crossrail Business Case;
- The final position of the 2015 Crossrail Economic Appraisal; and
- The proposed release of the supporting Crossrail Summary Report on the Crossrail website and Parliamentary library (Appendix 1).

5. Forward Look of Sponsor Board Business

Sarah Johnson noted that it was not planned to hold a meeting in October. The main agenda items at the November meeting would be the SACR14 report, CRL pensions and Sponsors' responsibilities in the latter stages of the project.

6. Preliminary Discussion of Part B Agenda

Sarah Johnson noted that TPWS plans A and B would need to be discussed under the Surface Works agenda item, and the impact of the Whitechapel costs and schedule issues under the Project Update agenda item.

7. Heathrow Spur – Regulation & Charging

██████████ introduced paper SB 73 – 4 entitled, 'Heathrow Spur – Regulation & Charging.' The following corrections to the paper were noted; replace '10' with '8' on pages 1 and 5, and replace 'Option 6' with 'Option 7' at the top of page 4. There are two substantive issues; the charging framework and the access documentation.

As regards the charging framework, ORR has written confirming that it expects to make a recommendation to its Board by the end of October and requesting further information. DfT and TfL are working together to compile the information and to submit it by 23 September. At this stage, no further action is required of Sponsors in respect of the charging framework. Sponsor Board **REMITTED** Sarah Johnson to circulate the draft response regarding the budgeted numbers.

Action: Sarah Johnson

As regards the access documentation, HAL has published the Network Code and Network Statement on its web-site and these documents remain unchanged from the flawed consultation documents. Other documents, such as the track and station access agreements, have not been published. In addition, Heathrow is not actively engaging in the development of the Access Option where the only substantive issue relates to the buy-back provisions. Sponsors made a proposal on the buy back provisions in June and Heathrow has neither made a counter-proposal nor given a reasoned explanation as to why the Sponsors' proposal is unacceptable. Becky Wood agreed that she would meet Simon Earles (Heathrow) with Howard Smith in order to progress the issues following the exchange of letters on the Deed of Undertaking. Sarah Johnson noted that a response to Heathrow's letter would be required. Ian Nunn and Howard Smith noted that it was unlikely that there would be much progress until ORR had opined on the charging framework.

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Sponsor Board **NOTED**:-

- i. That despite the significant concerns raised by Sponsors in their consultation responses, HAL has not made any changes to its access contract and charging documentation, which it now considers to be 'final';
- ii. In relation to the future charging framework which will apply to the Heathrow Spur, that the ORR will notify Sponsors of its final decision after its Board meeting on 27 October;
- iii. The proposed approach (set out in paragraph 8) for future engagement pending the issue by ORR of its decision in relation to the access charging framework; and
- iv. That Becky Wood and Howard Smith would meet Simon Earles (Heathrow) as the first step in escalating the flawed access contract documentation.

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Summary of Actions

No.	Action	Responsible	Target
15/22	Sponsor Board Agenda: Add the following items to the agenda for the September meeting; PAR Update, SR Update and SACR14 preparation work.	Sarah Johnson	Closed
15/23	TPWS Variation: Send Sponsor Board a note setting out how the Overall Target Price variation would be constructed and whether the costs would flow through to the Crossrail Supplementary Access Charge.	Sarah Johnson	30 Sept
15/24	Hayes and Harlington crossover: Investigate the impact on the Crossrail programme of installing the crossover early.	[REDACTED]	Closed
15/29	Cost benchmark: Provide an explanation of the external costs benchmark used in figure 2 of paper SB 73 – 2.	Sarah Johnson	30 Sept
15/30	Draft PAR Report: Circulate the draft PAR report.	Sarah Johnson	30 Sept
15/31	Heathrow access charges: Circulate the draft response to ORR regarding the budgeted numbers.	Sarah Johnson	25 Sep

CROSSRAIL SPONSOR BOARD MEETING No.72

MINUTES OF MEETING HELD ON

FRIDAY, 17 JULY, 2015

IN ROOM 05R1MI, 5th FLOOR, WINDSOR HOUSE, VICTORIA STREET.

Present:

Steve Allen*	TfL (Chair)
David Hughes*	TfL
Clare Moriarty*	DfT
Becky Wood*	DfT
Allison Phillips	DfT
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Howard Smith	CRL (Agenda item 8 only)
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Apologies:

David Craig	Project Representative
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MEETING PART A

1. Minutes and Actions of Meeting 71

The draft minutes of meeting no 71 (part A) were **AGREED**.

Action 15/20 was discussed under agenda item 8.

Further to the recent correspondence between Steve Allen and Terry Morgan regarding the CRL Board, Steve Allen noted that he would speak to Terry Morgan about arranging an initial meeting involving Terry Morgan, Terry Hill, the Sponsors' NEDs, Becky Wood and David Hughes.

2. Update on Potential Changes

2.1 Heathrow Terminal 5 (T5)

Sarah Johnson noted that Mike Brown planned to write to Philip Rutnam about various issues relating to Heathrow including the possibility of running

Crossrail services to T5. Becky Wood noted that Sponsors would need to be mindful of the Infrastructure Recovery Charge issue when dealing with wider Heathrow matters.

2.2 Potential South East Extension / Ebbsfleet

Sarah Johnson noted that TfL was investigating potential transport interventions, one of which involved the extension of Crossrail services, in South East London including the London Borough of Bexley. JST was also involved via Allison Phillips' team in the DCLG work looking at the connectivity of the Ebbsfleet area as announced by the Chancellor in the Autumn Statement 2014. Allison Phillips noted that monthly meetings with DCLG, DfT (HS1, Roads, Rail Futures, Crossrail), the EDC (Ebbsfleet Development Corporation) and, where necessary, representatives from Paramount were being held. Sarah Johnson will be meeting Michael Cassidy to brief him on the Sponsors' position relating to a potential south eastern extension of Crossrail given his roles on the Crossrail Board and as Chairman of the Ebbsfleet Development Corporation.

2.3 West Coast Main Line (WCML) Link

Sarah Johnson reported that Additional Provision 2 to the HS2 Hybrid Bill, which included the infrastructure for turn-back facilities at Old Oak Common, had been lodged. The work on the WCML Link business case continues prior to DfT governance. However, there is an issue with NR as their progress is slow, particularly in relation to providing updated cost estimates. This issue has been escalated within NR.

3. Depot Relocation Options

Sarah Johnson introduced paper SB 72 – 1, entitled, 'Future of the Crossrail Depot at Old Oak Common.' A similar paper had been considered by the Mayor who was content for the phase 2 work to include the relocation and reconfiguration options. A version of the paper will also be considered by the OPDC Board at its meeting on 28 July so a sanitised version of the paper will be in the public domain. Becky Wood noted that DfT was still awaiting a proper response from the OPDC regarding the permeability at North Pole depot. Sarah Johnson noted that the phase 2 work would be scoped over the next 3 to 4 weeks with the work continuing through to the end of the year.

Sponsor Board **NOTED** the contents of the paper.

4. Benefits Management & Evaluation

Sarah Johnson introduced paper SB 72 – 2, entitled, 'Benefits Management and Evaluation.' Following the acceptance of the 50:50 funding arrangement by Sponsor Board at its meeting in October 2014, a scoping study has been completed setting out the options; option 2 is recommended. Whilst the funding issue will need to be addressed, it is good practice to check that projects have delivered the benefits in line with the business case and work of

this type is also hugely important to inform the development of future projects. The proposed work would be procured under competition. Steve Allen agreed that it was very important to undertake the work, particularly with respect to the impacts on the economy and regeneration, but it was important to carry out the work at the lowest cost possible.

Sponsor Board:-

- **NOTED** the further work completed on the scoping of evaluation options and their costs;
- **NOTED** that neither DfT nor TfL has currently secured funding for this work; and
- **AGREED** that Option 2 is adopted subject to the team challenging the costs and both Sponsors being able to secure funding (initially £2.18m in the period 2016 to 2019, split equally between Sponsors) through their own governance processes.

5. Sponsors' Risks

Sarah Johnson introduced paper SB 72 – 3, entitled, 'Sponsors' Risk Register.'

Sponsor Board **NOTED**:-

- The changes that have been made to specific risks since the Sponsor Board meeting on 17 April 2015;
- The new risk regarding the Heathrow Infrastructure Recovery Charge;
- The closure of the risk relating to the re-procurement of the Project Representative; and
- The updated Sponsors' Risk Register.

6. Forward Look of Sponsor Board Business

Sarah Johnson introduced the forward look of Sponsor Board business. The August meeting will be cancelled so the next meeting will be held in September. Becky Wood noted that PAR and Spending Review (SR) updates should be added to the agenda for the September meeting.

Action: Sarah Johnson

Clare Moriarty noted that the second half of November could be assumed to be the end point of the SR process.

7. Preliminary Discussion of Part B Agenda

Sarah Johnson noted that PRep had reported that the AFCDC(P50) would be slightly lower in period 3, though still in breach of IP0. JST and PRep will be undertaking work to identify the actions required should there be a formal breach at SACR14. This issue will be added to the agenda for the September meeting of Sponsor Board.

Action: Sarah Johnson

David Hughes stated that it would not be right for TfL to meet the costs arising from the TPWS work associated with the GW signalling plan B should NR be unable to deliver ETCS on schedule. Clare Moriarty queried whether the risk should be treated differently to other risks. Sarah Johnson undertook to send Sponsor Board a note setting out how the Overall Target Price variation would be constructed and whether the costs would flow through to the Crossrail Supplementary Access Charge.

Action: Sarah Johnson

Becky Wood reported that there was pressure from FGW to install the Hayes and Harlington crossover early. [REDACTED] was **REMITTED** by Sponsor Board to investigate the impact on the Crossrail programme.

Action: [REDACTED]

8. Heathrow Spur – Regulation & Charging

[REDACTED] introduced paper SB 72 – 4, entitled, 'Heathrow Spur – Regulation & Access.' The Heathrow regulation consultation had commenced and was due to conclude on 31 July. Whilst there is a large volume of documentation, TfL's view is that it is of inadequate quality. Consequently TfL had written to Heathrow requesting an extension of the consultation period to 11 September.

Howard Smith had spoken to Simon Earles (Heathrow) and had asked him to respond in writing regarding Heathrow's decision on the extension. Clare Moriarty queried whether it was worth extending the Deed of Undertaking regulation date in order to extend the consultation period. [REDACTED] reported that at a working level it was considered that it was worth extending the regulation date given the financial impacts of an investment recovery charge. [REDACTED] noted that HMT was planning to submit a response to the consultation and Sarah Johnson noted that the GLA was also likely to do so.

Allison Phillips reported that Oxera had concluded that there was no transparency as to whether Heathrow Express was paying an access charge. Regarding action 15/20, Allison Phillips noted that option 4 has been reviewed and the option would remain open.

Sponsor Board **NOTED**:-

- i. Progress with the regulation of the Heathrow rail infrastructure and associated charging issues; and
- ii. The proposed DfT and TfL responses to Heathrow Airport Ltd's (HAL) consultation.

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Summary of Actions

No.	Action	Responsible	Target
15/20	Heathrow Regulation & Charging: Provide an update to Sponsors on the implication of not making a direct application for access (Option 4) in advance of the conclusion of the Heathrow consultation.	Allison Phillips	Closed
15/22	Sponsor Board Agenda: Add the following items to the agenda for the September meeting; PAR Update, SR Update and SACR14 preparation work.	Sarah Johnson	11 Sept
15/23	TPWS Variation: Send Sponsor Board a note setting out how the Overall Target Price variation would be constructed and whether the costs would flow through to the Crossrail Supplementary Access Charge.	Sarah Johnson	18 Sept
15/24	Hayes and Harlington crossover: Investigate the impact on the Crossrail programme of installing the crossover early.	[REDACTED]	31 Aug

CROSSRAIL SPONSOR BOARD MEETING No.71

MINUTES OF MEETING HELD ON

FRIDAY, 19 JUNE, 2015

IN THE BOARDROOM, 14th FLOOR, WINDSOR HOUSE, VICTORIA STREET.

Present:

Steve Allen*	TfL (Chair)
David Hughes*	TfL
Clare Moriarty*	DfT
Allison Phillips	DfT
Sarah Johnson	Joint Sponsor Team
Sian Evans	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
Howard Smith	CRL (Agenda item 6 only)

Apologies:

Becky Wood*	DfT
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MEETING PART A

1. Minutes and Actions of Meeting 70

The draft minutes of meeting no 70 (part A) were **AGREED**.

Sarah Johnson reported that the majority of the actions had been closed or would be covered under the meeting agenda.

In relation to the action regarding the Sponsor Board meeting dates and the timing of the circulation of period reports (action 15/10), Sarah Johnson updated the meeting that the release of the CRL Board report is subject to the approval of the CRL Board and thus is determined by the CRL Board date. As the CRL Board dates and Crossrail Sponsor Board dates are set there is little scope to improve the alignment in the current financial year. However it was agreed that the timing of the Crossrail report release will be taken into consideration when setting the Sponsor Board meeting dates in 2016/17. It was also agreed that whilst Sponsor Board would continue to note the Period Reports, CRL would be asked to provide a Project Update at each Sponsor

Board meeting based on current rather than historical information. The action was **closed** at the meeting.

In relation to the action regarding the frequency of the Sponsor risk review (action 15/15), Sarah Johnson updated the meeting that the frequency of the Sponsor risk review would be every 4 months after the risk review at the next Sponsor Board (July 2015). The action was **closed** at the meeting.

2. Update on Potential Changes

2.1 WCML Link

Sarah Johnson reported on the progress with the West Coast Main Line (WCML) Link. HS2 Ltd is planning to include provision for infrastructure works (principally turnback capacity) at Old Oak Common, which could support a future connection of Crossrail to the WCML, within an Additional Provision (AP2) to the HS2 Phase 1 Hybrid Bill. AP2 is expected to be deposited in Parliament in July 2015. The inclusion of this infrastructure would address TfL's petition item on the HS2 Project providing future provision for Crossrail WCML and secure adequate turn back capacity (12 tph) for Crossrail trains at Old Oak Common. There is currently no agreement regarding funding for the additional infrastructure.

The first draft of the strategic business case for the WCML link is being led by DfT and is expected to be ready for consultation by the end of June. TfL, NR and JST are actively involved in the process and will be providing commentary through the consultation process. The strategic business case is planned to go to the DfT Board Investment and Commercial Committee (BICC) in September 2015.

Sarah Johnson reported that Phase 1 of the work to look at the relocation/reconfiguration of the Crossrail depot at Old Oak Common to support future development on the site is reaching conclusion. A paper summarising the outcome of Phase 1 will be submitted to the July meeting of Sponsor Board. The second phase of work is planned to take place in the second half of the year with draft findings in early November and the final report, which would identify the preferred option, in December. It was anticipated that both the relocation and reconfiguration options would be taken forward to the second phase.

2.2 Ebbsfleet

Sarah Johnson reported that following discussions with the GLA, the JST has agreed to undertake a workstream, with colleagues in TfL Planning, to review the options for an extension of Crossrail to South East London. This forms part of a broader package of work to look at a range of transport interventions to improve connectivity to this part of London. The JST are also involved in

the work that is being led by the DfT to look at connectivity to the Ebbsfleet area as announced by the Chancellor last year.

2.3 Heathrow – Terminal 5

Allison Phillips updated the meeting that Network Rail currently doesn't have the capacity to support the Business Case workstream. The plan is to revisit the previous work done regarding the extension of Crossrail to Terminal 5 in September 2015.

3. JST Objectives

Sarah Johnson introduced paper SB 71 – 1 entitled, 'JST Objectives 2015/16' providing a performance assessment against the JST 2014/15 objectives and setting out the proposed high-level objectives for 2015/16.

Sponsor Board **NOTED**:-

- The JST's performance against the 2014/15 objectives
- The JST's high level objectives for 2015/16
- The inclusion of an additional member to the PRep core team, focussing on railway operations and bringing into use.

4. Preliminary Discussion of Part B Agenda

SACR 13

Sarah Johnson introduced the 'Semi Annual Construction Report 13' (SB71-2) and reported that at SACR 13 there was £14m headroom between CRL's directly controlled costs and Intervention Point 0, and there was a 72% confidence rating against the planned stage 3 (Central Section) opening date of December 2018 compared to 77% reported at SACR12.

Sarah Johnson updated the meeting on the initiative being undertaken by CRL to review the confidence level in the forecast AFDCD, which has been shared with JST. This review has included a benchmark of the CRL AFDCD against other methods of forecasting ranging from mathematical extrapolation, expert assessment, contractor position and industry experience. The outcome of the review supported the AFDCD position and highlighted some uncertainty with the range of possible outcomes from each approach.

Sarah Johnson updated Sponsor Board that since SACR 13, IPO has been breached (period 2 results) due to unforeseen costs at Paddington. David Craig reported that the costs are associated with the disruption at Paddington caused by the piling issues. The extent of the cost increase is unlikely to be resolved swiftly.

Steve Allen reported that Andrew Wolstenholme has confirmed that CRL is working on remedial actions and will be implementing some changes in

advance of SACR 14, the formal reporting of the AFCDL position against intervention points.

Clare Moriarty commented on the cost of the changes required to mobilise the Master Operational Handover Schedule (circa £200m) which have been included within the AFCDL. The main components of this provision include compensation events for Systemwide contractors and the additional costs of resources to advance the schedule at Bond Street, Eastern running tunnels and specific central section stations. There are a number of commercial agreements which CRL must resolve with contractors to ensure that the benefits of the MOHS are realised. Sponsor Board agreed to discuss with CRL in Part B of the meeting that Sponsor Board would welcome a discussion with CRL in advance of any future decisions that may result in additional cost to maintain the Crossrail schedule.

Sarah Johnson raised the areas of Sponsor Support identified by CRL in SACR13. Of the nine items raised there are four items being managed through established working groups. There are two strategic support items, implications of revised passenger forecast models and transition between CRL and TfL, both of which are currently being managed by the JST and relate primarily to TfL processes. Sponsor Board will be updated on progress and outcomes as the workstreams are developed. The remaining three items are known issues for resolution; First Great Western at Old Oak Common, permanent training facility and blockades at Whitechapel; these are being managed by JST and will be reported to Sponsor Board as the issues reach a conclusion.

Sponsor Board **NOTED**

- i. the contents of this paper;
- ii. the contents of SACR 13 and the PRep report;

Sponsor Board **AGREED**

- i. that, in the SACR 13 Period, there has been no occurrence of a TfL Remedy Trigger Event; and
- ii. to delegate authority to the Head of the JST to write to CRL confirming the outcome of Sponsor Board discussions.

5. Forward Look of Sponsor Board Business

Sarah Johnson introduced the forward look and noted that the main item at the next meeting would be depot relocation and the outcome of the first phase of the feasibility study.

6. Heathrow Spur – Regulation & Charging

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Sarah Johnson introduced the paper which provided an update on the regulation of the Heathrow Spur including that it remains the intention of Heathrow to implement an Infrastructure Recovery Charge (IRC).

Sponsor Board was advised by Sarah Johnson that the formal rail industry consultation on Heathrow's proposals was due to commence on 1 July 2015 and would run for a period of 4 weeks. Sponsor Board agreed that each Sponsor organisation would submit a separate response to the consultation, albeit that the organisations would work together to ensure that each response contained a core set of key messages.

The Sponsor Board discussed the proposal to submit a direct application for access (Option 4) and noted that an informal view of such a proposal had been sought from the ORR. Sponsor Board questioned whether not submitting a direct application for access in advance of the conclusion of the Heathrow consultation period would preclude such an application being made at a later date. Allison Phillips undertook to seek a view from DfT Lawyers in the first instance.

Action : Allison Phillips

Sponsors Board **NOTED**

- i. The progress with the regulation of the Heathrow rail infrastructure and associated charging issues;
- ii. The table of options for Sponsors in relation to Heathrow's proposal to introduce a charging framework that incorporates an IRC
- iii. The proposed approach to providing separate DfT and TfL responses to HAL's consultation.

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Summary of Actions

No.	Action	Responsible	Target
15/06	Risk Register: Amend the ratings of the IPO and IP1 risks, and review the need for an integration risk.	Sarah Johnson	Closed
15/09	WCML Link Stub: Work up a schedule to identify when the business case and operational analysis would need to be completed for inclusion in AP2.	Sarah Johnson	Closed
15/10	Sponsor Board Meeting Dates: Review the timing of Sponsor Board meetings including in relation to the timing of period reports. Consider the meetings to be held in July and/or August.	Sarah Johnson	Closed
15/11	Heathrow Spur Charging: Telephone ORR to discuss the issues.	Becky Wood	Closed
15/12	Heathrow Spur Charging: Circulate a note including proposed time lines and objectives.	██████████	Closed
15/15	Sponsors' Risks: Propose the frequency of the risk agenda items in the light of the new Sponsor Board meeting dates.	Sarah Johnson	Closed
15/16	Heathrow Regulation & Charging: Provide progress updates between Sponsor Boards by e-mail as necessary.	██████████	Closed
15/20	Heathrow Regulation & Charging: Provide an update to Sponsors on the implication of not making a direct application for access (Option 4) in advance of the conclusion of the Heathrow consultation.	Allison Phillips	Open

CROSSRAIL SPONSOR BOARD MEETING No.70

MINUTES OF MEETING HELD ON

FRIDAY, 17 APRIL, 2015

**IN THE DISTRICT ROOM, 7TH FLOOR, EAST WING, 55, BROADWAY
SW1H 0BD**

Present:

Steve Allen*	TfL (Chair)
David Hughes*	TfL
Clare Moriarty*	DfT (Agenda item 6 only)
Becky Wood*	DfT
Allison Phillips	DfT
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
Howard Smith	CRL (Agenda item 6 only)

MEETING PART A

1. Minutes and Actions of Meeting 69

The draft minutes of meeting no 69 (part A) were **AGREED**.

Sarah Johnson reported that all of the actions had been closed or would be covered under the agenda items except the one relating to Sponsor Board meeting dates. The decision as to whether to proceed with the July meeting could be taken nearer the time and a proposal in relation to the timing of the meetings and the period reports would be brought to the June meeting.

Steve Allen questioned the frequency of the Sponsors' risks agenda item and Sarah Johnson was **REMITTED** to propose the frequency in the light of the revised Sponsor Board meeting dates.

Action: Sarah Johnson

2. Update on Potential Changes

Sarah Johnson reported that a number of discussions had taken place on 16 April regarding the West Coast Main Line (WCML) Link. There were 4 issues:-

- i. What, if any, additional or different infrastructure is required at Old Oak Common (compared with the HS2 Hybrid Bill Scheme) in order to support the extension of Crossrail services from Westbourne Park to the new mainline station at Old Oak Common? The High Speed 2 Transport Assessment says 14tph will be extended, it is the view of TfL and Network Rail that the Hybrid Bill design can only accommodate 8tph;
- ii. To what extent does that additional or different infrastructure need to reflect petitions that are seeking infrastructure provision to be provided as part of the HS2 works to facilitate a future extension of Crossrail services to destinations along the WCML?;
- iii. Whether any infrastructure was required to support the HS2 development at Euston. Currently, nothing is required; and
- iv. The timing of the full business case for extending Crossrail services to Tring. Factors to be considered include the broader national rail picture and the aspirations of the Old Oak and Park Royal Development Corporation (OPDC).

Within the next few weeks, NR, TfL and DfT would complete work to ascertain whether the HS2 Bill contained sufficient infrastructure to support 14 tph to OOC. If not, infrastructure would be required to the north of the tracks, which could also support a connection to the WCML, or it might be possible to provide turnbacks between tracks further to the west. The remaining issues could be discussed when this initial work had been completed. Finally the full business case could be considered. David Hughes noted that the base case should be 14 tph to OOC with the passive provision for the WCML Link treated as an incremental cost. Becky Wood noted that the future benefits, beyond what is required for HS2, needed to be captured.

Sarah Johnson reported that work was taking place to look at the relocation of the Crossrail depot at Old Oak Common and the reconfiguration of the depot to support development on the site. A brief had been sent to MTR requiring an initial report by the end of May and a final report by early June. This phase 1 report would be submitted to the July meeting of Sponsor Board. The second phase of work was planned to take place in the second half of the year with draft findings in early November and the final report, which would identify the preferred option, in December. It was anticipated that both the relocation and the reconfiguration options would be taken forward to the second phase.

3. Sponsors' Risks

Sarah Johnson introduced paper SB 70 – 1 entitled, 'Sponsors' Risk Register'. No new risks had been added and no risks closed, but heat maps had been included for information.

Sponsor Board **NOTED**:-

- The changes that have been made to specific risks since the Sponsor Board meeting on 23 February 2015;
- The inclusion of heat maps to illustrate the relative position of risks pre and post the identified mitigation action; and
- The updated Sponsor Risk Register.

4. Preliminary Discussion of Part B Agenda

Sponsors discussed the part B agenda.

5. Forward Look of Sponsor Board Business

Sarah Johnson introduced the forward look and noted that the main item at the next meeting would be SACR13. ██████████ noted that the benefit management study was progressing and the draft report could be submitted to the June meeting.

6. Heathrow Spur – Regulation & Charging

██████████ gave a verbal update on progress since the last Sponsor Board meeting. Following Becky Wood's telephone discussion with ORR, a meeting had been held between Sponsors and ORR and a meeting involving Sponsors, ORR and Heathrow had been arranged for 21 April. A paper had been circulated to Sponsor Board members since the last meeting and Sponsor Board had agreed that, with respect to the Deed of Undertaking, the Implementation (i.e. Regulation) Date should be delayed to August 2015 (with a fall back to September if necessary) and that the Required (i.e. Access Option) Date should not be changed. Allison Phillips had subsequently negotiated this successfully with Heathrow such that only the Implementation date had been changed to 31 August 2015.

Howard Smith noted that ORR had appeared to consider the matter to be routine business, but the meeting had alerted them to the bigger issues, such as a possible conflict between CAA and ORR, and State Aid. Allison Phillips noted that ORR had not thought through the money flows. Becky Wood noted that the railway-specific money flows and benefits needed to be made clear as these were different to other regulatory asset base movements such as

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those relating to hotels, and that Chris Hemsley should be kept informed. Clare Moriarty noted that prior to the consultation it should be clarified whether CAA or ORR would make the final decision.

██████████ noted that the Department's current policy was set out in the 2013 Aviation Policy Framework where it was stated that the general position for existing airports is that developers should pay for enhancing the rail network.

Sponsor Board **REMITTED** ██████████ to provide progress updates between Sponsor Boards by e-mail as necessary.

Action: ██████████

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Summary of Actions

No.	Action	Responsible	Target
15/06	Risk Register: Amend the ratings of the IP0 and IP1 risks, and review the need for an integration risk.	Sarah Johnson	Closed
15/09	WCML Link Stub: Work up a schedule to identify when the business case and operational analysis would need to be completed for inclusion in AP2.	Sarah Johnson	Closed
15/10	Sponsor Board Meeting Dates: Review the timing of Sponsor Board meetings including in relation to the timing of period reports. Consider the meetings to be held in July and/or August.	Sarah Johnson	19/6/15
15/11	Heathrow Spur Charging: Telephone ORR to discuss the issues.	Becky Wood	Closed
15/12	Heathrow Spur Charging: Circulate a note including proposed time lines and objectives.	[REDACTED]	Closed
15/15	Sponsors' Risks: Propose the frequency of the risk agenda items in the light of the new Sponsor Board meeting dates.	Sarah Johnson	19/6/15
15/16	Heathrow Regulation & Charging: Provide progress updates between Sponsor Boards by e-mail as necessary.	[REDACTED]	19/6/15

CROSSRAIL SPONSOR BOARD MEETING No.69

MINUTES OF MEETING HELD ON

THURSDAY, 19 MARCH, 2015

**IN ROOM H5, GREAT MINSTER HOUSE, 33 HORSEFERRY ROAD,
LONDON**

Present:

Clare Moriarty*	DfT (Chair)
Becky Wood*	DfT
Steve Allen*	TfL
David Hughes*	TfL
Sarah Johnson	Joint Sponsor Team
██████████	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
Howard Smith	CRL (Agenda item 5 only)

Apologies for absence were received from Allison Phillips.

MEETING PART A

1. Minutes and Actions of Meeting 68

The draft minutes of meeting no 68 (part A) were **AGREED**.

Actions 15/01 and 15/02 had been closed. Action 15/07 was covered under the associated agenda item.

2. Update on Potential Changes

Sarah Johnson reported that further work was required on the business case for the West Coast Main Line (WCML) Link. There had been an intention to include the WCML Link Stub in the Additional Provision (AP), which is planned to be submitted in June or July, but it was understood that this may not now be the case.

Clare Moriarty noted that the key issue regarding the inclusion of the Stub in an Additional Provision related to the elevation of the flyover and its impact on

local residents. There needs to be a firm intention to construct the works if they are to be included in the Bill. There was a strong argument for building the flyover because of the potential future operational resilience including the provision of turnbacks. David Hughes noted that TfL's view was that the current turnback proposal (i.e. the proposal included in the HS2 Hybrid Bill) would only support 8 tph.

Clare Moriarty noted that, if the works were required, they would need to be included in AP2, otherwise the HS2 Bill could be delayed because of the failure to close out the Old Oak Common issues. DfT's view was that there was a firm intention to build a flyover. Sarah Johnson undertook to put a schedule together to identify when the business case and operational analysis would need to be completed.

Action: Sarah Johnson

3. Preliminary Discussion of Part B Agenda

Sarah Johnson noted that the CRL period 12 report would show a breach against Intervention Point 0 due to additional costs arising from the railhead profiling machine and the issues at Whitechapel. It was anticipated that the breach would be resolved at SACR13 following the revision of the QRA. The revised interest rates would not apply until Period 1.

David Craig gave an overview of PRep's briefing note on the issues at Whitechapel. CRL was mitigating the delays by bringing forward some systemwide works, delaying some civils works and using the west bound tunnel and crossover just west of the station for systemwide access. Overall the critical path was about one week late with some non-critical works around 6 months late.

Whilst the additional costs were covered by risk and contingency allowances, and therefore included in the AFCDC, the KPIs were measured against the tender and were poor as a result. There had also been issues with staffing and CRL had been managing the situation well, but the situation required very careful ongoing management.

Clare Moriarty asked if the CRL Period Reports considered by Sponsor Board could be more up to date. Steve Allen suggested that the timing of the meetings could be altered and could revert to every other month with consideration being given to the timing against the reporting cycle. Sarah Johnson undertook to review the timing of the meetings.

Action: Sarah Johnson

4. Forward Look of Sponsor Board Business

Clare Moriarty proposed that the May meeting could be cancelled with the SACR report to be considered at the June meeting. Some form of meeting would be required in July or August.

Action Sarah Johnson

5. Heathrow Spur – Regulation & Charging

██████████ noted that, in relation to action 15/07, John Larkinson (ORR) had declined a meeting invitation noting that the consultation would be run by Heathrow and not by ORR. Allison Phillips had also made a number of calls to request a meeting without success. Becky Wood agreed to telephone ORR to discuss the issues.

Action: Becky Wood

██████████ reported that Allison Phillips had discussed the charging issues with Simon Earles (Heathrow). Simon was content to have further discussions before the consultation, but was concerned that Heathrow would be in breach of the Deed of Undertaking (DoU) which required regulation of the Heathrow rail infrastructure to be in place by May 2015. Subsequently Heathrow submitted a draft Deed of Amendment (DoA) to the DoU with the regulation date having been changed from May 2015 to December 2015 and the Access Option date changed from May 2016 to December 2016.

A conference call had also been held with Heathrow during which Heathrow noted that the rail assets were included in the aeronautical single till with the result that the airlines subsidised the railway asset. Heathrow intended to redress the balance and put in place a structure such that rail charges were recovered from rail operators and passengers. Howard Smith had raised the key points which had been discussed at the last meeting of Sponsor Board. The length of a potential delay to the regulation date and the associated alternative methods of recording the delay had been discussed. It had been agreed that urgent meetings would be held over the next month, prior to any consultation, to discuss Heathrow's assumptions and to ensure that the positions of the parties were clear.

Howard Smith noted that during the call he sensed that Heathrow did not consider that it had a robust case and this had been tested with questions regarding Heathrow's engagement with ORR. The proposals could set a precedent for the Western Rail Access to Heathrow project and could cost TfL £20m to £60m per annum for a lengthy period. Becky Wood noted that rail and aviation colleagues were working together to clarify the Department's position.

Clare Moriarty noted that the assets would either reside on one asset base or the other. Steve Allen noted that it would be worth checking what would happen if CAA and ORR disagreed. Clare Moriarty noted that the red line and fall back position had not been articulated. It would be sensible to have an

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orderly process and to gain more time, though Sponsors needed to understand the end game. [REDACTED] was **REMITTED** to circulate a note including proposed time lines and objectives.

Action: [REDACTED]

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Summary of Actions

No.	Action	Responsible	Target
14/42	Sponsors' Responsibilities: Initiate work to review Sponsors' responsibilities in the latter stages of the project.	Sarah Johnson	17/4/15
15/01	WCML Link: Circulate updated draft lines to take.	Sarah Johnson	Action closed
15/05	Paddington BLL: Circulate draft GWD letter for comment.	Sarah Johnson	Action closed
15/06	Risk Register: Amend the ratings of the IP0 and IP1 risks, and review the need for an integration risk.	Sarah Johnson	17/4/15
15/07	Heathrow IRC: Arrange a meeting with ORR and provide a progress update at the Sponsor Board meeting which is to be held on 19 March.	[REDACTED]	Action closed
15/09	WCML Link Stub: Work up a schedule to identify when the business case and operational analysis would need to be completed for inclusion in AP2.	Sarah Johnson	17/4/15
15/10	Sponsor Board Meeting Dates: Review the timing of Sponsor Board meetings including in relation to the timing of period reports. Consider the meetings to be held in July and/or August.	Sarah Johnson	17/4/15
15/11	Heathrow Spur Charging: Telephone ORR to discuss the issues.	Becky Wood	26/3/15
15/12	Heathrow Spur Charging: Circulate a note including proposed time lines and objectives.	[REDACTED]	26/3/15

CROSSRAIL SPONSOR BOARD MEETING No.68

MINUTES OF MEETING HELD ON

MONDAY, 23 FEBRUARY, 2015

**IN ROOMS 2/26 & 2/27, GREAT MINSTER HOUSE, 33 HORSEFERRY
ROAD, LONDON**

Present:

Clare Moriarty*	DfT (Chair)
Allison Phillips*	DfT
██████████	DfT
Steve Allen*	TfL
David Hughes*	TfL
Sarah Johnson	Joint Sponsor Team
██████████	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
Howard Smith	CRL (Agenda item 7 only)

Apologies for absence were received from Jeremy Rolstone.

MEETING PART A

1. Minutes and Actions of Meeting 67

The draft minutes of meeting no 67 (part A), which were circulated with the papers for the meeting, were **AGREED**.

Actions 14/39, 14/40 and 14/41 had been closed as noted in the action log.

Action 15/01. Sarah Johnson noted that the WCML Link lines to take had been agreed and would be circulated.

2. Update on Potential Changes

Sarah Johnson noted that DfT had received a response from the Heathrow Airport Community in relation to the T5 proposal. Allison Phillips noted that the Community did not wish to see a diminution of services to T4, but actually would wish to see a Crossrail service of 6tph rather than 4tph to the Airport.

DfT was discussing the letter and would then speak to JST and TfL. Further business case analysis would be required in due course.

3. Paddington Bakerloo Line Link

Sarah Johnson introduced paper SB 68 – 1, entitled 'Paddington Bakerloo Line Link.' Sponsor Board had discussed the issue at the meeting which was held in November 2014 since when the Bakerloo Line Link contract had been awarded to Costain Skanska. Great Western Developments (GWD) were keen to get on site in advance of the Bakerloo Line Link works in order to commence the partial demolition of the Royal Mail Group building. CRL had been asked to provide an assessment of GWD's proposals on the Crossrail project. The assessment concluded that the planned Stage 3 Opening Date of December 2018 would be affected and that there would be additional cost. Network Rail had confirmed that the link would be required in time for the Stage 3 opening. Whilst GWD had responded to the assessment, Steve Allen noted that GWD had not attempted to refute the rationale underpinning CRL's assessment.

David Hughes noted that GWD's plans included a significant public good for the Paddington area. Sarah Johnson noted it was proposed that TfL and CRL should work with GWD to ascertain whether site access could be granted to GWD before January 2019 when the Crossrail BLL works would be completed.

Clare Moriarty noted that on the basis of the thorough review and the significant delay to Crossrail entailed with the GWD proposal, it was sensible to reject the proposal whilst continuing to work with GWD to devise an approach which worked for TfL and CRL.

Sponsor Board:-

- **NOTED** the attached report entitled, 'Crossrail Initial Change Appraisal SCN 0021. Paddington – Bakerloo Line Link. Crossrail construction methodology at the RMG Building'; and
- **AGREED** that JST shall issue a Change Rejection Notice notifying CRL that :-
 - i. Sponsors have decided not to accommodate GWD's proposal for the early and partial demolition of the GWD building because of the consequential delay to the Stage 3 opening date; and
 - ii. TfL and CRL shall engage with GWD to inform them of the outcome of the study and Sponsors' decision, and to offer them an opportunity to discuss options for sharing the site following completion of the BLL civils work which is scheduled to occur in early 2017.

Sarah Johnson agreed to circulate a draft letter to GWD for comment.

Action: Sarah Johnson

4. Sponsors' Risks

Sarah Johnson introduced paper SB 68 – 2, entitled, 'Sponsors' Risk Register.' Two new risks had been added to the register in relation to a breach of Intervention Point 0 (IP0) and the business case revision. Other changes to the risk register had been highlighted. Some comments on the risk ratings had been received and these would be addressed in the next issue.

Clare Moriarty noted that a risk rating of 16 resulted in amber and red ratings under different risks. The new IP0 risk had the same rating as a breach of IP1 which was not logical, and the IP0 risk was high given the cost pressures. Sarah Johnson agreed to amend the register.

Action: Sarah Johnson

Sarah Johnson noted that she would be attending a meeting with the Royal Borough of Kensington and Chelsea who had put forward new proposals for Kensal Green Station involving changes to the GW.

Clare Moriarty questioned whether there should be a risk of programme delays arising from integration issues. David Craig noted that the integration risk appeared on the CRL risk register with risk mitigations involving Infrastructure Managers and Network Rail. Sarah Johnson undertook to review the need for an integration risk.

Action: Sarah Johnson

5. Preliminary Discussion of Part B Agenda

Sarah Johnson noted that CRL was seeking guidance on the next steps with yellow plant. Whilst the covering paper noted that none of the plant was specialised, the slides noted that the railhead profiling machine required modification and that platform delivery equipment was not available. One approach would be for CRL to pay for the railhead profiling machine and for any signalling modifications which would be required for other plant, with RfL responsible for the cost of the remaining plant and for the procurement.

Steve Allen noted that TfL had not budgeted for the cost of the plant and it appeared that CRL had not either. David Hughes noted that the proposal put forward by Sarah Johnson was a pragmatic compromise. Clare Moriarty noted that the wording in the Project Delivery Agreement was ambiguous and agreed that Sarah Johnson's proposal would be put forward in part B of the meeting.

In relation to the CRL pensions agenda item, Sarah Johnson noted that it would be helpful to understand why it was necessary for TfL and CRL to enter into an agreement quickly regarding the Section 75 debt. Clare Moriarty noted that it would be sensible to review the advantages and disadvantages of the options, but a separate decision would be required for the implementation.

Sarah Johnson noted that cost was again the key issue in the Period Report, but there were also schedule pressures in relation to central section stations arising from the sprayed concrete lining work and poor contractor performance at Whitechapel, for example. It would also be worth raising NR's plans for Easter works and ERTMS plans A and B.

6. Forward Look of Sponsor Board Business

No matters were raised under this agenda item.

7. Heathrow Spur – Regulation and Track Access Option

██████████ introduced paper SB 68 – 3, entitled, 'Heathrow Spur – Regulation & Access.' Heathrow was working to regulate the Heathrow spur and stations by May 2015 in accordance with an agreement with the Department, with the aim of having an access option in place by May 2016 and a track access agreement by May 2017. The significant issue was the charging regime which would need to be put in place as part of the regulation. Heathrow was proposing that the rail infrastructure assets transfer from the Heathrow airport regulatory asset base, to a new Heathrow rail asset base, resulting in an Infrastructure Recovery Charge which could cost RfL an additional £50m per annum or more, depending on the capital value, rate of return and amortisation period. In these circumstances, one of the consequences would be that the airport landing charges would reduce with the associated cost burden switching to track access charges. An informal meeting had been held with Heathrow, but the slow progress was a concern because of the need for the charging proposals to go out to public consultation shortly. It might be prudent for DfT and TfL to engage with ORR on the issue.

Howard Smith noted that the legal arguments were very complicated and in part were related to the initial justification for the investment. The IRC would be higher still if it was decided to run Crossrail services to T5. Allison Phillips noted that the position was not clear and Sponsors should be pro-active and engage with ORR. Steve Allen noted that there was a potential State Aid issue.

██████████ noted that it was not critical if the May 2015 date for regulation was not met, provided that there were not consequential delays to the implementation of the access option and track access agreement. Clare Moriarty agreed that Sponsors should speak to ORR to ensure that it was

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aware of all aspects of the issue and [REDACTED] agreed to make the arrangements and to provide a progress update at the next meeting.

Action: [REDACTED]

Sponsor Board **NOTED**:-

- i. Progress with the regulation of the Heathrow rail infrastructure and associated charging issues;
- ii. The proposed approach to the development of Heathrow Access Option; and
- iii. The proposed Terms of Reference of the Crossrail Services Group and the Heathrow Access Option Group.

* * * * *

Summary of Actions

No.	Action	Responsible	Target
14/39	Risks: Circulate the information relating to signalling and other risks which had not been included in the risk register and address the other comments raised by Sponsor Board.	Sarah Johnson	Action closed.
14/40	Risks: Add a risk to the register regarding the GLA forecasts and the BCR.	Sarah Johnson	Action closed.
14/41	New CRL Structure: Arrange a briefing for Sponsor Board on the proposed new CRL structure.	Sarah Johnson	Action closed.
14/42	Sponsors' Responsibilities: Initiate work to review Sponsors' responsibilities in the latter stages of the project.	Sarah Johnson	Action not due.
15/01	WCML Link: Circulate updated draft lines to take.	Sarah Johnson	27/2/15
15/05	Paddington BLL: Circulate draft GWD letter for comment.	Sarah Johnson	27/2/15
15/06	Risk Register: Amend the ratings of the IP0 and IP1 risks, and review the need for an integration risk.	Sarah Johnson	27/2/15
15/07	Heathrow IRC: Arrange a meeting with ORR and provide a progress update at the Sponsor Board meeting which is to be held on 19 March.	[REDACTED]	19/3/15

CROSSRAIL SPONSOR BOARD MEETING No.67

MINUTES OF MEETING HELD ON

MONDAY, 19TH JANUARY, 2015

**IN ROOM H5, GREAT MINSTER HOUSE, 33 HORSEFERRY ROAD,
LONDON**

Present:

Clare Moriarty*	DfT (Chair)
Allison Phillips*	DfT
██████████	DfT
Steve Allen*	TfL
David Hughes*	TfL
Sarah Johnson	Joint Sponsor Team
██████████	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig Project Representative

Apologies for absence were received from Jeremy Rolstone

MEETING PART A

Clare Moriarty introduced ██████████ to the meeting.

1. Minutes and Actions of Meeting 66

Subject to the first sentence of the second paragraph of item 6 reading as, 'Sarah Johnson noted that the matter had been discussed on 5 November 2014 with the NAO staff that had carried out the value for money review', the minutes of meeting no 66 (part A) were **AGREED**.

None of the actions were due and the status of each had been recorded in the action log.

2. Update on Potential Changes

Sarah Johnson noted that there had not been any further developments with the Ebbsfleet proposal since the Autumn Statement announcement of a transport study which would include Crossrail. Allison Phillips noted that DfT would contact Jon Griffiths (Ebbsfleet UDC) to understand what would be required from the Department and the timescales.

Allison Phillips noted that a response had not been received from Heathrow or the Airport Community in relation to the T5 proposal and the associated business case. Work on the cost of the 6tph option would continue. The Department would be meeting with HMT to discuss the proposal. Sarah Johnson noted that, even if a response was not received, Sponsors should consider how to take the work forward including the selection of a preferred option which would then be subject to both Sponsors' governance processes. Clare Moriarty reported that Heathrow Express would need to vacate its existing depot by 2019 in relation to plans for Old Oak Common and HS2 and the Langley option was still being worked on together with others.

Allison Phillips tabled a slide entitled, 'WCML Link Update'. Allison Phillips reported that the West Coast Main Line (WCML) Link proposal had a negative net present value irrespective of whether HS2 was taken into account. HS2 has confirmed that the WCML Link is not currently needed for its Euston Station redevelopment plans. The recommendation to the Permanent Secretary and Ministers would be to continue to progress the business case work but as HS2 is no longer a driver for the scheme, the work can be undertaken over a longer timeframe. Further work will include improvements to the reliability of the modelling (Railplan and London Transportation Studies) and incorporating the economic regeneration from HS2 and the Mayoral Development Corporation. Sarah Johnson undertook to circulate updated draft lines to take.

Action: Sarah Johnson

3. Preliminary Discussion of Part B Agenda

Sarah Johnson noted there were declining trends with respect to both the Cost Performance Index (CPI) and Schedule Performance Index (SPI) in the CRL Period 9 Report. The cumulative overspend trend was a concern and the emerging figures from period 10 indicate that the current trend would continue. David Craig noted that the trend had started in period 3 and, except for a slight decrease in period 6, had increased ever since. If the trend continued, it would be implausible for the AFCDC(P50) to remain below Intervention Point 0 (IP0). Currently the AFCDC(P50) had flat-lined and CRL was controlling this through a reduction in risk. Clare Moriarty noted that cost should be discussed in part B of the meeting.

Sarah Johnson noted that CRL could raise the following issues; the Paddington piles, Whitechapel station, the Sellars scheme at Paddington, Crossrail passenger forecasts, and 4G/WiFi.

Sarah Johnson noted that CRL had written to JST regarding the Crossrail interface with the HS2 project. The key issues related to the sewer diversion and the settlement impact. Following survey work, it has been established that HS2 can carry out the sewer work from outside CRL's site. CRL had been asked to bring settlement information to demonstrate why it was not

possible to address the settlement issue in the depot design without delaying the Crossrail project. Jin Morgan noted that he had asked HS2 for further justification of its position. Allison Phillips noted that DfT needed to consider the position taking into account the interests of both the Crossrail and HS2 projects.

Sarah Johnson noted that the NR presentation would focus on the works undertaken at Christmas and some associated questions had been circulated. The most significant issues were set out on page 6 of the presentation, but the meeting should recognise that all of the Crossrail work, which was a very significant amount, had been completed. Clare Moriarty reported on Mark Carne's explanation of the events surrounding the HEX track trolley incident. Sarah Johnson noted that the possible impact on future Easter and Christmas possessions and ETCS implementation was very important.

4. Forward Look of Sponsor Board Business

Sarah Johnson noted that the CRL/TfL Organisational Transition agenda item would be moved to the March meeting of Sponsor Board as there had been a delay in submitting the issue to the CRL Board.

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Summary of Actions

No.	Action	Responsible	Target
14/39	Risks: Circulate the information relating to signalling and other risks which had not been included in the risk register and address the other comments raised by Sponsor Board.	Sarah Johnson	23/2/15
14/40	Risks: Add a risk to the register regarding the GLA forecasts and the BCR.	Sarah Johnson	23/2/15
14/41	New CRL Structure: Arrange a briefing for Sponsor Board on the proposed new CRL structure.	Sarah Johnson	19/3/15
14/42	Sponsors' Responsibilities: Initiate work to review Sponsors' responsibilities in the latter stages of the project.	Sarah Johnson	19/3/15
15/01	WCML Link: Circulate updated draft lines to take.	Sarah Johnson	23/2/15

CROSSRAIL SPONSOR BOARD MEETING No.66

MINUTES OF MEETING HELD ON

MONDAY, 18TH DECEMBER, 2014

**IN ROOM 3/23, GREAT MINSTER HOUSE, 33 HORSEFERRY ROAD,
LONDON**

Present:

Jeremy Rolstone	DfT (Chair)
Clare Moriarty*	DfT (Items 8 & 9 only)
Allison Phillips*	DfT
Steve Allen*	TfL (Items 8 & 9 only)
David Hughes*	TfL
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
Sian Evans	JST (Agenda items 3 to 7 only)

MEETING PART A

1. Minutes and Actions of Meeting 65

The minutes of meeting no 65 (parts A & C) were **AGREED**.

Actions 14/26, 14/27, 14/31, 14/32 and 14/38 had been closed.

2. Update on Potential Changes

Sarah Johnson noted that work was continuing on the West Coast Main Line Link business case. The business case would be considered by the DfT Rail Board and DfT BICC in the New Year, and should be discussed by Sponsor Board at its January meeting, but there would not be any further information on the operational impact at that time.

Jeremy Rolstone noted that the business case work should also refer to a potential Crossrail depot at Wembley. David Hughes agreed that reference should be made in the business case to a potential depot at Wembley, although the Wembley proposal was at this stage very tentative.

Sarah Johnson noted that JST would set up a new workstream in the New Year to assess the depot options which would take about 6 months. Jeremy Rolstone agreed that this would be a sensible approach.

Jeremy Rolstone noted that [REDACTED] would be supporting him on the Crossrail, Thameslink and Inter City Express programmes until Becky Wood returned, but he would remain SRO for the programmes.

Sarah Johnson noted that there was not a specific announcement in relation to Crossrail services running to Ebbsfleet in the Autumn Statement. However a transport study, including Crossrail and other rail services, would be undertaken.

Allison Phillips reported that DfT had met Heathrow to facilitate work by the airlines to determine the proposed number of services to Heathrow and the associated terminal stations. The work would need to be funded by the airlines. DfT subsequently wrote a letter to confirm the position, but a reply has not been received. The Terminal 4 airlines wish to see no diminution in level of service so DfT will be assessing whether there is capacity on the GW to increase the total quantum of services to Heathrow. It is unlikely that the economic analysis and a deal could be concluded by the Budget (March 2015).

Sian Evans noted that an outline business case would be produced in the period from January to March which would include some third party assurance and service optimisation work. Jeremy Rolstone noted that the work should be brought to the March meeting of Sponsor Board before internal approvals were obtained.

3. Sponsors' Risks

Sarah Johnson introduced paper SB 66 – 1, entitled “Sponsors’ Risk Register”. New risks had been introduced in relation to signalling, PRep procurement, station leases and Old Oak Common development. The risk ratings had been reviewed to address the questions which Sponsor Board had raised. David Hughes noted that the signalling risk related to the development and improvement of the system rather than implementation as noted in paragraph 5 of the paper. Allison Phillips queried whether the post mitigation rating of risk E7 regarding the proposed development at Old Oak Common should be zero. Jeremy Rolstone agreed that the rating was not zero and noted that the risk of development at Old Oak Common remained and reference should be made to the workstream reviewing alternative depot locations. Sarah Johnson undertook to circulate the information relating to signalling and other risks, which had not been included in the risk register, and to address the other comments raised by Sponsor Board.

Action: Sarah Johnson

Allison Phillips queried whether the station lease risk could prevent the transfer of services between Liverpool Street and Shenfield to Crossrail. Sarah Johnson noted that it would not, but that the risk should be raised with CRL in part B of the meeting.

4. Business Case – Approval

Sian Evans introduced paper SB 66 – 2, entitled, “Crossrail Business Case”. Due to the number of changes and the revisions to the appraisal methodology, the 2014 Business Case had been developed from first principles. Railplan 7, which had greater detail, had been used for the passenger demand modelling instead of Railplan 5 which had been used for the 2011 Business Case. However, there were some outstanding issues with Railplan 7 which needed to be resolved.

Sian Evans noted that total revenue had not changed, but the incremental revenue had decreased reflecting changes to the LU service pattern. In addition, the current GLA forecast does not predict that growth in employment will increase in line with the population so the GLA is proposing to revise the employment forecasts in line with trends; however, the outputs of this work will not be available until September 2015. The 2014 Business Case took the extension of services to Reading and the fit-out of the Woolwich box into account, but these had a negligible effect on the overall case. The paper gave an update on the initial benefit/cost ratio (BCR) outputs, but only as an interim position with a number of questions to be answered to finalise the numbers and more detailed work is required before the BCR output could be considered stable and robust.

David Hughes noted that there was not an external deadline so the work should take account of the revised GLA forecasts. Sarah Johnson noted that this approach would enable the Railplan 7 issues to be resolved which would be beneficial.

Jeremy Rolstone concluded that more work was required and that the business case work should not be brought back to Sponsor Board before the revised GLA forecasts were published in September. Furthermore a risk should be added to the register regarding the GLA forecasts and the BCR.

Action: Sarah Johnson

Sponsor Board **NOTED:**

- i. The work undertaken to update the Crossrail Business Case; and
- ii. The draft findings of the 2014 economic appraisal.

Sponsor Board **AGREED** that the updated Crossrail Business Case should not be finalised until account had been taken of the revised GLA forecasts which were due to be published in September 2015.

5. Affirmation of Opening Strategy

██████████ introduced paper SB 66 – 3, entitled “Affirmation of the Opening Strategy”. The Opening Strategy had been detailed in the Sponsors’ Requirements. However, as a result of discussions during the Spending Review in 2010, a Sponsors’ Change was issued which moved the Target Final Delivery Date from September 2017 to September 2018 in order to save £700m through reducing the risk associated with the opening strategy, and value management and engineering. CRL, in conjunction with JST, prepared a revised opening strategy as a planning assumption which was known as ‘Variant 2’ and which was accepted by Sponsor Board. Subsequently Sponsors affirmed a revised Stage 1 date in order to save rolling stock financing costs and the Variant 2 opening strategy had remained stable with stakeholders planning accordingly. Therefore it was considered appropriate to confirm formally the status of the opening strategy.

David Hughes noted the background to the revised opening strategy in relation to the period to commencement of full services. CRL had proposed two and a half years, but a period of 18 months was eventually agreed and this had become embedded in project planning. David Hughes noted that he had queried whether Howard Smith had assessed whether it remained the correct strategy; Sarah Johnson had confirmed that CRL had reassessed the strategy and it remained valid. Therefore it was sensible to affirm the strategy.

Sponsor Board **APPROVED** the affirmation of the Crossrail Opening Strategy.

6. Governance Review – Update

██████████ introduced paper SB 66 – 4, entitled, “Review of Crossrail Governance Arrangements”. A previous paper had been discussed at the September meeting of Sponsor Board where it had been agreed that the review should address possible improvements to Sponsor Board arrangements, that there should be a presumption against changing the agreements and that account should be taken of CRL’s transition work. Subsequently further discussions had been held which reinforced the points agreed at Sponsor Board.

Sarah Johnson noted that the matter had been discussed on 5 November 2014 with the NAO staff that had carried out the value for money review. The NAO staff appeared content given that the core agreements covered the whole of the project and that it was proposed to gain greater visibility of operational matters. JST proposed to commence another workstream next year which would review Sponsors’ responsibilities as the project moved through the various phases and through the opening stages. Jeremy Rolstone noted that a further check on the governance arrangements might be required following the review of Sponsors’ responsibilities. David Hughes

noted that he was content with the proposed recommendation as the existing arrangements were working well.

Allison Phillips noted that the MPA was planning to carry out a review of the project in 2015 and that DfT had proposed that the work was carried out in April. David Craig noted that CRL would have implemented its new sector-based structure by April and so the CRL organisational structure would be coming to the end of a period of change and there may be some outstanding issues.

Sponsor Board **REMITTED** Sarah Johnson to arrange a briefing for Sponsor Board on the proposed new CRL structure and to initiate work to review Sponsors' responsibilities in the latter stages of the project.

Sponsor Board **AGREED** that:-

- i. There should be no changes to the core agreements;
- ii. JST should continue to keep the Sponsor Board arrangements under review to ensure that there is good visibility of operational issues;
- iii. Sponsors should receive updates on CRL's transition strategy work at regular intervals; and
- iv. The current governance review workstream should be closed.

7. Head of JST

David Hughes introduced paper SB 66 – 5, entitled, "Head of Crossrail Joint Sponsor Team" which set out a proposal for the current Head of the JST to take on some additional responsibilities in respect of Crossrail 2 within TfL. TfL was seeking to strike a balance between maximising the learning from Crossrail 1 in the development of Crossrail 2, whilst ensuring proper oversight of Crossrail 1. It had been agreed within TfL that Crossrail 1 matters should have priority.

Jeremy Rolstone queried the impact on JST's resources. Sarah Johnson noted that, subject to Sponsor Board's decision, it was proposed to recruit an additional TfL team member who would report to Sian Evans.

Sponsor Board **NOTED** the contents of the paper.

8. Preliminary Discussion of Part B Agenda

David Craig noted concerns regarding the rate of drawdown of contingency, keeping stakeholders informed about progress with the GW signalling plans

and ensuring that CRL meets DfT on a regular basis to discuss the ERTMS migration plan.

Steve Allen noted that work should be undertaken with MTR's input to demonstrate how an alternative development could be constructed at Old Oak Common. In considering other depot options, it would be helpful to focus on those which had the fewest dependencies.

Jeremy Rolstone gave an overview of the business of the meeting.

9. Forward Look of Sponsor Board Business

Sarah Johnson presented the forward look of Sponsor Board business.

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Summary of Actions

No.	Action	Responsible	Target
14/26	Governance Review: Ensure that the governance review and CRL's transition planning are discussed at the November meeting of Sponsor Board so that decisions could be taken in relation to phase 2 of the governance work. (Note: this item will be considered at the December meeting.)	Sarah Johnson	Closed
14/27	Sponsors' Risks: Review the ratings for risks A1, A4, D1, D5, D6, E1 and E4, consider the addition of a risk for step free access at surface stations and provide explanations for changes in risk ratings in future updates.	Sarah Johnson	Closed
14/31	West Coast Mainline Link: Circulate the requirements to Sponsor Board for approval by correspondence. Identify justifiable red lines within the requirements in conjunction with Howard Smith.	Sarah Johnson Sarah Johnson	Closed
14/32	Northfleet Extension Study: Provide further details of reliability and operational conflicts.	Sarah Johnson	Closed
14/38	Rolling stock vehicles seating layout: Share the associated papers with DfT.	Sarah Johnson	Closed
14/39	Risks: Circulate the information relating to signalling and other risks which had not been included in the risk register and address the other comments raised by Sponsor Board.	Sarah Johnson	19/1/15
14/40	Risks: Add a risk to the register regarding the GLA forecasts and the BCR.	Sarah Johnson	19/1/15
14/41	New CRL Structure: Arrange a briefing for Sponsor Board on the proposed new CRL structure.	Sarah Johnson	19/1/15
14/42	Sponsors' Responsibilities: Initiate work to review Sponsors' responsibilities in the latter stages of the project.	Sarah Johnson	19/3/15


CROSSRAIL SPONSOR BOARD MEETING No.65

MINUTES OF MEETING HELD ON

MONDAY, 24TH NOVEMBER, 2014

**IN ROOMS 2/26 & 2/27, GREAT MINSTER HOUSE, 33 HORSEFERRY
ROAD, LONDON**

Present:

Clare Moriarty*	DfT (Chair)
Allison Phillips*	DfT
Jeremy Rolstone	DfT
Steve Allen*	TfL
David Hughes*	TfL
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
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MEETING PART A

0. Preliminary Discussion of Part B Agenda

Clare Moriarty noted that Terry Morgan had sent an e-mail asking whether Sponsors would be prepared to remove the requirement to provide some forward and rear facing seating in the Crossrail rolling stock vehicles. It was noted that the e-mail should have been copied to TfL. David Hughes noted that TfL favoured a fully longitudinal seating arrangement, but that DfT had required some transverse seating. The seating arrangement was specified in the rolling stock technical specification which had been approved by Sponsor Board. Sarah Johnson undertook to share the associated papers with DfT.

Action: Sarah Johnson

Clare Moriarty noted that CRL should be informed of Sponsors' proposed action in relation to 19, Princelet Street. Sarah Johnson noted that CRL should also be notified of the period of further work required in relation to Stadium Capital Development's proposal at Old Oak Common.

1. SACR 12/Period 7 Report

Sarah Johnson introduced paper SB 65 – 1, entitled, “Semi Annual Construction Report 12.” The headlines concerned the headroom to Intervention Point 0 (IPO) and the 77% schedule confidence rating. David Craig noted that there was a risk that CRL would breach IPO given the rate that the contingency was being spent. However, CRL had introduced greater rigour in order to reduce the draw down of contingency and it was hoped that the trend line would improve, possibly by January/February 2015. The decrease in schedule confidence from 81% to 77% was within the roundings of the methodology, though there were a few influences which had a downward effect on the figures. If the figures dropped further, then it would be necessary to look at the risks and the associated amelioration.

Sarah Johnson noted that the good health and safety performance should be mentioned and CRL should be asked about the rate of draw down of contingency which was £130m in the SACR 12 period, although the contingency at area and project level had remained fairly static. As regards Sponsor support, Sarah Johnson¹ flagged the issue of pension liabilities which was due to be considered at the CRL Board meeting in January. Steve Allen noted that TfL had been discussing the issue with CRL.

Sponsor Board :-

- **NOTED** the contents of the paper;
- **NOTED** the contents of SACR 12 and the PRep report as issued by JST on 17th November 2014;
- **AGREED** that, in the SACR 12 Period, there has been no occurrence of a TfL Remedy Trigger Event; and
- **AGREED** to delegate authority to the Head of the JST to write to CRL confirming the outcome of Sponsor Board discussions.

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Secretary's note

The Sponsors-only discussion in part A of the meeting was followed by part B of the meeting which included CRL attendees, and by part C which was also a Sponsors-only discussion. The part C minutes include an action summary relating to both part A and part C of the meeting.

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¹ Sarah Johnson declared her interest as a member of the CRL pension scheme.


CROSSRAIL SPONSOR BOARD MEETING No.65

MINUTES OF MEETING HELD ON

MONDAY, 24TH NOVEMBER, 2014

IN ROOMS 2/26 & 2/27, GREAT MINSTER HOUSE, 33 HORSEFERRY ROAD, LONDON

Present:

Clare Moriarty*	DfT (Chair)
Allison Phillips*	DfT
Jeremy Rolstone	DfT
Steve Allen*	TfL
David Hughes*	TfL
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig Project Representative

MEETING PART C

1. Minutes and actions of meeting no 64

The draft minutes of meeting no 64 were **AGREED**.

Sarah Johnson noted that all of the actions were being dealt with or would appear on future agendas.

2. Business Case – Update

Sarah Johnson introduced paper SB 65-2 entitled, "Crossrail Business Case Update." The 2014 Crossrail business case results will be presented to the Sponsor Board meeting which is to be held on 18th December for approval. A low key approach will be taken to the publication of the final reports. Sponsor Board **NOTED**:-

- i. The work being undertaken to update the Crossrail Business Case;
- ii. The key dates to support completing the Crossrail Business Case update by December 2014;

- iii. The proposed documents to be produced to support the 2014 Crossrail Business Case; and
- iv. The 'low key' approach to the publication of final reports.

3. Paddington Bakerloo Line Link

Sarah Johnson introduced paper SB 65-3 entitled, "Paddington Bakerloo Line Link." The link between the new station box at Paddington and the Bakerloo Line forms part of the scope detailed in the Sponsors Requirements. CRL had proposed to remove the Bakerloo Line link and the District and Circle Line link from the scope as part of Project Assure. However Sponsors had only accepted the removal of the District and Circle Line Link. CRL had approved the contract award for the Bakerloo Line link on 21st November and there would be a standstill period before contract award. Sellars had purchased the Royal Mail group (RMG) site at 31 London Street. Sellars will be working up a planning application for the redevelopment of the whole site over the course of 2015, but they have already submitted a separate application for the demolition of the existing building. The current issue is that Sellars are seeking access to the RMG site from January 2015 in order to demolish the building apart from the listed facades. The demolition is planned to take 6 months after which the site would be handed back to CRL for construction of the link. There would be a meeting on 25th November to review the risks of the Sellars' proposal.

David Craig noted that construction of the link shafts would involve greater risk if carried out following demolition of the interior of the building. Jeremy Rolstone queried who would bear the additional risk to the facades if the shafts were constructed without the internal support from the existing building. Sarah Johnson noted that if there was any change to the Crossrail project as a result of the development, then the costs would be borne by the developer. Clare Moriarty noted that the risk needed to be articulated. In the case of Old Oak Common, the Secretary of State was clear that additional risks to the Crossrail schedule should not be introduced. Sponsors would need to be aware of the Mayor's discussions with funders and the outcome of the planning application. Sarah Johnson noted that she would attend the meeting with Sellars on 25th November and then would manage the issue.

David Hughes noted that the link was required by December 2018 in order to avoid passengers crossing the Network Rail concourse following commencement of the Crossrail services.

4. Forward Look of Sponsor Board Business

Sponsor Board reviewed the forward look of Sponsor Board business.

5. Any Other Business

Allison Phillips noted that DfT had received all of the CRL information in relation to the Stadium Capital Developments' proposal. DfT was aiming to reply to the Deputy Mayor's queries on 24th November and would be assessing the legal position. DfT was content for PRep to attend the depot meeting. Clare Moriarty agreed to ensure that TfL was kept fully informed via JST.

Allison Phillips noted that it was not planned to include a T5 announcement in the Autumn Statement. The airport community was working on the options. DfT will send TfL a copy of the letter to the airport community. If an announcement is made in relation to Ebbsfleet, it would refer to surface access options rather than just Crossrail .

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Summary of Actions

No.	Action	Responsible	Target
14/26	Governance Review: Ensure that the governance review and CRL's transition planning are discussed at the November meeting of Sponsor Board so that decisions could be taken in relation to phase 2 of the governance work. (Note: this item will be considered at the December meeting.)	Sarah Johnson	18/12/14
14/27	Sponsors' Risks: Review the ratings for risks A1, A4, D1, D5, D6, E1 and E4, consider the addition of a risk for step free access at surface stations and provide explanations for changes in risk ratings in future updates.	Sarah Johnson	18/12/14
14/31	West Coast Mainline Link: Circulate the requirements to Sponsor Board for approval by correspondence. Identify justifiable red lines within the requirements in conjunction with Howard Smith.	Sarah Johnson Sarah Johnson	27/11/14 27/11/14
14/32	Northfleet Extension Study: Provide further details of reliability and operational conflicts.	Sarah Johnson	18/12/14
14/33	Forward Look: Add an item on the Paddington Bakerloo Line Link to the agenda for the November meeting.	Sarah Johnson	Closed
14/34	Old Oak Common Development Proposal: Provide briefing for the Secretary of State and the Mayor.	Sarah Johnson	Closed
14/38	Rolling stock vehicles seating layout: Share the associated papers with DfT.	Sarah Johnson	28/11/14

CROSSRAIL SPONSOR BOARD MEETING No.64

MINUTES OF MEETING HELD ON

THURSDAY, 23RD OCTOBER 2014

**IN ROOM 3/23, GREAT MINSTER HOUSE, 33 HORSEFERRY ROAD,
LONDON**

Present:

Clare Moriarty*	DfT (Chair)
Allison Phillips*	DfT
Jeremy Rolstone	DfT
Steve Allen*	TfL
David Hughes*	TfL
Sarah Johnson	Joint Sponsor Team
[REDACTED]	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
[REDACTED]	DfT (Item 6 only)

MEETING PART A

1. Minutes and Actions for Meeting No 63

The draft minutes of meeting no 63, which were circulated with the papers, were **AGREED** subject to reinstatement of the third paragraph and deletion of the paragraph commencing, “Clare Moriarty highlighted 2 issues...”

Action 14/25. Sarah Johnson had circulated a note addressing the Crossrail Affordability paper issues and the action was now closed.

Action 14/30. The business case summaries for the Terminal 5 and Ebbsfleet business cases had been included in Sponsor Board paper SB64 – 1 which was discussed under agenda item 2.

Action 14/31. Sarah Johnson reported that a new approach to the West Coast Mainline Link had been adopted and a revised set of requirements would be circulated to Sponsor Board members for approval by correspondence. Any subsequent changes would also require Sponsor Board approval.

2. Update on Potential Changes

Sarah Johnson introduced paper number SB 64-1, entitled, “Update on Potential Changes.” The paper covered three potential changes, those being: extending Crossrail services to Heathrow Terminal 5 (T5); extending Crossrail services to Northfleet; and extending Crossrail services to the West Coast Main Line (WCML). The paper summarised the outcome of an exercise that the JST had undertaken to review the input assumptions from the feasibility work to provide assurance that the three potential changes were being assessed on a consistent basis and were taking account of data available following the award of the Rolling Stock and Depot and CTOC contracts. The exercise had concluded that, on the whole, the assumptions that had been used were sensible. Some anomalies had been identified with the cost assumptions for drivers and energy utilisation, both of which were considered to be low. However, correcting these assumptions would not have a significant impact on the outcome of the feasibility work. The operational impacts had been assessed qualitatively by Crossrail operations colleagues and Sponsor Board was advised that detailed quantitative performance modelling would take at least six months to complete.

David Hughes noted that paragraphs 14 and 15 of the paper were not strictly correct as one change (extending Crossrail services to T5) had a negligible operational impact whereas the other two taken together would have a detrimental impact. Allison Phillips noted that the T5 change could have some benefits from a timetabling perspective. Sarah Johnson noted that the Northfleet extension raised the greatest concerns and had been subject to the least work of the three potential changes. In the previous Sponsor Board paper on potential changes, it was noted that the impacts on performance and reliability of extending Crossrail services to the WCML should be worked through.

Sarah Johnson noted the next steps: the Northfleet extension would be discussed at DfT BICC on 23rd October; work was underway on the WCML Link to provide a standalone business case which would be cognisant of Euston station (the work would conclude before the work on Euston itself); and T5 would also be considered by BICC and, subject to the outcome of BICC and of discussions with the Airport Community (comprising of the airlines and Heathrow), could then be taken through the Sponsor change process.

WCML Link

Allison Phillips noted that work to produce a benefit cost ratio and strategic case for the WCML Link would be produced by February 2015. Steve Allen noted that he did not see how a decision could be made on the WCML Link without full performance modelling. Clare Moriarty noted that work was underway on Euston station to devise a way of dealing with HS2 and existing services, but short of implementing the full WCML Link. It was currently intended to include powers in a summer 2015 Additional Provision to the HS2 Hybrid Bill for those infrastructure works at OOC (the ‘stub end’) that would be

necessary to provide a future connection to the WCML to keep open the possibility of providing the full link. If Euston was not a driver for the WCML Link, then the associated business case could be considered as part of Control Period 6. Steve Allen noted that in that case, there would be time to consider the proposal fully.

Jeremy Rolstone noted that the February work was important because the information for all of the Old Oak Common issues was required to feed into the Additional Provision (AP) in the summer. Clare Moriarty noted that an adequate WCML link business case was required which would justify the stub. If, by February, the Euston work resulted in there being no requirement for the link, then the timing was not important. However if the link was required, then a further phase of work would be required by the end of the year. Steve Allen noted that Sponsors would not be expecting to consider a Sponsor Change following completion of the work in February.

Northfleet extension

Allison Phillips reported that she had met Treasury officials on 22nd October and had noted that the study was at a pre-GRIP stage and raised many risks and issues, and that a surface transport strategy for the whole Ebbsfleet Garden City area was required which could include, as one option, extending Crossrail. Treasury officials were content to look at the issue holistically, but had asked for further Crossrail data in order to better understand the risks and issues, particularly in terms of operational complexities, and had also requested an estimate of the overhead line equipment (OLE) costs. Sarah Johnson agreed that further details, expressed in layman's terms, of reliability and operational conflicts were required.

Action: Sarah Johnson

Allison Phillips confirmed that the cost of retrofitting dual power to all Crossrail trains and the associated operating expenditure had been included in the option 3 costs.

Heathrow Terminal 5

Allison Phillips reported that the potential change had been considered by the DfT Rail Board who noted two key points. The option that had been recommended to Rail Board reduced services to Terminal 4 (T4) and options should be investigated which maintain the same level of services at T4 with Crossrail services running to T5; a BCR has not been calculated for this approach. Secondly the Airport Community must be content with the proposals. DfT will be meeting the Airport Community on 24th October in order to understand their appetite for the proposals.

Steve Allen noted that there was unlikely to be a consensus given that different airlines and Heathrow were involved. Clare Moriarty agreed that the airlines which serve T4 would not be content with any diminution of service. There is a risk that T5 could be over-served and T4 under-served. The

general view was that there was not much potential for additional revenue as the airport was operating at capacity, so the issue was about the abstraction of revenue and the airlines' view of the proposed services. So a solution, which was politically acceptable in terms of providing services to T5, needed to be found quickly, and the associated costs identified.

Allison Phillips reported that she had discussed the proposals with Treasury officials. Treasury was informed that any public statement would need to be carefully worded given that DfT does not own the infrastructure and commercial discussions could be compromised.

Sponsor Board:

- i. **NOTED** the contents of the paper; and
- ii. **AGREED** that work on the proposed changes should proceed in accordance with the next steps outlined in paragraphs 33 and 34 of the paper.

3. Benefits Management & Evaluation

Sarah Johnson introduced paper SB 64 – 2 entitled, “Benefits Management and Evaluation.” Allison Phillips noted that flexibility was required in implementing the preferred option. Sarah Johnson noted that it would be possible to de-scope some of the work included in option 4 if all of the funding was not made available. Clare Moriarty noted that the Department would request the funding through the Spending Review process, but the funding could not be guaranteed.

Sponsor Board:

- **NOTED** the options for Crossrail benefits management and evaluation;
- **NOTED** that there is currently no funding allocated for the work, but that DfT and TfL have agreed in principle to each seek funding for 50% of the cost of the full evaluation of the benefits (Option 4); and
- **AGREED** that a full evaluation of the Crossrail benefits (Option 4) should be undertaken subject to obtaining the necessary funding.

4. Preliminary Discussion of Part B Agenda

Sarah Johnson introduced this agenda item. It was noted that the Semi-Annual Construction Report 12 would be based on the period 6 report and there would be a more detailed review of costs at that time.

5. Forward Look of Sponsor Board Business

David Hughes noted that an item on the Paddington Bakerloo Line Link should be included in the forward look. Sarah Johnson proposed to add the agenda item to the November meeting as the contract should have been awarded by the date of that meeting.

Action: Sarah Johnson

6. Any Other Business

Allison Phillips introduced a discussion about a developer's proposal to build over the Crossrail Old Oak Common Depot. A presentation entitled, "A time to choose" was tabled. The proposed development could delay Government infrastructure projects, such as Crossrail and HS2, and there were a number of associated legal, procurement and land issues. The Prime Minister had noted at a meeting with the Secretary of State and Sir David Higgins that there was no appetite for delay. David Craig noted that there would be very significant engineering challenges arising from the scheme, particularly given the vertical and horizontal constraints. David Hughes noted that a significant amount of work had been undertaken on such a proposal in the past and [REDACTED] confirmed that the work had been shared with DfT. Clare Moriarty noted that briefing should be prepared for the Secretary of State and the Mayor.

Action: Sarah Johnson

Date of Next Meeting

The next meeting will be held on 24th November 2014 from 1030 to 1300 at the DfT offices, Great Minster House.

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Summary of Actions

No.	Action	Responsible	Target
14/25	Crossrail Affordability Paper SB 63-1: Review figure 1 and table 1 to ensure consistency.	Sarah Johnson	Closed
14/26	Governance Review: Ensure that the governance review and CRL's transition planning are discussed at the November meeting of Sponsor Board so that decisions could be taken in relation to phase 2 of the governance work.	Sarah Johnson	24/11/14
14/27	Sponsors' Risks: Review the ratings for risks A1, A4, D1, D5, D6, E1 and E4, consider the addition of a risk for step free access at surface stations and provide explanations for changes in risk ratings in future updates.	Sarah Johnson	24/11/14
14/28	Potential changes: Add potential changes as a standing agenda item.	Sarah Johnson	Closed
14/29	West Coast Mainline Link: Ensure that TfL is represented at internal DfT meetings where significant issues are to be discussed.	Allison Phillips	Closed
14/30	T5 & Ebbsfleet studies: Send summaries of the T5 and Ebbsfleet business cases to JST following consideration by Jeremy Rolstone.	Allison Phillips	Closed
	Circulate the summaries to Sponsor Board by correspondence.	Sarah Johnson	Closed
14/31	West Coast Mainline Link: Circulate the requirements to Sponsor Board for approval by correspondence.	Sarah Johnson	31/10/14
	Identify justifiable red lines within the requirements in conjunction with Howard Smith.	Sarah Johnson	31/10/14
14/32	Northfleet Extension Study: Provide further details of reliability and operational conflicts.	Sarah Johnson	24/11/14
14/33	Forward Look: Add an item on the Paddington Bakerloo Line Link to the agenda for the November meeting.	Sarah Johnson	24/11/14
14/34	Old Oak Common Development Proposal: Provide briefing for the Secretary of State and the Mayor.	Sarah Johnson	31/10/14

CROSSRAIL SPONSOR BOARD MEETING No.63

MINUTES OF MEETING HELD ON

WEDNESDAY, 17TH SEPTEMBER 2014

IN ROOMS 2/26 & 2/27, GREAT MINSTER HOUSE, 33 HORSEFERRY ROAD, LONDON

Present:

Clare Moriarty*	DfT (Chair)
Allison Phillips*	DfT
Jeremy Rolstone	DfT
Steve Allen*	DfT
David Hughes*	TfL
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
Howard Smith	CRL (Agenda item 9 only)

MEETING PART A

1. Minutes and Actions for Meeting No 62

The draft minutes of meeting no 62 were **AGREED**.

Action 13/30. The affordability of Crossrail services was discussed under the relevant agenda item.

Action 14/12. The risk register had been updated to include further details on the HS2 risks and the associated matters were discussed under the relevant agenda item.

Action 14/21. The letter to CRL regarding the funding of additional scope had been sent.

2. Crossrail Services – Affordability

Sarah Johnson introduced paper SB 63-1 entitled, 'Crossrail Affordability'. The paper provided an update on the position which had been reported to Sponsor Board in September 2013. The Sponsor Board queries raised by

Sponsor Board a year ago had been addressed which had required a number of changes to the model. Whilst there would be further work to undertake when the updated demand forecasts were available, the model was accurate as of the date of the meeting and was consistent with the TfL Business Plan. Attention was drawn to table 1 of the paper in which the data in the columns dated August 2012 and September 2014 were produced on the same basis, subject to RPI adjustments and the inclusion of the Reading change in the latter figures. The position had improved over the intervening period though there was still a shortfall in the early years. JST proposed to provide updates on a six monthly basis.

Allison Phillips noted that [REDACTED] had reviewed the paper and was comfortable that the forecasts were more realistic. Jeremy Rolstone queried whether figure 1 was consistent with table 1 as the net 2024/25 figure of £467m did not appear in the correct year. Sponsor Board **REMITTED** Sarah Johnson to close out the query.

Action: Sarah Johnson

Clare Moriarty noted that the model was increasingly based on contracted figures and was content that the updated position should be reported at a frequency of approximately 6 months.

Sponsor Board **NOTED** the contents of paper SB 63-1.

3. Governance

[REDACTED] introduced paper SB 63-2 entitled, 'Review of Crossrail Governance Arrangements'. The NAO report had recommended that plans for the development of the governance arrangements as the project moved from construction to operations should be finalised. It was proposed to limit the review to the roles of Sponsors in the first instance, but this was subject to Sponsors' views.

Sarah Johnson noted that the review should address possible improvements to the Sponsor Board arrangements. In future, part B of the meeting would include a standing agenda item to cover operations.

David Hughes noted that the project agreements had been drawn up with the whole of the project in mind and there should be a presumption against changing the agreements. Whilst the paper inferred that the cost risks would diminish, they would become more real at the end of the project, for example in relation to the signalling risks. The arrangements deliberately set a high hurdle in terms of implementing major changes to the project.

Jeremy Rolstone noted that the paper had not addressed the key NAO point regarding the development of transition plans and that work on transition planning was required. Sarah Johnson reported that CRL had initiated work

on transition plans for the incorporation of parts of CRL within TfL; CRL would report progress to the November meeting of Sponsor Board.

Steve Allen noted that the proposed scope changes being discussed later on the agenda were not of a different nature of work such that the existing suite of documents would not be adequate.

Clare Moriarty concluded that there should be a presumption against rewriting the agreements, but the right discussions needed to happen in the right fora. The first phase of the governance work needed to be informed by the transition work which was being undertaken by CRL and by the potential impact of scope changes. Sponsor Board would need to receive updates on the governance review and CRL's transition planning at its November meeting so that Sponsor Board could take decisions on phase 2 of the governance work.

Action: Sarah Johnson

Subject to the comments above, Sponsor Board **AGREED** the proposed approach to the review of the Crossrail governance structures set out in the paper.

4. Sponsors' Risks

Sarah Johnson introduced paper SB 63-3 entitled, 'Sponsors' Risk Register. Since the regular update in May, two new risks had been added. Risk D5 was focused on the process of addressing proposed changes to scope whereas risk D6 addressed the specific changes which were currently being proposed and on assessing them collectively and on a consistent basis. Updated risks were marked in red and these included the changes to HS2 risks following comments made at the last meeting of Sponsor Board.

Jeremy Rolstone and Clare Moriarty commented on the risk ratings for risks A1, A4, D1, D5, D6, E1 and E4. Clare Moriarty suggested that step free access at surface stations could warrant the addition of a specific risk. Jeremy Rolstone proposed that future updates should explain why risk ratings had changed. Sponsor Board **REMITTED** Sarah Johnson to review the risk ratings for risks A1, A4, D1, D5, D6, E1 and E4 to consider the addition of a risk for step free access at surface stations and to provide explanations for changes in risk ratings in future updates.

Action: Sarah Johnson

Sponsor Board **NOTED**:-

- The changes that have been made to specific risks since the Sponsor Board meeting on 8th May 2014;

- The addition of two new risks; Scope changes (D5); and Crossrail extensions studies (D6);
- The closure of one risk; Governance structures (A5); and
- The updated Sponsor Risk Register.

5. CSAC Verbal Update

██████████ gave a verbal update. At the last meeting, Sponsor Board had approved the implementation of the Crossrail Supplementary Access Charge (CSAC) and the novation of the Crossrail Track Access Option (TAO) subject to TfL and ORR approvals. The approvals had been received on 17th July and 26th August respectively. The documents had been executed on 2nd September resulting in the implementation of the CSAC and novation of the TAO to TfL.

6. Preliminary Discussion of Part B Agenda

David Craig provided an overview of progress in period 5 and drew attention to the quantum of change, progress issues at Farringdon station, ERTMS signalling interfaces, the adjudication result in relation to contract C503 and reporting of the On Network Works.

Sarah Johnson noted that the SPI had dropped from 0.99 to 0.98 in period 4 as a result of some delays, but also an issue with the baseline against which progress was being monitored. Simon Wright had provided assurances that CRL was managing these issues with its contractors and that the SPI should improve in the next few periods.

Sponsors noted that the refinancing gains of £96m were higher than previously reported by CRL. Sarah Johnson noted that the issue would be covered in a paper to CRL's ICSC when the gains were returned to contingency. Sponsors would have visibility of the gains as PRep would receive the papers.

7. Forward look of Sponsor Board Business

Sarah Johnson introduced the forward look and noted that the November agenda would include organisational transition planning and the governance review. Allison Phillips noted that an accessibility funding proposal was being worked up and feedback would be provided to JST within the next week. Clare Moriarty requested that potential changes should appear as a standing agenda item.

Action: Sarah Johnson

8. Potential Changes to Crossrail Services

Sarah Johnson introduced paper SB 63-4 entitled, 'Potential Changes to Crossrail Services' which was a generic paper covering potential changes relating to the West Coast Mainline Link, and services to Ebbsfleet and Heathrow Terminal 5 (T5). The changes needed to be assessed thoroughly and on a consistent basis whilst ensuring that Sponsor Board had sufficient visibility in order to influence the outcome. There was a real risk that the changes could result in a deficient Crossrail service. It was proposed to carry out work over the next 4 weeks to ensure that the potential changes were assessed on a consistent basis and to report back to the October meeting of Sponsor Board in order to agree a plan. The potential changes would need to go through the PDA change process. One of the main concerns was gaining access to scarce operational expertise.

David Hughes agreed that the changes would need to go through the PDA change process whilst noting that any significant changes to scope would need to go through the TfL Board before TfL Sponsors could agree to them. The West Coast Mainline Link timescales were demanding and needed to be cleared with the TfL Board before any commitment was made whilst noting that there were funding and operational issues. Steve Allen noted that Sponsors were not at this time agreeing to changes in scope, but the TfL Board needed to be informed about what was under discussion.

Clare Moriarty referred to the OSD and HEx issues affecting Old Oak Common (OOC) depot. Space was not available in the depot for HEx rolling stock at the required time, but expectations had been raised. David Hughes noted that neither OOC proposal was workable. Clare Moriarty summarised the position at OOC: the relocation of the depot had been dealt with, the OSD was not viable within the current programme and the relocation of HEx trains had been discounted several times.

David Hughes noted that the responsibility for deciding whether to proceed with the 3 potential changes rested with Sponsor Board and that final decisions could not be taken as it was not known whether the changes were operationally viable. The key performance risk related to presenting trains at the western portal on time to ensure the reliable operation of 24tph through the central section. Steve Allen noted that DfT depositing Additional Provisions 2 (AP2) did not require approval, but the TfL Board did need to be aware and careful messaging would be required as Sponsor Board would not have approved the proposals.

Clare Moriarty noted that DfT required a business case for the West Coast Mainline Link before it could be included in AP2. Further work was required on the design and final decisions would present timing issues. Clare Moriarty proposed that TfL should be represented at internal DfT meetings where significant issues were to be discussed.

Action: Allison Phillips

Furthermore the AP2 and AP3 processes and the associated trade-offs needed to be understood.

Steve Allen confirmed that TfL would welcome the opportunity to run Crossrail trains to T5, but was not supportive of running Crossrail services to Ebbsfleet. Clare Moriarty noted that there was no funding for the Ebbsfleet proposal, but that the T5 proposal did not involve significant additional infrastructure. Clare Moriarty concluded that the T5 governance process should commence to the extent that it is possible. Jeremy Rolstone noted that care should be taken with communications in order not to damage the HEx commercial position. Sponsor Board **REMITTED** Allison Phillips to send summaries of the T5 and Ebbsfleet business cases to JST following consideration by Jeremy Rolstone so that they could be circulated to Sponsor Board ex-committee.

Action: Allison Phillips, Sarah Johnson

Clare Moriarty queried the rolling stock constraints. Steve Allen stated that sufficient trains could not be supplied for all of the potential changes under the existing contract options, though it would be possible to negotiate a price.

Sponsor Board:-

- **NOTED** the contents of the paper, in particular the risks to the operation of Crossrail services and to the Crossrail business case; and
- **AGREED** that JST shall set up and lead a DfT/TfL/CRL/PRep working group to address the risks and issues arising from the studies and that the group shall report back to the October meeting of Sponsor Board.

9. West Coast Mainline Link

Clare Moriarty noted that the West Coast Mainline Link proposal had a lot of impetus within the HS2 project and the schedule to the submission of AP2 in December was very tight. Work was proceeding on the production of a business case. It was necessary to understand the trade-offs of a quick decision, whilst having sufficient information, bearing in mind that operational issues were some of the most significant.

Howard Smith noted that the risk was high due to the speed of the work being undertaken and the likely cost of the scheme was very large. It was dangerous to reduce the scope of the infrastructure because of the potential timetable implications. Given that the Crossrail timetable had to fit with the GW and GA, then logically Crossrail should be first on the WCML timetable graph with the other services on the WCML being fitted around it. However, this was not the approach currently being adopted which could lead to unreliable and unattractive Crossrail services. In summary, the iteration 5 timetable was the only approach which fitted the constraints of the GW and GA, and the currently proposed option for the WCML would lengthen journey

OFFICIAL – SENSITIVE COMMERCIAL

times and result in unreliable services; however, the issue could be resolved if a completely new WCML timetable was introduced. Howard Smith noted that the introduction of a centre turnback north of Hemel Hempstead would be worthy of consideration.

Howard Smith queried how much time was available after the Bill process to optimise the scheme. Clare Moriarty noted that there could be some change later, but it would be necessary to understand the implications.

Sarah Johnson noted that the requirements mirror the existing Crossrail Sponsors' Requirements, but, in addition, all of the stations are required to be step-free and consistent Crossrail branding is required. David Hughes stated that Sponsor Board should approve the requirements and agree any subsequent changes. Sponsor Board **REMITTED** Sarah Johnson to circulate the requirements to Sponsor Board by correspondence for approval prior to the next meeting.

Action: Sarah Johnson

Sarah Johnson noted that the currently proposed option for the WCML does not meet the requirements in terms of operational performance and there are a number of uncertainties in relation to stations, so there is not currently a compliant scheme. Howard Smith noted that the scheme must not adversely affect the reliability of Crossrail services. Jeremy Rolstone noted that the requirements would need to be agreed and requested that justifiable red lines should be identified in conjunction with Howard Smith. Howard Smith agreed to make some resource available over the next 4 weeks to assist with the operational issues and red lines.

Action: Sarah Johnson

Clare Moriarty summarised the outcome of the discussion:-

- The offer of resources with operational expertise had been accepted;
- A process had been identified to agree the requirements;
- The AP2 and AP3 process and associated trade-offs needed to be understood; and
- Sponsors needed to ensure that the decision process complied with the Crossrail agreements.

Sponsor Board **NOTED** the contents of the paper. Further work will be considered at the October meeting of Sponsor Board.

Date of Next Meeting

The next meeting will be held on 23rd October 2014 from 0900 to 1200 at the DfT offices, Great Minster House.

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Summary of Actions

No.	Action	Responsible	Target
13/30	Crossrail Services Affordability: To review the improvements in the revenue forecasts in detail.	Sarah Johnson	Closed
14/12	HS2 risks: To include further detail on the HS2 risks with respect to the Crossrail Depot and West Coast Mainline Link in the next version of the risk register.	Sarah Johnson	Closed
14/21	Scope and Funding: Draft a letter for the Sponsor Board Chair to send to CRL regarding the funding of additional scope.	Sarah Johnson	Closed
14/25	Crossrail Affordability Paper SB 63-1: Review figure 1 and table 1 to ensure consistency.	Sarah Johnson	23/10/14
14/26	Governance Review: Ensure that the governance review and CRL's transition planning are discussed at the November meeting of Sponsor Board so that decisions could be taken in relation to phase 2 of the governance work.	Sarah Johnson	24/11/14
14/27	Sponsors' Risks: Review the ratings for risks A1, A4, D1, D5, D6, E1 and E4, consider the addition of a risk for step free access at surface stations and provide explanations for changes in risk ratings in future updates.	Sarah Johnson	24/11/14
14/28	Potential changes: Add potential changes as a standing agenda item.	Sarah Johnson	23/10/14
14/29	West Coast Mainline Link: Ensure that TfL is represented at internal DfT meetings where significant issues are to be discussed.	Allison Phillips	23/10/14
14/30	T5 & Ebbsfleet studies: Send summaries of the T5 and Ebbsfleet business cases to JST following consideration by Jeremy Rolstone.	Allison Phillips	8/10/14
	Circulate the summaries to Sponsor Board by correspondence.	Sarah Johnson	9/10/14
14/31	West Coast Mainline Link: Circulate the requirements to Sponsor Board for approval by correspondence.	Sarah Johnson	24/9/14
	Identify justifiable red lines within the requirements in conjunction with Howard Smith.	Sarah Johnson	24/9/14

COMMERCIAL – IN CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.62

MINUTES OF MEETING HELD ON

WEDNESDAY, 16TH JULY 2014

**IN ROOM 3/23, GREAT MINSTER HOUSE, 33 HORSEFERRY ROAD,
LONDON**

Present:

Clare Moriarty*	DfT (Chair)
Jeremy Rolstone*	DfT
David Hughes*	TfL
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig	Project Representative
Fred Drury	Prep (Item 5 only)

Apologies for absence were received from Allison Phillips and Steve Allen.

MEETING PART A

1. Minutes and Actions for Meeting No 61

The draft minutes of meeting no 61 were **AGREED**.

Action 13/30. A paper on the affordability of Crossrail services will be submitted to the September meeting of Sponsor Board following completion of Railplan modelling.

Action 14/3. The risk allowances were for consideration under the SACR 11 agenda item.

Actions 14/13 and 14/14 had been closed.

Action 14/15 and 14/16. Packs of evidence had been provided demonstrating that the decisions had been taken with the full knowledge of Sponsors. Actions closed.

2. SACR11

Sarah Johnson introduced paper SB 61 – 1 entitled, “Semi Annual Construction Report 11.” The report had been submitted late and contained errors. It had been a good period in terms of progress with the completion of the RSD procurement, delivery progress passing 50% complete and good progress continuing with tunnelling. The AFCDC(P50) was £76m below IPO and there was an 81% confidence level of achieving the planned stage 3 date.

Whilst in SACR11 CRL had reported concern with the amount, and cost of, change on the Crossrail Programme, there had been a much lower level of change in the two periods since the SACR11 report period and David Craig noted that CRL had halted a number of proposed changes. Whilst the 81% confidence level represented a marginal increase since SACR10, David Craig noted that one of the assumptions in the QSRA was based on using a temporary shaft at Farringdon to remove TBMs. CRL has subsequently decided not to build the shaft. SACR11 indicated that CRL was 6 weeks behind schedule, but this had improved to 4 weeks in the Period 2 report.

Sarah Johnson noted that Sponsors may wish to clarify the scope items referred to as unfunded in the report. David Hughes noted the contradictory signs given by the P50 AFCDC, which is within IPO, and the rate of contingency drawdown, which indicated that CRL may ultimately breach Intervention Point 1.

Sarah Johnson noted that the SACR11 data does not make any adjustments for the contractual pain/gain mechanisms. CRL is developing an Estimated Costs at Completion (ECC) indicator which will include an assessment of commercial adjustments. David Craig reported that PRep had discussed this issue with CRL and had reviewed a pack of material prepared by CRL which detailed a number of different measures of likely outturn. CRL should understand how best to use ECC to determine the outturn and to justify this against the AFCDCs in time for the SACR 12 report.

Clare Moriarty noted that Sponsors should ask CRL to explain the statements in section 4.6 of SACR11 regarding the addition of scope. David Hughes noted that he did not agree with the statements as Sponsors had absolute discretion to instruct additional scope without additional funding under the PDA. Clare Moriarty noted that she was not seeking to change the Agreements, but to build bridges through discussion and articulation of the Change Process. Clare Moriarty noted that Sponsors should write down the agreed position of Sponsors.

Action: Sarah Johnson

Sponsor Board:-

- **NOTED** the contents of Paper 62- 1;
- **NOTED** the contents of SACR 11 and the PRep Report as issued by JST on 19th June 2014;

- **AGREED** that, in the SACR 11 Period, there had been no occurrence of a TfL Remedy Trigger Event; and
- **AGREED** that the Chair of the Sponsor Board should write to CRL confirming the outcome of Sponsor Board discussions.

3. CSAC Approval

██████████ introduced paper SB 62 – 2 entitled, “Crossrail Supplementary Access Charge & Novation of the Crossrail Track Access Option (TAO) from DfT to TfL.” Implementation of the Crossrail Supplementary Access Charge (CSAC) and novation of the Track Access Option will remove DfT’s liability for the costs of the On Network Works, will give TfL certainty as to the mechanism for calculating the CSAC costs and will transfer the TAO to TfL as operator. The working group comprising of DfT, TfL, NR, ORR and JST had agreed all of the draft documentation. DfT approvals had been received and TfL approval would be sought at the Finance and Policy Committee meeting to be held on 17th July. NR had agreed to submit the documentation to ORR on 18th July with the execution of the documents scheduled to take place on 1st September.

Sponsor Board:-

- **AGREED** that the Crossrail Supplementary Access Charge shall be incorporated in the Crossrail Track Access Option and that DfT shall novate the Crossrail Track Access Option to TfL, subject to approvals by the TfL Finance & Policy Committee (F&PC) and the ORR, in accordance with the schedule attached to the paper; and
- **APPROVED** the proposed consequential changes to the NR Programme Protocol, subject to approvals by the TfL Finance & Policy Committee (F&PC) and the ORR.

4. CWG Development Agreement

Sarah Johnson introduced paper SB 62 – 3 entitled, “Canary Wharf Station Development Agreement.

Sponsor Board **NOTED**:-

- The final position and changes to the Development Agreement; and
- The updated forecast savings from these changes.

5. Preliminary Discussion of Part B Agenda

Sponsors discussed the signalling aspects of the Surface Works Update presentation. David Hughes noted that the decision of whether to proceed with ETCS was very important and he wished to understand how the decision would be taken given the risks to the commencement of full Crossrail services. Jeremy Rolstone reported on recent discussions with respect to agreeing the ERTMS/ETCS roll out nationally. David Craig reported that there was a window of opportunity in relation to the configuration of the rolling stock, but the window was closing. Fred Drury briefed Sponsor Board on the current signalling systems on the GW and NR's enhanced TPWS plan B, noting that the Heathrow Spur would require the implementation of ETCS irrespective of the decision on the GW.

6. Forward Look of Sponsor Board Business

No issues were raised under this agenda item.

Date of Next Meeting

The next meeting will be held on 17th September 2014 from 1230 to 1530 at the DfT offices, Great Minster House.

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Summary of Actions

No.	Action	Responsible	Target
13/30	Crossrail Services Affordability: To review the improvements in the revenue forecasts in detail.	Sarah Johnson	17/9/14
14/3	Risk allowances: To review the P50 risk to remaining point estimate ratio at SACR11.	Sarah Johnson	Closed
14/12	HS2 risks: To include further detail on the HS2 risks with respect to the Crossrail Depot and West Coast Mainline Link in the next version of the risk register.	Sarah Johnson	17/9/14
14/13	JST 2014/14 Objectives: To update and circulate the objectives and to submit the final version to David Hughes for sign off.	Sarah Johnson	Closed
14/14	Crossrail 2 Safeguarding Change: To issue the CCN and to provide more detail on the resource issue associated with safeguarding the Abbey Wood to Hoo Junction extension.	Sarah Johnson	Closed
14/15	Paddington 240m platforms – Derogation: To report back with further information on the original decision and how services would operate with 240m long trains given the platform length constraints at Paddington.	Sarah Johnson	Closed
14/16	Station Crowding – Derogation: To report back with further information on the original decision, including the extent to which the change in demand forecasts contributed to the non-compliance.	Sarah Johnson	Closed
14/21	Scope and Funding: Draft a letter for the Sponsor Board Chair to send to CRL regarding the funding of additional scope.	Sarah Johnson	1/8/14

COMMERCIAL – IN CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.61

MINUTES OF MEETING HELD ON

THURSDAY, 8TH MAY 2014

**IN ROOM 3/23, GREAT MINSTER HOUSE, 33 HORSEFERRY ROAD,
LONDON**

Present:

Clare Moriarty*	DfT (Chair)
Allison Phillips*	DfT
Jeremy Rolstone	DfT
Steve Allen*	TfL
David Hughes*	TfL
Sarah Johnson	Joint Sponsor Team
██████████	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Ross Barr	Project Representative
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MEETING PART A

1. Minutes and Actions for Meeting No 60

The draft minutes of meeting no 60 were **AGREED**.

Action 13/30. A paper on CTOC affordability will be submitted to the July meeting of Sponsor Board at the latest.

Action 14/10. Sarah Johnson noted that the DfT/TfL HS2 Protective Provisions Agreement was approaching sign off.

2. Sponsors' Risks

Sarah Johnson introduced paper no SB 61 – 1 entitled, "Sponsors' Risk Register." Two new risks relating to the governance structure and CRL organisational changes had been added to the register. Risks relating to rolling stock (risk F3) and Reading services (risk F6) had been deleted, and other risks had been updated. Further detail on the HS2 risks with respect to the potential impacts on the Crossrail Depot (risk E1) and the potential to extend Crossrail to the West Coast Mainline (risk E4) would be included in the next version of the register.

Action: Sarah Johnson

Steve Allen noted that risk B7 (Loss of key CRL staff) was particularly relevant given that the project was approaching the critical transition point from civils construction to systems installation. Sarah Johnson noted the succession planning arrangements which CRL had in place and agreed to provide regular updates to Sponsor Board.

Sponsor Board **NOTED**:-

- The changes that have been made to specific risks since the Sponsor Board meeting on 10 December 2013;
- The addition of two new risks; Transition Planning (A5) and changes to CRL organisation (B5);
- The closure of two risks; Rolling Stock and Depot procurement (F3) and the Crossrail extension to Reading decision timeframe (F6); and
- The updated Sponsor Risk Register.

3. JST 2014/15 Objectives

Sarah Johnson introduced paper no SB 61 – 2 entitled, “JST 2014/15 Objectives.” JST will consider adding an additional objective in relation to signalling and railway systems and will modify the wording of objectives 2 (Business Case) and 3 (Governance).

Clare Moriarty noted that a CTOC affordability update was due in July and it was agreed that an associated objective would be included. In addition, Sponsors’ biggest concern related to projects costs. David Hughes noted that the cost indicator data appeared to be conflict with the contingency available against the asset types and suggested that a benchmarking exercise would be helpful. Jeremy Rolstone asked for JST’s overarching objective to be included. Allison Phillips noted that clarity was required in relation to the On Network Works forecasts.

Sarah Johnson agreed to take all of the comments into account, to circulate a note of the updated objectives and to submit the final version of the objectives to David Hughes for sign off.

Action: Sarah Johnson

Subject to the above action, Sponsor Board **NOTED** JST’s 2013/14 performance assessment and its proposed high-level objectives for 2014/15.

4. Changes & Derogations

Crossrail 2 Safeguarding

Sarah Johnson introduced paper no SB 61 – 3, entitled, “Crossrail 2 Safeguarding Change.” TfL is proposing to take over the safeguarding of the Crossrail Line 2 (Chelsea to Hackney) Line and will be writing to the Secretary of State to change the safeguarding direction. The issue was whether TfL should also take over safeguarding of the Crossrail Abbey Wood to Hoo Junction extension. Clare Moriarty noted that the logic was to leave the Crossrail extension with CRL, but, if there was a resource argument, then it needs to be more explicit.

Sponsor Board **APPROVED** the Change Confirmation Notice (CCN), **DELEGATED** authority to the Head of the Joint Sponsor Team to issue the CCN and **REMITTED** Sarah Johnson to provide more detail on the resource issue associated with safeguarding the Abbey Wood to Hoo Junction extension.

Action: Sarah Johnson

Paddington Platforms

Sarah Johnson introduced paper no SB 61 – 4, entitled, “Paddington 240m Platforms – Derogation.” There has been an audit trail of the non-compliances against Sponsors’ Requirements with respect to the Paddington platforms and the station crowding issues referred to in Sponsor Board paper SB 61 – 5 in the Semi-Annual Construction reports (SACR) since SACR6. The papers have been submitted to close out the non-compliances. The Paddington platforms have been designed to a length of 237m, 3m short of the 240m requirement, as a result of the cost saving measures taken in Project Assure. The Infrastructure Manager is content with the proposed derogation. The estimated saving in this case is £6m, but there were significant risks which were not included in the figure. All of the central section station platforms comply with the 200m platform length requirement which is required at the commencement of services.

David Hughes noted that when the issue was first considered, CRL was requested to ask rolling stock tenderers how they would deal with the situation. Sponsor Board **REMITTED** Sarah Johnson to report back to Sponsor Board with further information on the original decision and how services would operate with 240m long trains given the platform length constraints at Paddington.

Action: Sarah Johnson

Station Crowding

Sarah Johnson introduced paper no SB 61 – 5, entitled, “Station Crowding – Derogation.” As reported in the SACRs, there are potential station crowding issues, which do not comply with the Sponsors’ Requirements, and the most significant issue occurs at Liverpool Street. The Infrastructure Manager is

content with the position given the mitigations. Reporting of the non-compliances commenced following the publication of the updated demand forecasts.

Clare Moriarty noted that it was not clear to what extent the non-compliances arose from the updated demand forecasts, but CRL should be reminded that non-compliances should be agreed by Sponsors in advance.

Sponsor Board **REMITTED** Sarah Johnson to report back to Sponsor Board with further information on the original decision, including the extent to which the change in demand forecasts contributed to the non-compliance.

Action: Sarah Johnson

5. Crossrail Supplementary Access Charge (CSAC)

██████████ gave a verbal update on progress with the Crossrail Supplementary Access Charge. The CSAC paper to the February 2014 meeting of Sponsor Board referred to the outstanding capacity issues on the GW and GA. Resolution of these issues was required to enable the Department to novate the Track Access Option (TAO) to TfL. Subsequently NR wrote to the Department stating that it was content that specified train services and journey times could be provided on Saturday nights and Sunday mornings from the start of full Crossrail services in 2019. The DfT Rail Board concluded that the issues had been resolved. So DfT wrote to NR stating that it was content with the capacity assurances such that it could novate the TAO to TfL subject to agreement of the terms of the CSAC and TAO novation and to the necessary approvals.

Drafting of the documents including the amended TAO, the First Supplemental Agreement, the Novation Agreement and the amended Protocol has now been completed and the drafts have been agreed. So the approvals process will now go ahead with Sponsor Board due to consider the matter at its meeting in July. The work is currently on schedule such that the agreements will be executed in September 2014 which would result in the implementation of the CSAC and the novation of the TAO to TfL.

Allison Phillips noted there is a residual matter in relation to HEX services on a Sunday morning which NR is required to address.

6. Preliminary Discussion of Part B Agenda

As regards the period 13 report, Sarah Johnson noted that CRL should be asked about progress with investigations following the fatality. In addition, the basket of cost indicators had deteriorated in the period, though a trend had not been established, and the performance of station contractors had also deteriorated. Ross Barr reported that the number of compensation events was increasing and there was concern over the volume of change.

Date of Next Meeting

The next meeting is currently scheduled for 13th June at the DfT offices, Great Minster House, but this may be subject to cancellation.

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Summary of Actions

No.	Action	Responsible	Target
13/30	CTOC Affordability: To review the improvements in the revenue forecasts in detail.	Sarah Johnson	16/7/14
14/3	Risk allowances: To review the P50 risk to remaining point estimate ratio at SACR11.	Sarah Johnson	13/6/14
14/10	Protective Provisions Agreement: Send DfT a copy of the draft HS2/CRL Protective Provisions Agreement.	Sarah Johnson	Closed
14/12	HS2 risks: To include further detail on the HS2 risks with respect to the Crossrail Depot and West Coast Mainline Link in the next version of the risk register.	Sarah Johnson	13/8/14
14/13	JST 2014/14 Objectives: To update and circulate the objectives and to submit the final version to David Hughes for sign off.	Sarah Johnson	13/6/14
14/14	Crossrail 2 Safeguarding Change: To issue the CCN and to provide more detail on the resource issue associated with safeguarding the Abbey Wood to Hoo Junction extension.	Sarah Johnson	13/6/14
14/15	Paddington 240m platforms – Derogation: To report back with further information on the original decision and how services would operate with 240m long trains given the platform length constraints at Paddington.	Sarah Johnson	13/6/14
14/16	Station Crowding – Derogation: To report back with further information on the original decision, including the extent to which the change in demand forecasts contributed to the non-compliance.	Sarah Johnson	13/6/14

COMMERCIAL – IN CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.60

MINUTES OF MEETING HELD ON

FRIDAY, 14TH MARCH 2014

AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON

Present:

David Hughes*	TfL (Chair)
Julian Ware*	TfL
Becky Wood*	DfT
Allison Phillips*	DfT
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Ross Barr Project Representative

Apologies for absence were received from Steve Allen and Clare Moriarty.

MEETING PART A

1. Minutes and Actions for Meeting No 59

The draft minutes of meeting no 59 (which incorporated one change notified in advance of meeting no 60) were **AGREED**.

Actions 14/6 and 14/7 had been closed. The other actions were not due.

2. NR Interim Funding Agreement

Sarah Johnson introduced paper SB60 – 1 entitled, “NR Interim Funding Agreement”. The objective of the paper was to facilitate discussion of the savings and how to handle CRL with regard to instructing the savings. The range of savings was between £41.9m and £51.8m, although CRL’s view was that the range was £8.9m to £18.8m after taking into account Network Rail compensation and a Sponsor instructed 12 month extension.

Becky Wood noted that Terry Morgan had raised the issue with the Minister of State. At the Finance & Policy Committee, Terry Morgan had raised the issue of whether the Intervention Points should be raised.

Becky Wood noted that DfT was subject to an additional FIM fee of £20m as a result of the IFA and agreement was required that the additional train which was required to extend services to Reading should be met from the savings. The Reading train needed to be explicit in JST's letter to CRL.

It was agreed that the IFA and the possible impact on the Intervention Points should be discussed with the Sponsors' Non-Executive Directors.

Action: Sarah Johnson

Sarah Johnson noted that careful wording would be required in the letter with regard to ring-fencing and that the capital cost of the train required to extend Crossrail services to Reading would be at the top of the list of items to be funded from the savings. Becky Wood noted that the Sponsors had agreed that the Transition Date would not move and that the Reading train would be funded from the IFA savings, with consideration being given to funding additional surface stations scope and accessibility, both of which would be discussed with CRL.

Sponsor Board:-

- i. **NOTED** the contents of the paper; and
- ii. Subject to each Sponsors' governance process approving the IFA extension, **AUTHORISED** the Head of the Joint Sponsor Team to write to CRL as described in paragraph 9.

3. Crossrail Supplementary Access Charge (CSAC)

██████████ noted that the ORR had published the regulatory statement regarding the classification of the CSAC under the Access & Management Regulations on 28th February. Sponsors had agreed that the CSAC should commence on the Transition Date as currently defined in the NR Programme Protocol. The CSAC group was working on the drafting of the TAO to ensure that the commencement of the charge occurred at the same time as the commencement of services. The group was working to a schedule leading to signing of the agreements in September 2014, but this was dependent on the DfT Rail Board being content with the capacity issues at its meeting on 1st April.

Becky Wood noted that the Rail Board did not have the authority to approve the reduction in HEX paths. Sarah Johnson noted that the proposal was presented with the HEX issue as a caveat given the wider HEX issues.

Sponsor Board **NOTED** the CSAC update.

4. Transferring Services Review – Close Out

██████████ introduced paper no SB 60 – 2 entitled, “Transferring Services Review – Close Out”. Regular TSR meetings had ceased as DfT and TfL had agreed the scope of the transferring services and stations. The associated provisions had been incorporated in the franchise and CTOC procurement documentation to ensure that back-to-back arrangements existed. There were some residual issues to resolve and these were listed in the TSR Issues Log. The most significant commercial issue was the Transfer Sum.

Becky Wood noted that the Greater Anglia Direct Award was planned to take place in early April and that the Transfer Sum needed to be agreed in relation to the SOSRAs. Sarah Johnson noted that JST would facilitate discussions between DfT and TfL to resolve the issue.

Action: Sarah Johnson

██████████ noted that JST would continue to monitor progress against the TSR Issues Log and would report back to Sponsor Board.

Sponsor Board **NOTED** the contents of the paper.

5. Preliminary Discussion of Part B Agenda

David Hughes noted that the TfL position was that HEX could not be accommodated in the Crossrail Depot at Old Oak Common which reflected the position set out by the Commissioner in his discussion with the Permanent Secretary. TfL could provide a letter to ensure that the position was clear.

Becky Wood noted that it would be helpful to carry out some further work on the proposal given the HS2 issues at Old Oak Common.

Sarah Johnson noted that ██████████ of JST was focussing on HS2 – related issues. Sarah Johnson will send DfT a copy of the draft HS2/CRL Protective Provisions Agreement.

Action: Sarah Johnson

Date of Next Meeting

The next meeting will be held on 15th April 2014 from 10.00 to 13.00 at the DfT offices, Great Minster House.

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Summary of Actions

No.	Action	Responsible	Target
13/30	CTOC Affordability: To review the improvements in the revenue forecasts in detail.	Sarah Johnson	30/4/14
14/3	Risk allowances: To review the P50 risk to remaining point estimate ratio at SACR11.	Sarah Johnson	13/6/14
14/6	Finance meeting: To arrange an urgent meeting between DfT and TfL Finance colleagues to discuss various outstanding financial issues.	Sarah Johnson	Closed
14/7	IFA savings: To add an IFA savings item to the agenda for the next meeting of Sponsor Board.	Sarah Johnson	Closed
14/9	IFA savings: Arrange a meeting with Sponsor's Non-Executive Directors to discuss the IFA savings and the possible impact on the Intervention Points.	Sarah Johnson	Closed
14/10	Protective Provisions Agreement: Send DfT a copy of the draft HS2/CRL Protective Provisions Agreement.	Sarah Johnson	Open

COMMERCIAL – IN CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.59

MINUTES OF MEETING HELD ON

THURSDAY, 27TH FEBRUARY 2014

AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON

Present:

Steve Allen*	TfL (Chair)
David Hughes*	TfL
Clare Moriarty*	DfT
Becky Wood*	DfT
Sarah Johnson	Joint Sponsor Team
██████████	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

David Craig Project Representative Team

Apologies for absence were received from Ross Barr.

MEETING PART A

1. Minutes and Actions for Meeting No 58

The draft minutes of meeting no 58 were **AGREED**.

Action 14/1. A note setting out the significant drivers for the differences between the user benefits in the Reading business case options had been circulated.

2. Crossrail Supplementary Access Charge

██████████ introduced paper SB 59 – 1 which was entitled, “Crossrail Supplementary Access Charge.” ██████████ noted the significant developments since the last meeting of Sponsor Board including the ORR’s acceptance in principle of the Sponsor’s proposed method of calculating the Crossrail Supplementary Access Charge (CSAC). The adoption of the regulatory cost of debt should result in an improvement in the affordability of Crossrail. NR had also written to the Department regarding revenue security and had clarified that it would rely on the general protections afforded by the

regulatory regime and the duties of the Secretary of State (SoS) and ORR, rather than the SoS's letter from 2007. Furthermore, the ORR intended to publish a regulatory statement on its web-site on 28th February stating that it was content that the CSAC complied with the Access & Management Regulations.

Drafts of the legal documentation had been produced and it was planned to complete the documentation by the end of March with the intention of implementing the CSAC and novating the Crossrail Track Access Option (TAO) from DfT to TfL in September in time for letting the CTOC concession. The risks to this schedule include ensuring that DfT is comfortable with the capacity issues and the need to ensure that the commencement dates of the TAO and the CSAC are coincident and agreed.

Sarah Johnson noted that NR was engaged at a senior level on the Crossrail Capacity & Performance Group. Becky Wood noted that there were some outstanding issues on the Greater Anglia and Sarah Johnson noted that these were being addressed.

Sponsor Board:-

- **Noted** progress and the outstanding issues;
- **Agreed** the terms of the Crossrail Supplementary Access Charge as set out in the summary statement attached to Nick Bisson's letter to Richard Price; and
- **Noted** that further Sponsor Board agreement would be sought following TfL and DfT approvals.

3. Extending Crossrail Services to Reading

██████████ introduced paper SB 59 – 2 entitled, "Extending Crossrail Services to Reading." CRL had presented its Initial Change Appraisal to the last meeting of Sponsor Board and since then the issues contained therein had been addressed.

CRL had applied for a Sponsor's affirmation to use selective door opening at Twyford rather than extending the platforms as that would be expensive and disruptive, and few passengers would be affected. JST recommended that the affirmation request should be accepted as noted in the draft Change Confirmation Notice (CCN). The assumption that the EMU replacement Programme would lengthen platform 1 at Maidenhead had been confirmed by Network Rail.

Discussions had taken place between DfT and TfL regarding the operational expenditure changes which would result from extending services to Reading, and TfL had shared a draft letter setting out a proposed approach. The

funding of the additional train had not been agreed. The schedule required the commercial issues to be closed out by 7th March so that the CCN could be issued by the end of March in order to avoid delay to the ONW signalling.

The commercial issues were discussed and Sponsors noted the associated constraints. It was agreed that DfT and TfL Finance colleagues should meet urgently to discuss various outstanding financial issues with a view to reaching an overall settlement. Capital funding of the additional train required for Reading services was likely to form part of this discussion, which would be intended to agree between Sponsors their preferred items to be funded through the saving made through the Interim Financing Agreement (subject to DfT and TfL approvals, see below). Sarah Johnson will arrange the meeting.

Action: Sarah Johnson

Sponsor Board:-

- i. **NOTED** progress and the outstanding issues;
- ii. **APPROVED** the Change Confirmation Notice and the associated changes to the Project Development Agreement, subject to an exchange of letters between senior DfT and TfL officials resolving the commercial issues and receipt of the required DfT and TfL approvals; and
- iii. **DELEGATED** authority to the Head of the Joint Sponsor Team to issue the Change Confirmation Notice when the above conditions had been met.

4. NR Interim Financing Agreement

Sponsors discussed paper SB59 – 3 entitled, “Extension of the Interim CRL Funding Payments Agreement with Network Rail.” Becky Wood noted that Accounting Officer approval would be required for the IFA to proceed. Sponsor Board agreed that the paper would be approved in part B of the meeting subject to DfT and TfL approvals, but that the IFA savings should be ring-fenced for use by Sponsors elsewhere on the project. The issue would be discussed at the next meeting of Sponsor Board.

Action: Sarah Johnson

5. Preliminary Discussion of Part B Agenda.

There was no other business.

Date of Next Meeting

The next meeting will be held on Friday, 14th March 2014 from 10.30 to 12.30 at the New Stepney Room, East Wing, 2nd Floor, 55 Broadway.

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Summary of Actions

No.	Action	Responsible	Target
13/30	CTOC Affordability: To review the improvements in the revenue forecasts in detail.	Sarah Johnson	30/4/14
14/1	Reading Business Case: To clarify the significant drivers for the differences between the user benefits for options 1, 2 and 3.	Sarah Johnson	Closed
14/2	RSD (Funding): To communicate the outcome of the FPC meeting to DfT in order to inform the BICC meeting.	Sarah Johnson	Closed
14/3	Risk allowances: To review the P50 risk to remaining point estimate ratio at SACR11.	Sarah Johnson	13/6/14
14/6	Finance meeting: To arrange an urgent meeting between DfT and TfL Finance colleagues to discuss various outstanding financial issues.	Sarah Johnson	Closed
14/7	IFA savings: To add an IFA savings item to the agenda for the next meeting of Sponsor Board.	Sarah Johnson	7/3/14

COMMERCIAL – IN CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.58

MINUTES OF MEETING HELD ON

FRIDAY, 17TH JANUARY 2014

AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON

Present:

Steve Allen*	TfL (Chair)
David Hughes*	TfL
Clare Moriarty*	DfT
Becky Wood*	DfT
Sarah Johnson	Joint Sponsor Team
██████████	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Ross Barr	Project Representative
Allison Phillips	DfT (Agenda items 1 to 3)

MEETING PART A

1. Actions and Minutes for Meeting No 57

The draft minutes of meeting no 57 were **AGREED**.

Action 13/35. A note had been circulated providing narrative on the NPV differences between the Reading business case options and including a confirmation from DfT Economists that option 1 remained the preferred option following the review of the business case. Steve Allen requested further information as the magnitude of the differences between the option 1 user benefits and options 2 and 3 user benefits appeared to be very large for a relatively small change in the service pattern. Sponsor Board **REMITTED** Sarah Johnson to clarify the significant drivers for the differences between the user benefits for options 1, 2 and 3.

Action: Sarah Johnson

2. RSD (Funding)

Steve Allen noted that a recommendation had been received from the CRL Board and that the RSD procurement would be discussed at the TfL Finance & Policy Committee (FPC) during week commencing 20th January. Steve Allen had discussed the funding issue with Jeremy Pocklington, but HMT had not yet made a decision on a response to the Mayor's letter. Steve Allen noted that the use of the reserve would not work and that clarity was required by the TfL Board meeting on 5th February. Clare Moriarty noted that DfT would need to be clear about the outcome of the FPC meeting in order to inform their BICC meeting on 27th February.

Action: Sarah Johnson

3. Crossrail Supplementary Access Charge (CSAC)

██████████ reported that there had been a senior level meeting involving DfT, ORR and NR before Christmas to discuss the CSAC. It had been agreed that DfT would send a letter to ORR setting out the CSAC proposal. Allison Phillips noted that the draft letter, including the CSAC mechanism, had been agreed with ORR and NR subject to a few NR drafting points. There were two issues relating to Operator of Last Resort/Section 30 and buyback which had not been resolved. The letter would be discussed by the ORR Executive and ORR Board.

██████████ noted that the schedule to close out the CSAC, and novate the TAO simultaneously with letting the CTOC concession, was tight. Lawyers were being mobilised to commence drafting.

4. Preliminary Discussion of Part B Agenda

Action 13/39 regarding the NR Interim Funding Agreement was discussed.

Item 3. Initial Change Appraisal (ICA) - Reading. Becky Wood noted that the Reading funding responsibilities would need to be resolved and that there were different layers of expenditure. Sarah Johnson noted that a working group would discuss the commercial principles during week commencing 20th January and that the schedule was very tight. Sponsors needed to understand the implications if the deadline for the change instruction of 31st March was not met. Clare Moriarty noted that from a transport planning perspective, it was obvious that the proposal should proceed; it was just a question of resolving the commercial position. David Hughes noted that it would be a shame if Sponsors missed the approval window because of relatively small sums.

Item 5. ICA – Accessibility. Sarah Johnson noted that the estimated costs were consistent with the Access For All (AFA) application. However, 4 stations had been submitted for AFA consideration rather than 7 as stated in the ICA.

Item 6. Period 9 Report. Sarah Johnson noted that the overall performance had been quite good in Period 9 with the SPI now at 0.99. The report was in a new format which provided a better focus though there was room for improvement, for example in relation to the On Network Works. David Hughes noted that PDA measures of success in the report (p28) was not reflective of Sponsors' views, and noted the very high ratio of P50 risk to remaining point estimate (p27) which raised concerns about incentivisation of the Executive. It was agreed that the risk allowances should be reviewed at SACR11.

Action: Sarah Johnson

Date of Next Meeting

The next meeting will be held on Thursday, 27th February 2014 from 16.00 to 17.00 in CRL's Offices, Canary Wharf (Meeting to be confirmed).

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Summary of Actions

No.	Action	Responsible	Target
13/30	CTOC Affordability: To review the improvements in the revenue forecasts in detail.	Sarah Johnson	30/4/14
13/35	Reading Business Case: Provide an explanation for the NPV differences between option 1 and the other options. Confirm whether option 1 remained as the preferred option following the review of the business case work.	[REDACTED]	Closed
13/36	CSAC Agenda Item: CSAC to be added to the Sponsor Board agenda as a standing item.	Sarah Johnson	Closed
14/1	Reading Business Case: To clarify the significant drivers for the differences between the user benefits for options 1, 2 and 3.	Sarah Johnson	24/1/14
14/2	RSD (Funding): To communicate the outcome of the FPC meeting to DfT in order to inform the BICC meeting.	Sarah Johnson	23/1/14
14/3	Risk allowances: To review the P50 risk to remaining point estimate ratio at SACR11.	Sarah Johnson	31/5/14

COMMERCIAL – IN CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.57

MINUTES OF MEETING HELD ON

TUESDAY, 10TH DECEMBER 2013

AT THE JOHNSTON ROOM, 55 BROADWAY, LONDON

Present:

Steve Allen*	TfL (Chair)
Julian Ware*	TfL
Clare Moriarty*	DfT
Becky Wood*	DfT
Sarah Johnson	Joint Sponsor Team
██████████	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Ross Barr	Project Representative
██████████	DfT (Item 5 only)

Apologies

David Hughes	TfL
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MEETING PART A

1. Actions and Minutes for Meeting No 56

The draft minutes of meeting no 56 were **AGREED**.

Action 13/29 regarding the risk register was closed under item 4 of the agenda.

2. RSD (Funding)

Sarah Johnson introduced this item. It was reported that a meeting was due to take place on Wednesday, 11th December between TfL, DfT and HMT Special Advisers after which it was hoped that a letter could be sent from the Mayor to the Chancellor. If it was confirmed that the Sponsors' Funding Account could be used, there would need to be an exchange of letters

between TfL and DfT to confirm the arrangements. JST would discuss the issue with and send a letter to CRL. A written resolution of Sponsor Board would be required.

Becky Wood noted that if the matter needed to be escalated, then the Mayor should speak with the Chancellor. Steve Allen noted that the conversations would need to happen rapidly as the funding issue needed to be resolved before Christmas.

3. Crossrail – Reading Opportunity

██████████ introduced paper SB 57-1 entitled, “Crossrail – Reading Opportunity.” One of the key conclusions of the work was that CRL and NR believed that it was essential to extend Crossrail services to Reading and to remove the Reading to Slough shuttle in order to deliver adequate Crossrail performance. According to the JST analysis, which was based on the SDG analysis, there was a business case for option 1. However the figures needed to be checked because some issues had been identified with the SDG analysis. The stark differences between option 1 and the other options were noted and an explanation was requested. Becky Wood noted that it would need to be confirmed whether option 1 remained as the preferred option following the review of the business case work.

Action: ██████████

Sarah Johnson noted the funding issue in relation to the additional rolling stock requirement and it was agreed that this would need to be resolved in the future if the proposal was to be implemented.

Steve Allen noted that the business case figures had not been bottomed out, but the Initial Change Appraisal and business case work should proceed in order to avoid nugatory infrastructure expenditure. Steve Allen noted that a decision to implement the proposal would require the approval of the TfL Board. Clare Moriarty noted that the proposal would need to go to the DfT Investment Committee.

Sponsor Board:-

- i. **NOTED** the contents of this paper; and
- ii. **AUTHORISED** the Head of JST to issue a Sponsor Change Notice requiring CRL to produce an Initial Change Appraisal for extending Crossrail services to Reading.

4. Sponsors’ Risks

Sarah Johnson introduced paper SB 57 – 2, entitled “Sponsors’ Risk Register.” The risk rating scoring mechanism had been checked and

updated, and indicators had been introduced to show the movement in the post mitigation risk rating since the previous version of the register. Some changes to specific risks had been made and risk D4 regarding Kensal Green station had been reintroduced. Sarah Johnson and Howard Smith will be meeting RBKC in the new year.

Sponsor Board **NOTED:-**

- i. The changes that have been made to specific risks since the Sponsor Board meeting on 6th September 2013;
- ii. The addition of an indicator which shows the movement of the post mitigation risk rating since the last update in September 2013; and
- iii. The updated Sponsor Risk Register.

5. City of London Funding – Update

██████████ introduced paper SB 57 – 3 entitled, “City of London Funding – Update.” The £200m committed contribution will be provided subject to the completion of agreed project milestones and, following discussions with the Town Clerk, it is proposed that the guaranteed £50m of the voluntary contribution will be also be paid to the Department on completion of milestones. City officers also propose £3.5m of match funding and £500k of programme support for the Crossrail Art Programme. DfT has discussed proposals to fund urban realm schemes and accessibility improvements from the remaining party of the voluntary contribution with City officers.

Steve Allen noted that any voluntary contributions in excess of the £50m would represent an upside and would flow to CRL under the PDA provisions. It was confirmed that the Crossrail Investment Model assumptions did not include this upside.

██████████ noted that the City of London believes that there is an appetite for businesses to provide match funding for the Art Programme and is pursuing this with CRL.

Sponsor Board **NOTED:-**

- i. the contents of the paper; and
- ii. the financial support that the City of London is proposing to provide to the Crossrail Art Programme

6. Preliminary Discussion of Part B Agenda

The HS2 agenda item was discussed. Sarah Johnson noted that there were no plans to move the Crossrail depot at Old Oak Common.

With respect to the art programme agenda item, it was agreed that the paper could be noted provided that Sponsor Funding was not used to implement the programme.

A late CRL paper on the NR Interim Funding Agreement had been accepted and would be discussed under any other business. Sarah Johnson noted that the paper could not be approved, but Sponsors could consider the parameters within which CRL could negotiate with NR.

██████████ gave a verbal update on the position with the Crossrail Supplementary Access Charge (CSAC) negotiations with ORR and NR noting that the schedule was becoming challenging given the CTOC procurement milestones. The ORR Board would be discussing the issue at its meeting on 22nd January. DfT was considering its position on NR's request for revenue security and Becky Wood noted that DfT was setting up bilateral meetings with NR. It was **AGREED** that CSAC would be added to the Sponsor Board agenda as a standing item.

Action: Sarah Johnson

Date of Next Meeting

The next meeting will be held on Friday, 17th January 2014 from 09.30 to 12.30 in the New Stepney Room, East Wing, 2nd Floor, 55 Broadway, London.

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Summary of Actions

No.	Action	Responsible	Target
13/29	Risk Register: To rectify an issue with the risk rating scoring mechanism and to investigate whether the post mitigation risk rating should incorporate a marker to indicate whether the rating had moved up or down since the previous version of the risk register.	Sarah Johnson	Closed
13/30	CTOC Affordability: To review the improvements in the revenue forecasts in detail.	Sarah Johnson	30/4/14
13/35	Reading Business Case: Provide an explanation for the NPV differences between option 1 and the other options. Confirm whether option 1 remained as the preferred option following the review of the business case work.	[REDACTED]	10/1/14
13/36	CSAC Agenda Item: CSAC to be added to the Sponsor Board agenda as a standing item.	Sarah Johnson	10/1/14

COMMERCIAL – IN CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.56

MINUTES OF MEETING HELD ON

TUESDAY, 26TH NOVEMBER 2013

AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON

Present:

Steve Allen*	TfL (Chair)
David Hughes*	TfL
Clare Moriarty*	DfT
Matt Lodge*	DfT
Sarah Johnson	Joint Sponsor Team
██████████	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Gordon Masterton	Project Representative
Ross Barr	Future Project Representative

Apologies

Becky Wood	DfT
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MEETING PART A

1. Actions and Minutes for Meeting No 55

The draft minutes of meeting no 55 were **AGREED**.

Action 13/29. The risk register will be discussed at the December meeting.

Action 13/30. A CTOC affordability update will be given following the award of the RSD contract.

2. SACR10

Sarah Johnson introduced paper no SB 56-1 entitled, "Semi Annual Construction Report 10" and highlighted the increased headroom to IPO, the increased schedule confidence, "Sponsor Funding and Cash" issues and the

items on which CRL had requested Sponsor support. JST was waiting for CRL to clarify what the issue was with the Canary Wharf Development Agreement payment milestones. David Hughes noted that Sponsors would need to consider how to treat any benefits arising from an extension to the interim finance agreement with NR.

Gordon Masterton reported that there had been no occurrence of a TfL Remedy Trigger Event. The improvement in schedule confidence reflected good progress with tunnelling, but the CPI decreased in the SACR period. Figure 3-G of the PRep report shows how CRL would need to perform to outturn at IPO and this was based on hard data. David Hughes noted the risk in trying to project the financial performance of the systems installation work from the heavy civils work and suggested that a significant amount of contingency may be required to deliver these works.

3. RSD (including funding)

Sarah Johnson introduced this item noting that the funding issue would need to be resolved before Christmas. Steve Allen noted that the issue would be included on the agenda for the meeting between the Mayor and the Secretary of State during week commencing 2nd December. Clare Moriarty noted that it would be preferable for TfL's letter to be sent to HMT following the Mayor/SofS meeting.

4. Preliminary Discussion of Part B Agenda

Sponsor Board discussed the part B agenda items. Sarah Johnson updated Sponsor Board on the RSD litigation risks as required by action no 13/31.

Date of Next Meeting

The next meeting will be held on Tuesday, 10th December 2013 from 14.00 to 17.00 in the Johnston Room, North Wing, 5th Floor, 55 Broadway, London.

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Summary of Actions

No.	Action	Responsible	Target
13/29	Risk Register: To rectify an issue with the risk rating scoring mechanism and to investigate whether the post mitigation risk rating should incorporate a marker to indicate whether the rating had moved up or down since the previous version of the risk register.	Sarah Johnson	10/12/13
13/30	CTOC Affordability: To review the improvements in the revenue forecasts in detail.	Sarah Johnson	30/4/14

COMMERCIAL – IN CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.55

MINUTES OF MEETING HELD ON

FRIDAY, 6th SEPTEMBER 2013

AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON

Present:

Steve Allen*	TfL (Chair)
David Hughes*	TfL
Clare Moriarty*	DfT
Matt Lodge*	DfT
Sarah Johnson	Joint Sponsor Team
	Joint Sponsor Team (Secretary)

* Voting Members

By invitation:

Gordon Masterton	Project Representative
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Apologies

Becky Wood	DfT
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MEETING PART A

1. Actions and Minutes for Meeting No 54

The draft minutes of meeting no 54 were **AGREED**.

Actions 13/14 and 13/21 to 13/25 had been closed.

Action 13/20. Sarah Johnson reported that the work to review the Woolwich Station fit-out and through running estimates was underway and proposed that the action be closed.

2. Sponsors' Risks

Sarah Johnson introduced paper SB 55-1 entitled "Sponsors' Risk Register" noting that the risk register updated the previous version of the risk register which was issued in May 2013. Risks B5, B6 and F4 had been retired as they

were not managed by Sponsors. Risk F5 which related to funding of the Woolwich station fit-out had been closed. A new risk, F6, relating to the extension of Crossrail services to Reading, had been opened and would be discussed under the associated agenda item.

Clare Moriarty noted that some of the risk ratings scored at 16 were rated amber and some red. JST will rectify the problem. David Hughes proposed that the post mitigation risk rating should incorporate a marker to indicate whether the rating had moved up or down since the previous version of the risk register.

Action: Sarah Johnson

Sponsor Board **NOTED:-**

- The changes that have been made to specific risks since the Sponsor Board meeting on 14th May 2013;
- The retirement of risks as listed in section 5a and 5b of the paper;
- The closing of the Woolwich Funding risk (F5);
- The addition of a new risk relating to the proposed extension of Crossrail to Reading (F6); and
- The updated Sponsor Risk Register.

3. CTOC Affordability

Sarah Johnson introduced paper SB 55-2 entitled “CTOC Affordability Model - Update” noting that the output reflected the rolling stock financing charges from the TfL Business Plan. The output would need to be updated to reflect the final position with respect to the charges. The update showed that the affordability position was improving and a further paper would be submitted to the December meeting of Sponsor Board following a detailed review.

Clare Moriarty queried whether there was any double counting in the first, third and fourth bullet points of paragraph 11 of the paper. Steve Allen queried whether the fourth bullet point was an overlay to the demand forecasts. JST will review the improvements in the revenue forecasts in detail.

Action: Sarah Johnson

Matt Lodge noted that DfT was reviewing the paper in detail.

Sponsor Board **NOTED** the contents of the paper.

4. Crossrail – Reading Opportunity

██████████ introduced paper SB 55-3 entitled, “Crossrail Reading Opportunity”, noting that the Capacity & Performance Group had met since the paper had been drafted. The Group were reviewing the freight

assumptions as a reduction in the freight forecasts could also mitigate the performance risks on the GW.

Clare Moriarty noted that it would be sensible to carry out the work proposed in the paper and that the risk of nugatory spend on the On Network Works should be addressed. Matt Lodge noted that the proposal would not affect the TOC other than through the removal of the Reading to Slough shuttle.

Sponsor Board:-

- i. **NOTED** the contents of the paper;
- ii. **AGREED** that a Crossrail – Reading Working Group should be established to investigate whether there is a viable opportunity to extend Crossrail services to Reading and **AGREED** the terms of reference of the group; and
- iii. **AGREED** that the Group should report the outcome of its work to the December 2013 Sponsor Board meeting recommending whether a Sponsor Change Notice should be issued requiring CRL to produce an Initial Change Appraisal for extending Crossrail services to Reading.

5. Art Programme

Sarah Johnson introduced paper SB 55-4 entitled “Crossrail Art Programme” and proposed that Sponsor Board should note, rather than agree, that CRL will continue to work on the pilot scheme at Paddington.

Steve Allen noted that the Charity Commission had responded quite positively to the proposal to channel charitable donations through the London Transport Museum and TfL would be responding to questions about the impact on the Museum’s aims and objectives.

Matt Lodge reported that DfT would be meeting the City of London in October. Sarah Johnson will attend the Crossrail Art Programme Board on September 12th and would inform the Board of the Crossrail Sponsors’ position.

Sponsor Board:-

- i. **NOTED** the contents of the paper;
- ii. **NOTED** that CRL will continue to work on the pilot scheme at Paddington;
- iii. **AGREED** that DfT should formally engage with the City of London as described in the paper; and
- iv. **AGREED** that the Head of the JST should write to CRL confirming Sponsors’ position on the Art Programme.

6. JST Objectives Update

Sarah Johnson introduced paper SB 55-5 entitled "Updated JST Objectives 2013/14" noting that the Rolling Stock and Depot and GW Capacity objectives had been updated.

Sponsor Board **NOTED** the update to the JST's high-level objectives for 2013/14.

7. Preliminary Discussion of Part B Agenda

Sponsor Board discussed the part B agenda items. In relation to the RSD item, David Hughes noted that the governance strategy set out in the RSD Procurement Strategy (as approved by Sponsor Board in 2010) required Sponsor Board to approve the outcome. Clare Moriarty queried which parties could be subject to Judicial Review in relation to the procurement. It was agreed that the issue should be discussed with CRL.

Date of Next Meeting:

The next meeting will be held on Tuesday, 29th October 2013 from 14.00 to 17.00 in the New Stepney Meeting Room, 55 Broadway, London.

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Summary of Actions

No.	Action	Responsible	Target
13/14	JST Objectives: Head of JST to update Sponsor Board in September with updated objectives on RSD and Capacity and Performance.	Head of JST	Closed
13/20	Woolwich Station Fit-Out: To review the fit-out and through running cost estimates.(Target date is subject to receipt of the RIBA E design costs from CRL)	Gordon Masterton	Closed
13/21	Woolwich Station Fit-Out: To update Sponsor Board if the funding agreements have not been concluded by 19 th July.		Closed
13/22	Schedule 3 Milestones: To confirm any impact of these changes on CRL management incentives.	David Hughes	Closed
13/23	Schedule 3 Milestones: To write to CRL confirming the changes to the Schedule 3 milestones as listed and the revised reporting process.		Closed
13/24	Crossrail Depot long term relocation study: To check whether DfT input is required.	David Hughes	Closed
13/25	Sponsor Board: To cancel the August meeting and circulate the Sponsor Risk Register Update and DLR twin-tracking papers by correspondence.	Sarah Johnson	Closed
13/29	Risk Register: To rectify an issue with the risk rating scoring mechanism and to investigate whether the post mitigation risk rating should incorporate a marker to indicate whether the rating had moved up or down since the previous version of the risk register.	Sarah Johnson	26/11/13
13/30	CTOC Affordability: To review the improvements in the revenue forecasts in detail.	Sarah Johnson	10/12/13

COMMERCIAL – IN CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.54

MINUTES OF MEETING HELD ON

TUESDAY, 9th JULY 2013

AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON

Present:

David Hughes*	TfL (Acting Chair)
David Goldstone*	TfL
Clare Moriarty*	DfT
Michael Hurn*	DfT
[REDACTED]	Joint Sponsor Team
Sian Evans	Joint Sponsor Team – Acting Secretary

* Voting Members

By invitation:

Gordon Masterton	Project Representative
Julian Ware	TfL (Items 1 & 2 only)
[REDACTED]	TfL (Items 1 & 2 only)

Apologies

Steve Allen	TfL (Chair)
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MEETING PART A

1. Actions and Minutes for Meeting No 53

The draft minutes of meeting no 53 were **AGREED**.

Action 13/05 was discussed under any other business.

Actions 13/12 and 13/13 have been closed.

Action 13/14 is to be considered at the September Sponsor Board.

2. Woolwich Station Fit Out

██████████ introduced paper SB 54-01 entitled “Woolwich Station Fit Out” and outlined the actions required from Sponsor Board.

Julian Ware provided an update on the progress being made to conclude actions that will enable the release of the Sponsor Change Confirmation Notice for CRL to implement the fit-out of the Crossrail Woolwich Station. The TfL Board approved the funding arrangements for the station fit out and authorised TfL to enter into the respective funding agreement with Berkeley Homes and Royal Borough Greenwich at its meeting on 3rd July 2013. TfL Board also gave TfL representatives on the Crossrail Sponsor Board authorisation to approve changes to Sponsors Requirements, and other documentation as required, to enable CRL to implement the fit-out.

The letters of agreement between TfL and Royal Borough of Greenwich for £20m of funding have been agreed in draft but will not be issued for signature until a funding agreement with Berkeley Homes has been agreed. The £10m funding agreement between TfL and Berkeley Homes is in its final stages of drafting following resolution of the outstanding issues at a meeting held on 8th July 2013. Berkeley Homes still maintain the position that they will not sign the funding agreement until they have finalised the amendments to the Box Deed with CRL. The Box Deed amendments are in the final stages of negotiation and a meeting is planned for 11th July 2013 to review the revised drafting and conclude any further changes.

██████████ provided an update on the DfT approval process following the revised cost estimate submitted by CRL and confirmed that the Minister is content for DfT Sponsor Board Members to instruct CRL to proceed with the fit-out of Woolwich station, on the basis of the revised cost numbers and existing funding package, subject to the funding agreements being formally concluded. Sponsor Board **REMITTED** PRep to review the fit-out and through-running cost estimates.

Action: Gordon Masterton

██████████ noted that, once all the actions are concluded and the Sponsor Change Confirmation Notice is issued, the plan is to submit a Written Ministerial Statement to Parliament before recess, on 18th July 2013. However, if there is no agreement with Berkeley Homes by this date, then the Minister has agreed to issue a statement during recess, once the funding agreements has been concluded with Berkeley Homes.

Sponsor Board requested that it is kept informed of progress if the funding agreements have not been concluded by 19th July and noted that the importance of the closure of the Box Deed amendments would be raised with CRL during Part B of the Sponsor Board meeting.

Action: ██████████

Sponsor Board **NOTED** the funding packages that are in the final stages of agreement for the fit out of Woolwich Station; and **AGREED**

- i. that JST shall issue the Sponsor Change Confirmation Notice to CRL to implement the fit out of Woolwich station, as attached at Appendix 2, once the DfT approvals have been received and the funding agreements with London Borough of Greenwich and Berkeley Homes have been finalised;
- ii. the changes that need to be made to the Core Agreements (Sponsors Requirements and PDA Schedule 8), as listed in Appendix 3 of the paper
- iii. that the Intervention Points shall be amended to reflect the increase in Sponsor Committed Funding of £54m as a result of the addition of the fit-out of Woolwich Station.

3. Schedule 3

Sian Evans introduced paper SB54-2 entitled “Project Development Agreement – Schedule 3 Milestones”. Following changes to the Crossrail Programme, since the original drafting of the Project Development Agreement (PDA) in October 2008, CRL and JST have reviewed the milestone descriptions and forecast completion dates listed in Schedule 3 of the PDA. Revisions to the milestones, that reflect the Crossrail Delivery programme, are proposed for the purpose of monitoring and reporting progress of delivery in the Semi Annual Construction Report.

Michael Hurn asked David Hughes to confirm if any of the proposed changes to Schedule 3 had an impact on CRL management incentives.

Action: David Hughes

Sponsor Board **NOTED** the revised delivery dates in the updated Schedule 3 presented in the paper and the proposed reporting and monitoring process in delivering the schedule.

Sponsor Board **REMITTED** JST to write to CRL to confirm the revisions to Schedule 3 for the purposes of monitoring and reporting in the Semi Annual Construction Report.

Action: [REDACTED]

5. Performance Management

Gordon Masterton introduced paper SB54-3 entitled “Crossrail Programme Performance Management”. Gordon Masterton provided an overview of how the measures are calculated and the use of Earned Value Management

(EVM) statistics in monitoring the progress of a project. Gordon Masterton also updated the meeting on the importance of monitoring the trend of the measurements and the work that PRep has been doing to predict the out-turn cost of the project based on the EVM indices reported by CRL.

Sponsor Board noted that over the last 3 periods the schedule indices had improved but that the cost indices had worsened, and agreed the issues to be raised in part B of the meeting. Gordon Masterton noted that data for 3 periods was not sufficient to determine a trend and that P-Rep would continue to monitor the position on a period by period basis, with the aim of commenting on a trend after 5 periods of consistent data.

Sponsor Board **NOTED** the PRep report on Crossrail Programme Performance Management.

6. Preliminary Discussion of Part B Agenda

David Hughes noted that the surface stations proposal to be discussed in part B of the meeting was driven by TfL and the costs would not fall to DfT's account.

7. Any other business

Michael Hurn requested an update on the developments relating to the discussions on the long term location of the Crossrail Depot, and if any input was required from DfT. David Hughes responded that a working group had been established, led by TfL Group Planning, to review the possible long term relocation of the depot. The working group is due to report its findings to TfL Management in September 2013, at which point the next steps will be confirmed. David Hughes agreed to check whether DfT input to the group was required.

Action David Hughes

Sponsor Board agreed that the August Sponsor Board meeting was to be cancelled and the two papers to be considered at the meeting; Sponsor Risk Register Update and DLR twin tracking, were to be considered via correspondence out of meeting.

Action: Sarah Johnson

Date of Next Meeting:

The next meeting will be held on Tuesday, 6th September 2013 from 14.00 to 17.00 in the New Stepney Meeting Room, 55 Broadway, London.

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Summary of Actions

No.	Action	Responsible	Target
13/05	Sponsors Risk: Risk register to be updated to reflect the comments provided by Sponsor Board on individual risks (ref Sponsor Board Minutes)		Closed
13/12	Interest Rates: JST to instruct CRL to update Interest Rate assumptions for each SACR.	David Hughes	Closed
13/13	Sponsor Instructions: David Hughes to write to CRL on behalf of Sponsors with their response to the reported Sponsor Instructions within SACR9.	David Hughes	Closed
13/14	JST Objectives: Head of JST to update Sponsor Board in September with updated objectives on RSD and Capacity and Performance.	Head of JST	September 2013
13/20	Woolwich Station Fit-Out: To review the fit-out and through running cost estimates.(Target date is subject to receipt of the RIBA E design costs from CRL)	Gordon Masterton	30 August 2013
13/21	Woolwich Station Fit-Out: To update Sponsor Board if the funding agreements have not been concluded by 19 th July.		19 July 2013
13/22	Schedule 3 Milestones: To confirm any impact of these changes on CRL management incentives.	David Hughes	26 July 2013
13/23	Schedule 3 Milestones: To write to CRL confirming the changes to the Schedule 3 milestones as listed and the revised reporting process.		26 July 2013
13/24	Crossrail Depot long term relocation study: To check whether DfT input is required.	David Hughes	26 July 2013
13/25	Sponsor Board: To cancel the August meeting and circulate the Sponsor Risk Register Update and DLR twin-tracking papers by correspondence.	Sarah Johnson	9 August 2013

COMMERCIAL – IN CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.53

MINUTES OF MEETING HELD ON

TUESDAY, 11th JUNE 2013

AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON

Present:

David Hughes*	TfL (Acting Chair)
Julian Ware*	TfL
Clare Moriarty*	DfT
Michael Hurn*	DfT
Sian Evans	Joint Sponsor Team
Stewart Hayden	Joint Sponsor Team – Acting Secretary

* Voting Members

By invitation:

Gordon Masterton	Project Representative
Andrew Macdonald	TfL (Items 1 & 2 only)

Apologies

Steve Allen	TfL (Chair)
	Joint Sponsor Team

MEETING PART A

1. Actions and Minutes for Meeting No 52

The draft minutes of meeting no 52 were **AGREED**.

Actions 13/06, 13/07 and 13/08 have been closed.

Action 13/05 is to be considered at the July Sponsor Board.

2. Crossrail Supplementary Access Charge (CSAC)

Andrew Macdonald provided an update on the status of CSAC negotiations. Sponsors and Network Rail have agreed draft Heads of Terms setting out the proposed arrangements of the CSAC at the commencement of drawdown of

access rights. This is subject to the resolution of issues relating to Great Western capacity and timetabling.

Sponsor Board **AGREED** that work should continue with the resolution of other key issues and then activity is to be suspended until the timetabling issue is resolved; no legal drafting should commence at this stage.

3. SACR 9

Gordon Masterton introduced the paper SB53-2 entitled "Semi-Annual Construction Report 9".

The latest Quantified Schedule Risk Analysis (QSRA) reported a confidence rating of 75 percent for achieving the planned central operating section opening date of December 2018. This is an improvement on the SACR8 position (65%) which is primarily due to the mitigation of a number of specific issues which had impacted delivery performance during the ramp-up of tunnelling operations in the latter half of 2012.

Notwithstanding CRL's improved confidence in achieving the end date, SACR 9 reports an increase in slippage to date to 9 weeks (from 6 to 8 weeks at SACR 8).

The SACR 9 AFDC (P50) is within £20m of IP0 and there has been no occurrence of a TfL Remedy Trigger Event. David Hughes noted that CRL had not updated the Interest Rate assumptions used within the Crossrail Investment Model (CIM) since SACR8. Incorporating the rates at the end of March 2013 would have resulted in a potential breach of IP0. It was proposed that in future JST will instruct CRL, 2 months in advance of the end of the SACR period, to apply the latest TfL Treasury Interest Rates. It was agreed that this would be discussed with CRL in Part B of the meeting and a letter would be issued confirming this proposal.

Action: David Hughes

David Hughes noted that section 3.5.4 of SACR 9 lists Sponsor instructions since RP4.2 and an associated increase in project cost of £168m. It was agreed that the Sponsor Board Chair (acting) would write to the CRL Chief Executive noting that Sponsors did not accept that the items listed were Sponsor Instructions.

Action: David Hughes

Sponsor Board:-

- **NOTED** the contents of paper SB53-2, the PRep report and SACR9; and

- **AGREED** that, in the SACR9 period, there had been no occurrence of a TfL Remedy Trigger Event.

4. JST Objectives

Sian Evans introduced the paper SB53-3 entitled, "JST Objectives 2013/14" which set out the proposed high level Joint Sponsor Team objectives for the current financial year.

Sponsor Board **NOTED** the JST objectives and requested that the objectives for Rolling Stock and Depot and Capacity and Performance be revised to reflect the volume of work that needs to be done in the current financial year to ensure a successful outcome. The updated objectives are to be presented at the September Sponsor Board by the Head of JST.

Action: Head of JST

5. Preliminary Discussion of Part B Agenda

Nothing further to report.

6. Any Other Business

Julian Ware provided an update on the negotiations to secure funding to fit out the station box at Woolwich. Agreement has now been reached with RB Greenwich as to how receipts from their proposed Borough CIL will be used to fund their contribution to fit-out costs. The agreement will be captured in an exchange of letters between the GLA and RB Greenwich, which are being drafted.

Negotiations with Berkeley Homes (BH) have concluded on the timing of their £10 million payment. BH and CRL have reached an agreement on the retail unit at the station. CRL and BH need to agree the legal amendments to the Station Box Deed and the drafting of the funding agreement. BH's position is that the amendments need to be completed before they will sign the £10m funding agreement.

A Sponsor Change Notice is to be submitted to Sponsor Board for approval at the meeting on 9 July.

Date of Next Meeting:

The next meeting will be held on Tuesday, 9th July 2013 from 14.00 to 17.00 in the New Stepney Meeting Room, 55 Broadway, London.

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Summary of Actions

No.	Action	Responsible	Target
13/05	Sponsors Risk: Risk register to be updated to reflect the comments provided by Sponsor Board on individual risks (ref Sponsor Board Minutes)	[REDACTED]	11/7/13
13/06	Timetabling: Provide JST with comments on the Terms of Reference for the high level working group (Crossrail Capacity and Performance Group).	Michael Hurn	Closed
13/07	CSAC: Confirm TfL attendees at the meeting with ORR	[REDACTED]	Closed
13/08	Timetabling: Draft a letter for Steve Allen to invite NR to the Crossrail Capacity and Performance group.	[REDACTED]	Closed
13/12	Interest Rates: JST to instruct CRL to update Interest Rate assumptions for each SACR.	David Hughes	21 July 2013
13/13	Sponsor Instructions: David Hughes to write to CRL on behalf of Sponsors with their response to the reported Sponsor Instructions within SACR9.	David Hughes	21 July 2013
13/14	JST Objectives: Head of JST to update Sponsor Board in September with updated objectives on RSD and Capacity and Performance.	Head of JST	September 2013

END

COMMERCIAL – IN CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.52

MINUTES OF MEETING HELD ON

TUESDAY, 14th MAY 2013

AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON

Present:

Steve Allen*	TfL (Chair)
David Hughes*	TfL
Clare Moriarty*	DfT
Michael Hurn*	DfT
██████████	Joint Sponsor Team
Sian Evans	Joint Sponsor Team – Acting Secretary

* Voting Members

By invitation:

David Craig	Project Representative
Julian Ware	TfL (Items 1 & 2 only)

Apologies

Gordon Masterton	Project Representative
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MEETING PART A

1. Actions and Minutes for Meeting No 51

The draft minutes of meeting no 51 were **AGREED**.

Actions 13/01 and 13/02 have been closed.

2. Updates

Kensal

██████████ noted that a meeting was held on 15 April between Stephen Hammond and Sir Merrick Cockell, where the Minister informed the Borough of the decision to discontinue work on the proposed Crossrail station at Kensal. The Minister has also written to the Borough to confirm this decision.

It was agreed at the meeting that TfL would work with the Borough Council to explore alternative options for improved transport links for this area. Alex Williams (TfL Director of Borough Partnerships) has since had an initial meeting with the Borough to take forward the alternative transport measures. Sir Merrick Cockell has written to No. 10 and Matthew Lodge (DfT) is preparing a response. It was noted that overall the press coverage on this matter has been relatively quiet.

Woolwich

Julian Ware provided an updated on negotiations with Berkeley Homes, the Royal Borough of Greenwich and the GLA to secure funding to fit out the station box at Woolwich. The last cost estimate (RIBA stage D) provided by CRL is £79m of which TfL has been identified £54m. The outstanding £25m will need to be funded by CRL which includes the £16m it has budgeted for through running.

A Sponsor Change Notice is to be submitted to CRL reflecting the change in Sponsors Requirements from through running at Woolwich to a fit out of the Woolwich station. CRL will then provide an Initial Change Appraisal for consideration and approval at the June Sponsor Board. CRL is currently planning to issue an OJEU Notice for Woolwich Station fit out in early July 2013.

It was noted that TfL was on risk for the Berkeley Homes and Greenwich contributions, and TfL approvals will be required.

3. Sponsors Risk Management

■■■■ introduced paper no SB52-1 entitled "Sponsors Risk Management: Strategy and Process Guide". The JST Risk Management Strategy had been updated to reflect the updated methodology in reporting and managing risks. Changes had been made to the Sponsors Risk Register to reflect the actions from the Sponsor Board on 19 March 2013 relating to Rolling Stock and Depot and HS2.

Further comments were provided on the respective risks in the register as follows:

Risk A4 – The mitigating action need to be updated to reflect that it is the responsibility of the individual Sponsors to decide whether to appoint a Non-Executive Director.

Risk F3 – The risk description should be refocused to reflect a timely approval as the current wording is more reflective of the delivery of rolling stock, which is a CRL risk.

Clare Moriarty noted that on several risks, in particular D3, E3 and E4, the mitigating action did not have an impact on the overall risk rating. It was agreed that JST would consider some more pro-active actions to mitigate these risks.

Action : [REDACTED]

Sponsor Board **NOTED** :

- the JST Risk Management Strategy and Process Guide; and
- the updated RSD and HS2 related risks

4. Crossrail Supplementary Access Charge (CSAC)

Claire Moriarty noted that a meeting took place with the ORR on 13 May 2013 at which CSAC was discussed. ORR has agreed to a meeting in the next 2 weeks to resolve the outstanding issue relating to the rate of return on the charge. Claire Moriarty proposed that TfL should be represented at the meeting.

Action : [REDACTED]

5. Preliminary Discussion of Part B Agenda

CRL Period 13 report

David Craig tabled a chart illustrating the movement of the performance measures. Sponsor Board discussed the reported progress being made by Crossrail, in particular the movements in CPI and SPI.

Sponsor Board considered the TBM and SCL progress charts which had been circulated. To achieve the programme the TBMs need to deliver an average of 500m per week.

[REDACTED] noted the changes that CRL has made to the Current Control Budget (CCB). The CCB was now marginally below IP1.

Timetabling

[REDACTED] noted that the draft terms of reference for the proposed Crossrail Capacity and Performance Group had been circulated to Sponsors and TfL had approved the draft terms of reference. Michael Hurn confirmed he had reviewed the Terms of Reference and would ensure that comments are provided to JST.

Action: Michael Hurn

Steve Allen agreed to issue a letter inviting NR to attend the Group. JST will draft the letter.

Action: [REDACTED]

6. Any Other business

David Hughes asked if the DfT had any more information about the scope of the planned NAO audit on Crossrail. Michael Hurn replied that the scope was still under discussion and the clarity will be given once the extent of the audit was known.

Date of Next Meeting:

The next meeting will be held on Tuesday, 11th June 2013 from 14.00 to 17.00 in the New Stepney Meeting Room, 55 Broadway, London.

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Summary of Actions

No.	Action	Responsible	Target
13/01	Kensal Green: Arrange a meeting in the week after Easter to discuss preparation for the meeting between the Borough and the Minister.	David Hughes	Closed
13/02	Sponsors' Risks: Review the RSD and HS2-related risks as part of the regular risk management process.	David Hughes	Closed
13/05	Sponsors Risk : Risk register to be updated to reflect the comments provided by Sponsor Board on individual risks (ref Sponsor Board Minutes)	[REDACTED]	09/7/13
13/06	Timetabling : Provide JST with comments on the Terms of Reference for the high level working group (Crossrail Capacity and Performance Group).	Michael Hurn	24/5/13
13/07	CSAC : Confirm TfL attendees at the meeting with ORR	[REDACTED]	24/5/13
13/08	Timetabling : Draft a letter for Steve Allen to invite NR to the Crossrail Capacity and Performance group.	[REDACTED]	24/5/13

COMMERCIAL-IN-CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.51

MINUTES OF MEETING HELD ON

TUESDAY, 19TH MARCH 2013


AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON

Present:

Clare Moriarty*	DfT (Chair)
Michael Hurn*	DfT
Steve Allen*	TfL
Howard Smith*	TfL

* Voting Members

In attendance

David Hughes	Joint Sponsor Team
	Joint Sponsor Team – Secretary

By invitation:

Gordon Masterton	Project Representative
Matt Lodge	DfT
Julian Ware	TfL (Items 1 & 2 only)

MEETING PART A

1. Minutes and Actions of Meetings 49 & 50

The draft minutes of part A of meeting nos 49 and 50 were **AGREED**.

Actions 12/36, 12/38 and 12/70 have been closed.

2. Updates

Woolwich

Julian Ware provided an update on negotiations with Berkeley Homes, the Royal Borough of Greenwich and the GLA to secure funding to fit out the station box which is under construction at Woolwich.

RSD

David Hughes noted that good progress was being made following the Sponsors' decision to adopt public financing of the RSD procurement. CRL would provide an update in part B of the meeting.

Kensal

David Hughes noted that the meeting between the Borough and the Minister had been arranged for the afternoon of April 15th. Clare Moriarty noted that there would need to be adequate preparation for the meeting to address high level communications issues. A meeting to discuss preparation will be arranged in the week after Easter.

Action: David Hughes

3. Sponsors Risks

David Hughes introduced paper no SB 51-1 entitled "Sponsors' Risks". The risks had been reviewed and refreshed. The paper set out the work which had been completed and the proposed approach in future.

Howard Smith raised risk D3 regarding the availability of capacity for Crossrail services and it was noted that performance modelling would be discussed in part B of the meeting.

Michael Hurn queried whether risk F3 regarding delays to the delivery of the rolling stock remained at such a high level following the change to the financing arrangements and whether the HS2-related risks (E3 and E4) should score so highly. It was agreed that these risks would be reviewed as part of the regular review.

Action: David Hughes

Sponsor Board **NOTED:**

- The updated Risk Register in Annex A;
- The 'heat' maps in Annex B; and
- The proposed approach to future Risk Management arrangements.

4. Preliminary Discussion of Part B Agenda

Sponsor Board discussed the slippage from 8 to 10 weeks behind schedule and the associated financial implications of CRL's proposals to improve the confidence in completing stage 3 on time.

Date of next meeting

The next meeting will be held on Tuesday, 14th May 2013 from 14.00 to 17.00 in the New Stepney Room, 2nd Floor, 55 Broadway, London.

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SUMMARY OF ACTIONS

No.	Action	Responsible	Target
12/36	SACR 8: Sponsor Board Chair to write to the CRL Chairman noting the history of the delays to the programme and asking the CRL Board to focus on addressing the delays; reiterating the Sponsors' position in respect of the "scope changes" detailed in 4.4.2; and, expressing mild disappointment regarding the lack of consultation about the new vision and mission.	David Hughes	Closed
12/38	RSD Financial Model: Ensure that the CRL's financial model for the evaluation of the RSD bids would be subject to an external audit.	David Hughes	Closed
12/70	Kensal Green: Seek David Prout's views on the Borough contacts for handling.	David Hughes	Closed
13/01	Kensal Green: Arrange a meeting in the week after Easter to discuss preparation for the meeting between the Borough and the Minister.	David Hughes	25/3/13
13/02	Sponsors' Risks: Review the RSD and HS2-related risks as part of the regular risk management process.	David Hughes	14/5/13

COMMERCIAL-IN-CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.50

MINUTES OF MEETING HELD ON

MONDAY, 11TH FEBRUARY 2013


AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON (& BY TELECONFERENCE)

Present:

Clare Moriarty*	DfT (Chair)
Michael Hurn*	DfT
Howard Smith*	TfL
Julian Ware*	TfL

* Voting Members

In attendance

David Hughes	Joint Sponsor Team
	Joint Sponsor Team – Secretary

By invitation:

Mike Binnington	TfL
David Goldstone	TfL
Matt Lodge	DfT

Apologies for absence were received from Steve Allen - Julian Ware deputised.

Crossrail RSD Financing – TfL Proposed Change in Commercial Requirements

1. Clare Moriarty noted that in a telephone conversation earlier in the afternoon, the Mayor had confirmed his preference for the 'Option B' financing strategy, and the Secretary of State had indicated that he was prepared to accept the proposal.
2. To formalise this decision, TfL needed to write to DfT along the lines already discussed by officials. This letter would then be submitted to the Secretary of State, and clearance for the increased TfL borrowing cover sought from the Chief Secretary to the Treasury.

3. Michael Hurn noted that the timing of the announcement needed to be confirmed with No 10. DfT was trying to expedite this. It was noted that communications planning would continue pending confirmation of the announcement timing.
4. Sponsor Board **AGREED** TfL's proposed change in RSD financing strategy **SUBJECT TO** the approval of the Secretary of State and clearance by HM Treasury.
5. Sponsor Board placed on hold JST's:
 - (i) update of the RSD Procurement Strategy (including Commercial Requirements) required to reflect the change in financing strategy; and,
 - (ii) instruction to CRL to implement the change in financing strategy;pending:
 - a) The approval of the Secretary of State and clearance of HM Treasury (as referred to in paragraph 4 above); and,
 - b) Confirmation as to the timing of the announcement (as referred to in paragraph 3 above).

Sponsor Board **NOTED** that the formal instruction to CRL should be sent to CRL on the day of the announcement and that the development of the communications/handling plan should continue.

Any Other Business

None.

Date of next meeting

The next meeting will be held on Thursday, 19th March 2013 from 13.30 to 15.30 in the New Stepney Room, 2nd Floor, 55 Broadway, London.

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COMMERCIAL-IN-CONFIDENCE

CROSSRAIL SPONSOR BOARD MEETING No.49

MINUTES OF MEETING PART A HELD ON

THURSDAY, 17TH JANUARY 2013

AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON

Present:

Clare Moriarty*	DfT (Chair)
Michael Hurn*	DfT
Steve Allen*	TfL
Howard Smith*	TfL

* Voting Members

In attendance

David Hughes	Joint Sponsor Team
██████████	Joint Sponsor Team – Secretary

By invitation:

Gordon Masterton	Project Representative
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MEETING PART A

1. Action and Minutes of Meetings Nos 46 & 48

The draft minutes of parts A and C of meeting nos 46 and 48 were **AGREED**.

Action 12/36. David Hughes will draft a letter to the CRL Chairman regarding SACR 8.

Action 12/37. Howard Smith agreed the approach to the timing of the TAO novation set out in Sponsor Board Paper No SB 46-3. ██████████ noted that JST would set up a TAO Novation Working Group to implement the approach and to oversee the resolution of TAO issues in order to protect the associated Crossrail capacity benefits. It was agreed that in part B of the meeting, the discussion should focus on the development of a plan to resolve the timetabling and performance modelling issues.

Action 12/38. Action outstanding.

Actions 12/63 and 12/64 have been closed.

2. Kensal Update

David Hughes introduced this item and noted that a DfT visit to the Old Oak Common area had taken place during week commencing 14/1/13. A submission had been made to the DfT Minister who had agreed that no further work should be undertaken on the Kensal Green station proposal. The next step was for JST to produce a detailed communications handling strategy around a joint Ministerial/Mayoral letter to the leader of the Borough. The intention was to send the letter in early February after the next HS2 announcement. Clare Moriarty noted that David Prout's views on the Borough contacts for handling should be sought.

Action: David Hughes

3. Preliminary Discussion of Part B Agenda

Sponsor Board discussed schedule and cost issues arising from SACR 8. It was agreed that Gordon Masterton would lead on this item and discussion should focus on CRL's plans to improve performance against schedule.

David Hughes noted that the risks associated with HS2 had diminished over the last 6 to 9 months and that CRL planned to respond to DfT's consultation on HS2 safeguarding.

Howard Smith would lead on the OP/PPM Models Update item and would request that CRL provide an update to the next Sponsor Board meeting setting out an agreed plan.

4. RSD Update

Michael Hurn noted that [REDACTED] and the associated note would be available in a few days and would be shared with TfL. A paper would be considered by a DfT Board meeting during week commencing 21/1/13. It was agreed that the discussion in part B of the meeting should focus on CRL's concerns in relation to Option A rather than Sponsors' actions.

Date of next meeting

The date of the next meeting is to be advised.

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SUMMARY OF ACTIONS

No.	Action	Responsible	Target
12/36	SACR 8: Sponsor Board Chair to write to the CRL Chairman noting the history of the delays to the programme and asking the CRL Board to focus on addressing the delays; reiterating the Sponsors' position in respect of the "scope changes" detailed in 4.4.2; and, expressing mild disappointment regarding the lack of consultation about the new vision and mission.	David Hughes	25/1/13
12/38	RSD Financial Model: Ensure that the CRL's financial model for the evaluation of the RSD bids would be subject to an external audit.	David Hughes	25/1/13
12/63	RSD: Amend the drafting of the Crossrail - Rolling Stock and Depot Financing Summary so that paragraph 25 follows paragraph 22 and paragraphs 15 and 24 are clarified.	David Hughes	Closed
12/64	RSD: Establish whether the UK Guarantee would be a factor in HMT's consideration of option B.	David Hughes	Closed
12/70	Kensal Green: Seek David Prout's views on the Borough contacts for handling.	David Hughes	31/1/13

CROSSRAIL SPONSOR BOARD MEETING No.48
MINUTES OF MEETING PARTS A AND C HELD ON

FRIDAY, 11TH JANUARY 2013


AT THE NEW STEPNEY ROOM, 55 BROADWAY, LONDON

Present:

Michael Hurn*	DfT (Chair)
Clare Moriarty*	DfT
Steve Allen*	TfL
Howard Smith*	TfL

* Voting Members

In attendance

David Hughes	Joint Sponsor Team
	Joint Sponsor Team – Secretary

By invitation:

	DfT
Mike Binnington	TfL

MEETING PART A

1. Action and Minutes for Meeting No 47

The draft minutes of Meeting No 47 were **AGREED**.

Action 12/55 and actions 12/57 to 12/62 had been closed.

Action 12/56. Sponsor Board **AGREED** that option D had been considered and rejected.

2. Preliminary Discussion

David Hughes introduced SB Paper – 48/01, entitled “Crossrail – Rolling Stock and Depot Financing”. The paper pulled together all of the rolling stock workstreams and recognised that the Sponsors had differing positions. Steve Allen requested that paragraph 25 should follow paragraph 22 so that the DfT and TfL vfm positions would be read together. The drafting of paragraphs 15 and 24 shall be clarified. Sponsor Board **REMITTED** David Hughes to revise the drafting of the paper accordingly.

Action: David Hughes

Sponsor Board **REMITTED** David Hughes to establish whether the UK Guarantee would be a factor in HMT's consideration of option B.

Action: David Hughes

MEETING PART C

Michael Hurn noted that part C of the meeting was not required.

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SUMMARY OF ACTIONS

No.	Action	Responsible	Target
12/55	RSD: Produce a high-level summary of the overall programme schedules for each of the options discussed at the meeting.	Glen Snowden / Martin Buck	Action closed.
12/56	RSD: Produce an analysis of whether the programme for train delivery as envisaged under Option D would meet CTS bring-into-service requirements	Glen Snowden / Martin Buck	Action closed.
12/57	RSD: Produce an additional slide (as part of the Procurement Programme Risk Analysis) to illustrate the probable programme implications of the off-balance sheet option.	Glen Snowden / Martin Buck	Action closed.
12/58	RSD: Circulate [REDACTED] and set up a meeting with Sponsors' legal advisors for week commencing 31 December.	Glen Snowden / Martin Buck	Action closed.
12/59	RSD: DfT / TfL lawyers to confirm options for securing independent legal advice.	Matthew Lodge / Mike Binnington	Action closed.
12/60	RSD: Arrange a meeting with HM Treasury for w/c 31 st December for further discussion of balance sheet classification (to include David Hughes and Mike Binnington).	Matthew Lodge	Action closed.
12/61	RSD: Instruct [REDACTED] of the balance sheet classification changing from "off" to "on" at a later date.	Glen Snowden	Action closed.
12/62	RSD: Share latest vfm re-runs of the Cost of Finance modelling	[REDACTED] / Mike Binnington	Action closed.
12/63	RSD: Amend the drafting of the Crossrail - Rolling Stock and Depot Financing Summary so that paragraph 25 follows paragraph 22 and paragraphs 15 and 24 are clarified.	David Hughes	14/1/13
12/64	RSD: Establish whether the UK Guarantee would be a factor in HMT's consideration of option B.	David Hughes	14/1/13