

CROSSRAIL SPONSOR BOARD MINUTES NO.101B

MINUTES OF MEETING HELD ON

Friday 18th January: 10.50-12.30

Venue: TfL, 55 Broadway, 7th Floor, South Wing, Hanwell meeting room

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
██████████	Project Representative
██████████	Project Representative
Andrew Wallace	JST
Mark Wild	Crossrail Limited (CRL), Chief Executive
Chris Sexton	CRL, Deputy Chief Executive
David Hendry	CRL, Chief Finance Officer
Howard Smith	CRL, Chief Operations Officer
Lucy Findlay	CRL, Chief of Staff

(* Voting Members)

1. Minutes and Actions of Meeting 100b

The minutes of the last meeting, held on the 10 December were agreed.

██████████ summarised the actions:

- 100b/01:** (Complete) A Sponsor / CRL call was held on 21 December for CRL to update Sponsors on its work in developing the ██████████. A further update is provided in Item 2 and a further update will be provided after the CRL Board on 31 January.
- 100b/02** The action for CRL to review its supply chain and advise JST and Sponsors of any support it requires remains open.
- 100b/03&4** (Complete) An update on the achievement of the TOSD (Tier One Substantial Demobilisation) dates and ██████████ was provided in Item 5 and will continue to be reported at each Sponsor Board.
- 100b/05** CRL is working with the JST to provide regular, accurate and clear cash forecasts to inform Sponsors' provision of funding into the Sponsors Funding Account (SFA). *Post-meeting note: CRL provided Sponsors with the first*

cash forecast on 29th January ahead of the first drawdown of the GLA loan. This action will continue to be reviewed for the first few cash drawdowns and will then be closed if the process is working effectively.

100b/06 The action for CRL to discuss reporting changes with the JST remains open and will be discussed in the context of the KPMG recommendations.

100b/07 (Complete) A Sponsor session was scheduled at the end of the CRL Board in December 2018 to improve the flow of information (in response to a KPMG recommendation). Sponsors agreed in future for there to be a Sponsor agenda item during the CRL Board with all Sponsor members invited. *Post-meeting note: An agenda item was organised at the CRL Board on 31 January and will be organised at subsequent CRL Boards.*

Mark Wild expressed the CRL Board's concerns that it had not received the KPMG reports earlier. Sponsors apologised, noted the misunderstanding, and agreed the reports should be shared immediately with the CRL Board (**Action 101b/01**). Sponsors and CRL agreed on the importance of building trust between Sponsors and the CRL Board. Both parties agreed that if there are any future concerns, the Sponsor appointed Non Executive Directors (NEDs) should raise these immediately with their respective Sponsor and CRL should raise these with the head of the JST / Sponsors or vice versa to ensure quick resolution. Sponsors agreed to discuss this with their NEDs and JST with CRL (**Action 101b/02**).

Sponsors discussed with CRL the need for quick implementation of the KPMG recommendations. It was agreed that the JST would organise workshops with CRL and P-Rep to prioritise the recommendations and discuss how they will be implemented by the end of April (**Action 101b/03**.)

2. Revised Master Operational Handover Schedule (MOHS) and Progress on Stage 3

Mark Wild provided an overview of the programme. He noted that health and safety performance remained strong but there had been 3 serious safety incidents. CRL was reviewing its processes and had established a Rail Planning Authority to ensure access across the railway is carefully managed.

Mark said that dynamic testing had commenced on 14 January with the train running 4 days a week and with the railway being de-energised for 3 days for construction works and maintenance. This was a significant milestone and the trains had been stable with much of the planned signalling integration tests complete. Mark noted that CRL needed to commence multi-train testing as soon as possible and would be monitoring performance against 2 KPIs:

- The number of tests completed;
- The ability to keep testing (before further software updates are required to resolve issues before further productive testing can occur).

Mark Wild said CRL would produce clear weekly performance data to measure progress (which should be shared with Sponsors, **Action 101b/04**) and track this on visualisation boards. Mark invited Sponsors to come and visit the visualisation boards when the process is fully established. Mark also stated that CRL needed to be clear on the 'exam question' to measure, and ultimately determine, the exit criteria for Dynamic Testing.

Mark Wild explained the key risk of CRL having sufficient possessions for transition testing. CRL did not yet fully understand its possession requirements in order to test the transitions and noted that its blocks of booked possessions might not be appropriate to the current dynamic testing plan. DfT asked CRL to provide more information and offered to support at

that point if it could. (This builds on **action 99b/02** (for CRL to notify the JST and Sponsors if CRL needs any support with any conflicts with Network Rail possessions or if there are any potential implications for other Sponsor programmes) to also include an action for CRL to update Sponsors on any requirements for further possessions and to notify the JST if it needs any support or if there is risk that it will not obtain the necessary possessions).

Mark Wild noted that CRL was driving to achieve TOSD dates and TOSD had been achieved at Woolwich, Farringdon, Custom House and Eleanor Street Shaft. Mark noted the (cost) burn-rate remained too high at some sites like [REDACTED] and CRL was focussed on reducing that through achieving TOSD dates and challenging contractors on ramp-down rate of costs through cost forecasting meetings (see Item 4).

Mark Wild presented on [REDACTED]. Currently CRL was planning for [REDACTED]. Mark explained that the key challenge was the [REDACTED] and noted CRL was considering this extremely carefully to ensure health and safety of passengers was entirely protected. It was also noted that programme resources could potentially [REDACTED] by these plans and so CRL needs to achieve the correct balance between getting the railway open and avoiding abortive work.

Simon Kilonback noted that Sponsors would also need to understand the additional costs of completing [REDACTED] proposal was presented.

Howard Smith noted that the critical path was currently running through the station completion. The purpose of [REDACTED] was to [REDACTED] to bring the commencement of Stage 3 forward (the Earliest Opening Programme, the EOP). An operator-led group had been established with the infrastructure managers (IMs), delivery and assurance leaders to agree on a [REDACTED] which could meet the safety case. Before Christmas this group had determined that [REDACTED]. Howard explained that CRL was now determining whether this [REDACTED] would lead to [REDACTED] focus on critical path activities. Howard emphasised that CRL was maintaining the principle that Stages 4 and 5 needed to follow six and 12 months after Stage 3.

Howard explained that [REDACTED] were being used as test case comparisons, [REDACTED]. [REDACTED] CRL was considering whether additional resource can be applied [REDACTED].

Mark Wild noted CRL's plan was to present [REDACTED] the EOP to its Board on 31 January and then develop the EOP, (including Stages 4 and 5) over the next four weeks, backed up by an outturn cost and risk review. Sponsors noted that [REDACTED] could need the authorisation of the Secretary of State and Mayor and Sponsors would need to consider this after CRL debriefed them on 31 January. P-Rep asked whether this schedule would be integrated. Mark Wild said it would be an integrated schedule but with a window or season-based opening date. Mark noted that [REDACTED]. P-Rep noted the challenge of developing and agreeing the schedule [REDACTED]. Mark agreed with P-Rep but said it was vital CRL established a revised and robust schedule as soon as possible.

P-Rep asked about how CRL was preventing optimism bias from affecting the revised schedule. Mark said he believed the issues with the MOHS had not been about optimism bias but rather incorrect assumptions about the level of resource which each project could expect. The way the schedule was developed historically led to an 'aggregation of

assumptions' which was not sustainable or deliverable. Mark noted that he disagreed with KPMG's recommendation for a bottom-up fully logic-linked programme given the timescales and phase of the project, but Sponsors would receive a logical top-down schedule informed by Tier 1, 2 and 3 contractors' schedules with integrated milestones with clear risks and assumptions.

Mark Wild noted that CRL would need the support of Sponsors in managing expectations for the revised schedule. Ruth Hannant said Sponsors understood that [REDACTED] they will receive an indication of the opening window with a cost forecast but this will not be a fully costed schedule at that point.

P-Rep noted that it would be useful to have a plan setting out how CRL was intending to create the EOP ("a plan for a plan") and performance metrics on how the actual works were progressing during this period. P-Rep said that it was important to enable P-Rep to set out its assurance plan and to be involved in the process. Sponsors and CRL agreed for P-Rep to be involved in the process of the EOP development (**Action 101b/05**).

Howard Smith agreed with P-Rep on the importance of performance metrics and said CRL was focused on ensuring no momentum was lost whilst delivering the EOP. Mark Wild said CRL would provide the "plan for a plan" (for creating the EOP) (**Action 101b/06**).

P-Rep asked whether CRL could make more use of the IM resource to help the testing and commissioning of works. Howard Smith said this was being considered through the acceptance group and maintenance training and CRL would continue to review this. P-Rep asked if there were any blockers to the IMs' involvement and Howard Smith said there were no significant blockers.

3. Progress on Stage 2:2, 4 and 5 and 5A

Howard Smith presented on Stage 2:2. He said that Bombardier Transportation (BT) was aiming to have the submission for approval to place (the trains) into passenger service (APIS) complete by [REDACTED]. Howard noted that BT had booked every Friday in January for testing on the Heathrow Spur and initial tests had gone well. If this continued for the next 3-4 weeks CRL would have [REDACTED] of BT's programme. Howard emphasised that this remained CRL's priority alongside Stage 3 and CRL was considering how the safety assurance best could be completed.

Andrew Wallace asked about the plan following submission of the APIS. Howard said that the driver training plan needed to be developed (as it could overlap with dynamic testing for Stage 3 and Stage 5A preparations). Sponsors asked Howard for a full update on Stage 2:2 and Stage 5A at the February Sponsor Board (**Action 101b/07**).

On Stage 5A Howard Smith said reasonable progress had been made. MTR was still expressing concerns over the number of services and the [REDACTED] but CRL was not overly concerned at this stage. [REDACTED]

Matt Lodge asked about reliability of trains on the Great Western. [REDACTED]

external assurance) in its assurance structure. Chris noted that CRL was using this opportunity to look for improvements and were talking to TfL and Deloitte to inform its thinking.

Mark Wild said CRL continued to face challenges with the level of resource and the integration and coordination of key resources, (such as fire engineers). CRL has created integration groups to help coordinate and prioritise critical resource. Mark noted that productivity levels were being constrained by waiting on critical interfaces/resources and CRL was working hard to improve this. Ruth Hannant asked whether the revised schedule would integrate and prioritise resource. Mark said it would and would remove any incorrect resourcing assumptions.

Simon Kilonback asked about CRL's internal resource to deliver the revised schedule and whether [REDACTED] were sufficiently incentivised and accountable. Mark Wild said the new executive team were ready to deliver this. Peter Henderson was mobilising [REDACTED] and getting the best resource in place and Colin Brown had taken over as Technical Director. David Bennett asked if Colin was covering the system integration area (which was identified by the PA Consulting review as an area for improvement) and Mark said that he was.

Ruth Hannant said it was great the executive team was in place and asked how the challenge of rebuilding the rest of the organisation was going and whether CRL needed any assistance. Mark Wild said that [REDACTED] was responding to Peter Henderson and CRL was using all mechanisms to procure the necessary resource. Mark Wild said CRL was focussing particularly on integration and technical resourcing and was increasing its commercial resource to establish effective technical controls. P-Rep highlighted ongoing challenges, giving the example of productivity challenges observed at stations because critical comms engineers did not have access to wifi.

Mark Wild said he needed Sponsors support to help rebuild positivity about the project and Sponsors noted that a DfT and TfL visit to Endeavour Square was being organised to help support this. Mark also said CRL might need support from Sponsors with key contractors (Siemens, Alstom, Costain and potentially BT). Sponsors agreed for CRL to set out what areas of support it needs and that Sponsors would then offer any support they could (**Action 101b/09**).

Mark Wild said CRL's external affairs team would be led in the future by Lucy Findlay alongside her role in leading relationships with Sponsors. Lucy noted that CRL would be remobilising additional capacity to enable it to craft its own press releases and external engagement plan and would work closely with TfL and DfT on this.

P-Rep noted that in Part A Sponsors and P-Rep had discussed a revised P-Rep approach in which they would be attending more decision-making meeting and visiting sites more regularly. Mark Wild said that P-Rep had an 'open door' to all meetings including CRL Excom and agreed to discuss with Tony Meggs on whether David Bennett could attend the CRL Board as an observer (**Action 101b/10**).

6. AOB

Matt Lodge noted that [REDACTED]

Graham Stockbridge noted that the Public Accounts Committee hearing was scheduled for 6 March 2019 and DfT would keep TfL and CRL updated when the NAO has determined a date for its draft and final reports.

Sponsors ended by recognising CRL's success in commencing dynamic testing, a major milestone in the programme, and the need to build on this success for the critical work ahead.

Action Tracker:

No.	Action	Responsible	Target
101b/01	KPMG reports to be shared immediately with the CRL Board	Simon Adams	Complete
101b/02	Sponsors to discuss the escalation route in the event of CRL Board issues with their NEDs and JST with CRL	Simon Adams, David Hughes, Matt Lodge/Graham Stockbridge	February
101b/03	JST to organise workshops with CRL and P-Rep to prioritise the recommendations and discuss how they will be implemented	[REDACTED] & Andrew Wallace	Workshops held on 24 th and 29 th January to prioritise recommendations. CRL & Sponsors to review implemented and planned actions at February Sponsor Board.
101b/04	CRL to share weekly performance data with Sponsors once complete. This complements the previous action (99b/03) for enhanced cost and schedule reporting.	Mark Wild & David Hendry	February
101b/05	P-Rep to be involved in the process of the EOP development.	Lucy Findlay & P-Rep	Ongoing: CRL invitations sent to P-Rep for 14 February EOP session
101b/06	CRL to share the plan for developing the EOP (the plan for the plan).	Peter Henderson	To be presented at 14 February session and Sponsor Board.
101b/07	CRL to provide a full update on Stage 2:2 and Stage 5A at the February Sponsor Board	Howard Smith	February Sponsor Board
101b/08	Sponsors to discuss how they wish risk allowances / contingency to be held and then discuss this with CRL.	Sponsor Board Chair	February Sponsor Board
101b/09	CRL to set out what areas of support it needs from Sponsors with key contractors (Siemens, Alstom, Costain and potentially BT) and Sponsors to provide whatever support possible. This replaces actions 97b/02 and 97b/03.	Peter Henderson & Simon Adams	February

101b/10	Mark Wild to discuss with Tony Meggs on whether the lead P-Rep could attend the CRL Board as an observer	Mark Wild	February Sponsor Board
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