

Crossrail Sponsor Board Meeting No. 121A




Friday 24th July 2020, 1400-1530

Microsoft Teams

Sponsor Board Members

Matthew Lodge*	Chair, DfT, Director for Rail Infrastructure – South
Shashi Verma*	TfL, Director of Strategy and Chief Technology Officer
Nicola Cox**	TfL, Head of Corporate Finance
Alex Luke	DfT, Project Director
Alison Munro	Independent Member

In attendance

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

Apologies

Simon Kilonback*	TfL, Chief Finance Officer
Ruth Hannant*	DfT, Director General of Rail
Alexandra Batey	TfL, Director of Investment Delivery Planning

(*Voting Members)

(**Alternate Voting Members)

1. Minutes and Actions of Meeting 120a

The minutes and actions for meeting number 120a were discussed and agreed as final, subject to minor amendments.

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

2. CRL Board – Matter Arising

Sponsors discussed the matters arising from the debrief following the CRL Board on 23 July 2020. Sponsors noted that CRL stated work on the schedule and cost forecasts remains work in progress and information presented was on a pre-substantiated emerging basis and is therefore indicative only and subject to change. Based on the information presented at the Board, TfL made a stock market announcement which highlights that the Summer 2021 date cannot be met, and the existing funding shortfall will be exceeded but does not give a revised opening date or cost figure.

Sponsors expressed their ongoing concerns about the stability of the CRL schedule and cost forecasts due to the lack of clarity on the amount of physical works outstanding and associated costs. Sponsors discussed the need for CRL to review their Tier 1 supplier strategy and noted that the Alternative Delivery Model (ADM) had been presented previously by CRL as a critical

part of the overall strategy and that visibility of its current status was needed. Sponsors were concerned that CRL does not yet have a clear plan of what the ADM would deliver and when it would be executed. Sponsors agreed to ask CRL for an update on the ADM and Residual Works Team (RWT) implementation in the Part B agenda discussion. Sponsors also noted that CRL had indicated the post-Trial Running Recovery [REDACTED] are still being finalised for submission to the Board. Sponsors agreed to ask CRL when the post-Trial Running planning will be completed and incorporated into the schedule and agreed to request an update from CRL on plans for Staged Opening for 4a, 4 and 5 in the Part B discussions.

Sponsors also noted that CRL proposed a Stations Recovery [REDACTED] Plan to the CRL Board and agreed to ask CRL in Part B agenda, whether they have defined the decision criteria to be used to inform [REDACTED]. Sponsors agreed to request an update on Bond Street, particularly on the delivery strategy for remaining works.

Sponsors noted with concern that CRL had not yet presented options considered to deliver the programme within the additional funding request of £400-650m. Sponsors agreed to challenge CRL to outline the extent to which they have considered cost reduction opportunities, including those that have been rejected and Sponsors agreed to decide on the feasibility of the CRL options to deliver programme within the additional funding of £400-650m after the CRL August Board (**Action 121a/01**).

Post Meeting Notes:

*Following the Sponsor Board Part B meeting on 30 July 2020, Sponsors agreed that P-Rep should monitor and update Sponsors on the ADM/RWT and the potential cost impacts of the care/custody arrangements to be put in place by CRL for stations (**Action 121a/08**).*

3. Sponsor Dashboard

Sponsor dashboard

Sponsors considered the Period 3 dashboard, noting that CRL held the Period 2 AFDCD of £15,734m. Sponsors noted that the programme milestones would be superseded by the approval of DCS1.1 which is now targeted for August CRL Board. Sponsors agreed to challenge CRL to explain in the Part B agenda, how they plan to address the “root causes” of poor productivity and points highlighted in Period Assurance Report (PAR). Sponsors also agreed to ask CRL about their approach to engagement and level of buy-in to DCS 1.1 from the supply chain and the extent to which they are adequately resourced to deliver the activities. Sponsors agreed to enquire about the timescales for re-introduction of Full Length Units (FLUs) to passenger service and operations to Heathrow Airport (Stage 2b), in the Part B agenda.

Risk dashboard

JST highlighted that the Risk dashboard had been updated based on actions being taken by Sponsors as well as incorporating points from the Sponsor Strategic Response Plan provided at previous meetings. The proposed Sponsor actions related to the CRL recovery plan and independent assurance on potential cost scenarios to inform funding decisions were noted.

4. P-Rep Period 3 Summary

The Project Representative (P-Rep) presented the headlines from their Period 3 summary report. P-Rep noted that good productivity has been realised against planned construction activities, with priority focus continuing on the final three Shafts and Portals. P-Rep flagged

that the T+8 process was under pressure and Sponsors agreed to request that CRL provide an update in Part B agenda; on the progress with implementation of the T+8 process, listing elements that have entered the process, items carried into the 8-week period, progress and forecast completion dates. P-Rep stated they remain concerned that an assured robust schedule underpinned with a fully defined scope from which the costs-to-go can be confirmed is pending and the resource commitment is still to be finalised. Sponsors agreed to challenge CRL to explain how programme wide dependencies on critical resources will be effectively planned and prioritised to support delivery.

P-Rep stated that had attended the T minus reviews held in readiness for the Blockade and updated Sponsors on their observations and suggested Sponsors should ask CRL to explain what specific metrics will be used by CRL to monitor and define the success of the Construction Blockade. Sponsors agreed to challenge CRL to explain the level of scope definition for the construction blockade and highlight any resource and logistical issues that remain. Sponsors would also challenge CRL to clarify how they will determine the success of the Construction Blockade and ask when they will define the success criteria/KPIs to be used to monitor delivery and where the KPIs will be monitored and reported.

P-Rep also flagged that CRL should identify who is accountable for critical resource management and explain how this is included in the DCS. In relation to the Routeway Safety Assurance, P-Rep suggested Sponsors ask CRL for their detailed plans to mitigate Routeway Safety Assurance as a critical path activity and ensure physical works in the Trial Running period are minimised, to de-risk the start of Trial Operations. Sponsors noted the points raised by P-Rep and agreed to include this in the areas to be discussed with CRL in Part B agenda.

Post Meeting Notes:

*Following the Sponsor Board Part B meeting on 30 July 2020, Sponsors agreed that P-Rep should share with Sponsors details on the blockade key measures/KPIs and scope of works which CRL had presented at Townhall meeting (**Action 121a/09**). Sponsors asked JST to clarify from CRL the extent to which the DCS 1.1 and costs to be provided to CRL Board in August will have been assured by CRL (**Action 121a/10**).*

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

A verbal update was provided to Sponsors on the matters arising from ELRG meetings. The next meeting of the ELRG is on 4 August 2020 and the matters to be discussed include the Bond Street delivery strategy, an update on the ADM and RWT and the Elizabeth Line risk landscape. Sponsors noted the brief update.

6. Update on CRL/TfL Transition Action Plan

DfT Sponsors provided an update on the internal governance steers received to date on the TfL Transition action plan, stating that the DfT Investment, Portfolio and Delivery Committee (IPDC) agreed that the change in governance is needed and the details of amendments to the Project Delivery Agreement (PDA) and the Sponsor's Agreement (SA) should be identified and agreed, prior to the enactment of the governance changes in September. DfT noted that ministers were still reviewing the proposals for the governance change. Sponsors noted that to achieve the proposed timeframe for enacting the governance changes TfL Sponsors will provide a mark-up of the PDA and SA, highlighting proposed changes aligned with the TfL proposal (**Action 121a/02**). Sponsors also asked the Joint Sponsor Team to send the details of the TfL governance proposal to Sponsor Independent member and Sponsor Technical Adviser (**Action 121a/03**).

7. Part B Agenda

Sponsors discussed the Part B agenda, and agreed to:

- Request an update on of the progress with implementation of the T+8 process, listing elements that have entered the process, items carried into the 8-week period, progress and forecast completion dates.
- Ask for a Bond Street update, particularly on the delivery strategy for remaining works.
- Ask CRL for an update on the Alternative Delivery Model (ADM) and Residual Works Team (RWT) implementation.
- Request an update on the status of overall railway systems integration including status of Romford Control Centre (RCC).
- Request that CRL outline the extent to which they have considered cost reduction opportunities, including those that have been rejected.
- Challenge CRL on measures being taken to reduce indirect costs and ask that CRL schedule a cost modelling workshop with Sponsors.
- Ask CRL to explain how they plan to address the “root causes” of poor productivity and points highlighted in Period Assurance Report (PAR) related to the maturity of DCS 1.1
- Ask CRL when the post-Trial Running planning will be completed and incorporated into the schedule
- Enquire if CRL have defined the decision criteria to be used to inform [REDACTED]
- Challenge CRL on the level of scope definition for blockade and any resource and logistical issues that remain.
- Challenge CRL on how they will determine the success of the Construction Blockade and when will success criteria/KPIs to monitor the recovery plan be in place and where are they monitored and reported?
- Request an update on Stage 2b and plans for Staged Opening for 4a, 4 and 5.

Sponsors asked JST to circulate the areas agreed to be covered with CRL in Sponsor Board Part B meeting and share the request with CRL (**Action 121a/04**).

8. AOB

Sponsors noted that the IPA follow up review of the CRL three Lines of Defence (3LoD) Integrated Assurance Framework that had been scheduled for 24 & 25 August 2020, would need to be rescheduled to a later date. Sponsors agreed to the proposal to reschedule the IPA follow up review to a mutually agreeable date with CRL in September/October (**Action 121a/05**).

It was also noted that the JST had received the draft proposal for the KPMG independent review of the CRL recovery plan and the work is due to commence, noting CRL’s current focus on finalising the recovery plan and DCS 1.1. Sponsors agreed that the approach to the execution of the KPMG review should minimise potential distraction to CRL given their current focus on finalising the recovery plan and DCS 1.1 and agreed that JST should notify CRL of the planned KPMG review and timing, so that an initial view on findings can be presented to Sponsors by end August (**Action 121a/06**).

Sponsors were reminded to consider CRL’s proposal to extend the end date for the “bench agreements” from 30 June to 9 September 2020, noting spending to 9 September is forecast

to total █████, within the █████ previously authorised. DfT Sponsors confirmed they had approved the extension and TfL Sponsors agreed to respond to CRL (**Action 121a/07**).

Post meeting note: Sponsors approved the validation of the August Drawdown on 30 July 2020 (DfT confirmation was provided by email following the meeting).

Summary of actions:

No.	Action	Lead	Target and Update
121a/01	Sponsors to decide on feasibility of the CRL options to deliver programme within the additional funding of £400-650m after the CRL August Board	Sponsors	August 2020
121a/02	TfL Sponsors to provide a mark-up of the Project Delivery Agreement (PDA) and Sponsors Agreement (SA) highlighting proposed changes aligned with the TfL transition proposal	TfL Sponsors	August 2020
121a/03	Send details of the TfL governance proposal to Sponsor Independent member & Sponsor Technical Adviser	JST	July 2020
121a/04	Circulate the areas agreed by Sponsors to be covered with CRL in Sponsor Board Part B meeting	Simon Adams	27 July 2020
121a/05	Reschedule the IPA follow up review of the CRL three Lines of Defence (3LoD) Integrated Assurance Framework	JST	September 2020
121a/06	Advise CRL of planned KPMG review of the CRL costs so that initial view on findings to be presented to Sponsors by end August	JST	August 2020
121a/07	TfL Sponsors agreed to respond to CRLs proposal to extend the end date for the “bench agreements” from 30 June to 9 September 2020	TfL Sponsors	August 2020
121a/08	P-Rep to provide update on ADM/RWT and the potential cost impacts of the care/custody arrangements to be put in place for stations	P-Rep	August 2020

121a/08	P-Rep to share details on the blockade key measures/KPIs and scope	P-Rep	August 2020
121a/09	JST to clarify from CRL the extent to which the DCS 1.1 and costs to be provided to CRL Board will have been assured by CRL	JST	August 2020
121a/10	P-Rep to provide update on ADM/RWT and the potential cost impacts of the care/custody arrangements to be put in place for stations	P-Rep	August 2020