

# Crossrail Sponsor Board Meeting No. 116A

Thursday 6<sup>th</sup> March 2020, 1400-1500

Venue: CRL, 5 Endeavour Square, Floor 10, Boardroom 1

## Sponsor Board Members

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

## In attendance

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

## Apologies

Shashi Verma	TfL, Director of Strategy and Chief Technology Officer
Ruth Hannant	DfT, Director General of Rail
[REDACTED]	HM Treasury

(\*Voting Members)

(\*\*Alternate Voting Members)

## 1. Minutes and Actions of Meeting 115a

The minutes and actions for meeting number 115a were discussed and agreed subject to some 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 a marginal turndown in the FTE profile but the cost burn rate over the period remained at [REDACTED]. The AFCDC remained unchanged over the period at £15,324m, however there were some underlying cost and risk movements.

Sponsors also noted with serious and increasing concern the period-on-period slippage in the schedule and associated milestones for trial running. Sponsors agreed to ask CRL in Part B for clarity on the scope of work, whether they intend to re-baseline the schedule and the critical path to achieving Trial Running (TR) by [REDACTED]. Sponsors also agreed to ask CRL for a view of the potential impact of any prolongation on the programme risk provision.

### *Risk dashboard*

Sponsors discussed the key risks, noted the progress with actions and agreed to ask CRL in Part B whether Sponsor assistance is required.

### 3. P-Rep Summary

The Project Representative (P-Rep) presented the headlines from their Period 11 summary report to Sponsors, noting that the beneficial impacts of the CRL initiatives over recent periods have not yet been fully realised. P-Rep stated that due to the continued slippage observed in many parts of the Crossrail programme, coupled with CRLs productivity projections across almost all handover and assurance deliverables being based on sustained performance at levels higher than previously achieved, they have concerns about CRL's ability to deliver TR by [REDACTED], without significant interventions.

Sponsors noted that CRL had identified key interventions and mitigations to recover the programme and agreed to challenge CRL in the Part B agenda on the progress with implementing these and their assessment of their effectiveness.

Sponsors agreed to write the Chair of the CRL Board, to express their deep and increasing concerns about the period-on-period slippage in the schedule and associated milestones and the need for urgent clarity on the work to deliver trial running. In particular, Sponsors agreed to write seeking clarification from CRL regarding the outcomes from the CRL Board and how that compares with the views expressed by the P-Rep in the periodic Sponsors Summary report and letter, re-iterating the need for PRep to continue to have access to information to complete a 'real-time review' so that their reviews can be kept up to date (**Action 116b/01**).

Sponsors agreed to challenge CRL in Part B on the latest possible date for TR before there would be consequential impacts on stage 3, 4 and 5 opening. Sponsors also noted that a shared industry view of the potential implications would be required and agreed that Network Rail (NR) should attend the April Sponsor Board to provide the System Operator perspective on potential risks to the industry's readiness for stage 3, 4 and 5 opening (**Action 116b/02**).

P-Rep noted progress with dynamic testing, although assurance documents to support handover of signalling assets is behind schedule and is a vital factor in delivering the TR plan by securing the successful transition from Dynamic Testing into Railways and Other Guided Transport Systems (ROGS) regime and Trial Running thereafter. Sponsors agreed that the Chair of RAB-C, Paul Robins, should attend next Sponsor Board to update Sponsors on assurance (**Action 116b/03**). Sponsors also agreed that CRL should present to the next Sponsor Board, their plans for Trial Running, trial operations to explain how that delivers reliability testing and growth up to revenue service (**Action 116b/04**).

### 4. Update on Governance Transition

The Joint Sponsor Team presented an update paper on the work being done to define the governance transition arrangements as Crossrail moves from programme delivery into operational readiness. Sponsors noted the governance baseline established and that the Elizabeth Line Readiness Group (ELRG) had been reconstituted to oversee the execution of the Integrated Completion Programme (ICP), ensuring the plans, performance and behaviours of CRL, RfL and LUL are aligned and support delivery.

Sponsors also noted the proposed next steps in the development of the integrated transition plan based on roles and responsibilities, transfer of risk and objectives for the remainder of the project. Sponsors agreed to undertake a review of the remaining Sponsor governance obligations against the Core Agreements and propose next steps for consideration (**Action 116b/05**).

Sponsors discussed and noted the outcomes agreed at their strategic contingency planning workshop held on 6 March 2020 and the potential arrangements that could be implemented by Sponsors if required.

## 5. Part B Agenda

Sponsors discussed the Part B agenda, and agreed to raise:

- Increasing Sponsors concerns about the period-on-period slippage in the milestones to Trial Running and confirmation of timing for definition of the scope of work up to Trial Running;
- Confirmation of timing for provision of a stable schedule of the activities up to TR, with an understanding of the activities on the critical path;
- The need for CRL to respond to P-Reps concerns/observations and provide better real-time engagement;
- CRLs assessment of the latest possible date for TR before there would be consequential impacts on stage 3, 4 and 5 opening;
- CRLs assessment of the effectiveness of the interventions and mitigations being implemented to recover the programme; and
- CRLs view of the adequacy of the risk allowance to cover the potential impact of any potential schedule prolongation.

## 6. AOB

Sponsors approved CRL's Certified Information for the March drawdown of the GLA loan and noted the Joint Sponsor Team's validation of that material was provided by email on 5 March. It was noted by Sponsors that KPMG had met with CRL to validate the assumptions used for the scenario analysis and KPMG would provide an update at the next Sponsor Board (**Action 116a/06**). Sponsors agreed to engage KPMG to undertake a review of the updated CRL schedule when available to assess the impact on the illustrative scenarios (**Action 116a/07**). It was also noted by Sponsors that the IPA follow up review on the CRL three Lines of Defence (3LoD) Integrated Assurance Framework would be conducted at the end of March and findings will be presented to Sponsors in April.

### Summary of actions:

No.	Action	Lead	Target and Update
116a/01	Write to Tony Meggs after Sponsor Board, outlining the outcomes of CRL Board and Sponsor Board, and how that aligns with the view of Prep	Sponsors	March 2020
116a/02	NR to attend the next Sponsor Board, with representation from System Operator	JST	April 2020
116a/03	Chair of RAB-C Paul Robbins to attend next Sponsor Board to update Sponsors on assurance	Paul Robbins	April 2020

116a/04	CRL to present their plans for trial running, trial operations and reliability testing and growth up to revenue service.	Howard Smith	April 2020
116a/05	Undertake a review with legal of the remaining Sponsor governance obligations against Sponsors agreement / shareholder agreement and propose next steps	Nicola Cox/ Alex Luke	March 2020
116a/06	KPMG to update Sponsors on the conclusions of the CRL validation and impact on the scenario analysis	Simon Adams	April 2020
116a/07	JST to engage KPMG to undertake a review the updated CRL schedule to assess the impact on the illustrative scenarios	Simon Adams	April 2020