

# Crossrail Sponsor Board Meeting No. 118A

Thursday 7<sup>th</sup> May 2020, 0900-1030

Venue: Microsoft Teams (details to be included in invite)

## Sponsor Board Members

Ruth Hannant*	Chair, DfT, Director General of Rail
Julian Ware**	TfL, Head of Corporate Finance
Alexandra Batey**	TfL, Director of Investment Delivery Planning
Alex Luke**	DfT, Crossrail Project Director
Alison Munro	Independent Member

## In attendance

Kenny Laird	Technical Advisor to Sponsors
Simon Adams	Head of Joint Sponsor Team (JST)
[REDACTED]	JST, Secretariat
Andrew Wallace	JST
[REDACTED]	JST
[REDACTED]	Project Representative
[REDACTED]	Project Representative
[REDACTED]	HM Treasury

## Apologies

Simon Kilonback*	TfL, Chief Finance Officer
Matthew Lodge*	DfT, Director for Rail Infrastructure – South
Nicola Cox**	TfL, Head of Corporate Finance
Shashi Verma	TfL, Director of Strategy and Chief Technology Officer

(\*Voting Members)

(\*\*Alternate Voting Members)

## 1. Minutes and Actions of Meeting 117a

The minutes and actions for meeting number 117a were discussed and agreed subject to minor alterations.

A progress update was provided on the open actions arising from previous Sponsor Board meetings, as summarised in the Part A action tracker.

## 2. Sponsor and Risk Dashboards

### *Sponsor dashboard*

Sponsors noted with concern the further increase in AFCDC, up £22m in the Period to £15,420m. This was due to a [REDACTED] delay to the start of Trial Running, an increase in schedule prolongation risk and increased costs at Whitechapel station. Sponsors noted with concern the period on period slippage in the schedule, with the CRL [REDACTED] for Trial Running now [REDACTED] (pre-Covid-19 position) assuming schedule mitigations were delivered.

Sponsors highlighted their deepening concerns about the systemic issues raised in the CRL Period Assurance Report (PAR) related to behaviour, organisational culture/ capability and the resulting low productivity levels (34%) achieved to date against the plan. Sponsors also

noted the interventions and mitigations proposed by CRL to date are not as effective as expected.

Sponsors agreed to challenge CRL in the Part B discussions, on the underlying root causes of the period on period variance between the plan and actuals. Sponsors stated that CRL's clarity of understanding as to whether the variances were because of scope change, optimism bias or other systemic factors would be an essential precursor to ensuring lessons are learnt and taken forward to deliver improvements in programme performance. Sponsors also agreed to challenge CRL in Part B, on how Infrastructure Managers (IM) and Contractors will be incentivised to support improved delivery across the programme. Sponsors concluded that the Period 13 report reflects the CRL pre-COVID-19 position and could be the baseline upon which overlays could subsequently be applied to assess the impacts of COVID-19.

### 3. P-Rep Period 13 Summary

The Project Representative (P-Rep) presented the headlines from their Period 13 summary report. P-Rep highlighted CRL had achieved SC1 endorsement for 5 stations, although concerns remain on the schedule performance with the period on period slippage on Shafts & Portals. P-Rep noted that cost growth continues in Period 13, as the AFCDC is dependent on dates that continue to slip. P-Rep also stated that the AFCDC is based on the mitigated schedule which in their view is considered to be optimistic.

P-Rep highlighted their concerns on the slippage in the commencement of Trial Running [REDACTED] and stated Sponsors should challenge CRL to demonstrate how resources will be focussed on relevant assurance documents to support handover and Trial Running.

Sponsors asked for P-Rep's view on whether relevant parties were effectively engaged in operational readiness planning. P-Rep stated that the Elizabeth Line Readiness Group (ELRG) had met and CRL is working on a paper to align infrastructure manager and operational readiness capability across CRL, RfL-i and MTR.

Sponsors noted the written update from Paul Robins, Chair of the Crossrail Railway Assurance Board (RAB-C) and expressed their concerns at the lack of progress. Sponsors agreed to challenge CRL in Part B on what further steps have been taken to improve the quality and rate at which assurance documentation are submitted to RAB-C.

P-Rep also highlighted that Sponsors should ask CRL how they plan to assure Sponsors that a realistic Recovery Plan will be developed and underpinned by robust scenario plans, a costed QSRA, a fully defined scope of works to complete within achievable durations. Sponsors agreed to ask CRL to set out its findings on the underlying reasons for continuing performance issues, slippages in milestones and low productivity. CRL should demonstrate how the root cause of issues will be resolved or how realistic production rates will be assumed in the Recovery Plan. **(Action 118a/01)**.

P-Rep flagged their emerging concerns on the programme wide issue of Cyber Security. Sponsors asked how long it would take to resolve the Cyber Security issues and P-Rep stated that CRL had undertaken deep dives and clarified the software compatibility issue between Windows versions, but there remains a technical resource capability issue, across CRL and their contractors, that needs to be addressed.

Sponsors noted the points raised by P-Rep and concluded the Cyber issues are an example of new issues arising which were not foreseen by CRL.

#### **4. COVID 19 – Sponsors Strategic Response Plan**

The JST presented the status of the emerging issues and progress with strategic actions agreed in response to COVID-19. The new risks emerging from the CRL Board debrief discussions were noted. JST asked Sponsors to provide a steer on:

- Whether Sponsors consider that a formal update to the CRL Delivery Strategy should be requested to formalise the Recovery Plan being develop and underpinned by the ongoing scenario analysis work in response to COVID-19;
- What level of independent assurance or verification would Sponsors need of the CRL scenario analysis outputs?

Sponsors noted the new risks emerging and highlighted the importance of CRL demonstrating they have considered affordability constraints in their options and choices going forward and agreed to challenge CRL in Part B discussions on how this has been applied in their scenario analysis.

Sponsors agreed to request information from CRL that addresses the underlying foundational issues and building blocks – leadership, culture and behaviours, to ensure that Sponsors can have confidence in the outputs of the Recovery Plan. Sponsors agreed to map out components of the Recovery Strategy that were being sought and engage with CRL (**Action 118a/02**).

Sponsors agreed to consider what, if any further verification would be required, after CRL have implemented their 3LoD IAF in review of the CRL Recovery Strategy (**Action 118a/03**).

#### **5. Elizabeth Line Readiness Group (ELRG) – Matters Arising**

A verbal update was provided to Sponsors on the ELRG. The ELRG is part of the TfL governance structure and acts as the coordination and alignment body between CRL and the wider TfL business and corporate functions. It was noted that since being re-established the ELRG has met three times to date and the next meeting is scheduled the week following Sponsor Board.

Sponsors asked how ELRG interacts with the existing CRL governance structure. JST stated that papers are triaged to ascertain which meeting of CRL Executive Committee, ELRG and Sponsor Board, they are required to be considered at.

Sponsors noted the update and agreed that establishing the ELRG is a positive step forward and agreed that there will be some issues that will remain important to joint sponsors. Sponsors asked that the JST should have sight of the ELRG papers and agenda, so there is a shared understanding on matters arising at ELRG and areas of interest to Sponsors can be identified (**Action 118a/04**).

It was noted that the next ELRG meeting would consider implementation planning, early transfer of LU stations, IM readiness and [REDACTED]. Sponsors agreed that to provide visibility to Sponsors, an update on the matters arising at ELRG be included as a standing agenda item at Sponsor Board (**Action 118a/05**).

## 6. Part B Agenda

Sponsors discussed the Part B agenda, and agreed to:

- Ask CRL to respond to the concerns NEDs expressed at the CRL Board debrief and the issues raised by P-Rep and CRL's Project Assurance Review;
- Challenge CRL on the underlying root causes of the pre-COVID-19 period on period variance between the plan and actuals;
- Update Sponsors on how resources will be focussed on delivery of relevant assurance documents to RAB-C to support handover and Trial Running;
- CRL to outline how they plan to assure Sponsors that a realistic Recovery Plan will be developed and underpinned by robust scenario plans, a costed QSRA, a fully defined scope of works to complete within achievable durations
- Ask CRL to explain how affordability constraints are considered in the Scenario analysis work in progress;
- Update Sponsors on the Cost and Schedule COVID-19 impacts and potential opportunities identified;
- Remind CRL that Sponsors are awaiting their response to matters raised in the letter of 23 April 2020 and CRL should address the Sponsors concerns arising from the Period 13 performance.

## 7. AOB

JST stated that KPMG Cost Scenarios report has been finalised and Sponsors agreed that the KPMG report should be circulated (**Action 118a/06**).

Sponsors approved CRL's Certified Information for the May drawdown of the TfL loan.

It was noted that Alexandra Batey, TfL Director, Investment Delivery Planning had recently been appointed as a TfL alternate Voting Member.

### Summary of actions:

No.	Action	Lead	Target and Update
118a/01	Sponsors to ask CRL to set out findings on the underlying reasons for continuing performance issues, slippages in milestones and low productivity and CRL to demonstrate how the root cause of issues will be resolved or how realistic production rates will be assumed in the Recovery Plan.	Sponsors	June 2020
118a/02	Map out Sponsor essential components for the updated CRL Recovery Strategy and engage with CRL	Alex Luke/ Simon Adams	June 2020
118a/03	Sponsors to consider what and if any further independent verification	Sponsors	June 2020

	would be required, after CRL have implemented their 3LoD IAF in review of the Recovery Strategy/Plan		
118a/04	JST to be provided with ELRG papers and agenda, so there is a shared understanding on matters arising at ELRG	Simon Adams	June 2020
118a/05	An update on the matters arising at ELRG be included as a standing agenda item at Sponsor Board	JST	June 2020
118a/06	KPMG report should be circulated to Sponsors	JST	June 2020