

**Date: 14 December 2017**

**Item: Crossrail Transition Governance**

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**This paper will be considered in public**

**1 Summary**

1.1 The purpose of this paper is to provide the Committee with information on Crossrail transition governance arrangements, which is overseeing the transfer of functions, activities and accountabilities from Crossrail to TfL. Crossrail Limited is a subsidiary of TfL created to deliver the construction and upgrading of the railway infrastructure which TfL will operate and maintain as the Elizabeth line, as set out in the Crossrail Development Agreement.

**2 Recommendation**

2.1 **That the Committee notes the paper.**

**3 Background**

3.1 At the Board meeting on 9 November 2017, the Chair of the Audit and Assurance Committee requested a paper be provided to the Committee on Crossrail transition governance.

3.2 Crossrail governance and its transition arrangements are discussed at several key and interconnected meetings. Key governance meetings include:

- (a) Crossrail Limited Board;
- (b) Crossrail Sponsor Board;
- (c) Elizabeth Line Readiness Board; and
- (d) Elizabeth Line Communications Delivery Board.

3.3 The Sponsors Agreement between the Department for Transport (DfT) and TfL, sets out the requirement for an independent board until the Operations Commencement Date, which is planned for December 2019. The Crossrail Board currently meets four weekly. It reviews the Crossrail budget and Business Plan and receives updates on transition activities.

3.4 In accordance with the Crossrail Core Agreements, the Crossrail Sponsor Board is the representative board established by the sponsors (DfT and TfL) for all matters related to the Crossrail Project. The Sponsor Board meets approximately six times a year. Although it does not report to the Programme and Investment Committee, the committee does receive reports of Sponsor Board Proceedings.

- 3.5 The Elizabeth Line Readiness Board, chaired by the Commissioner, meets four weekly. It provides visibility on key issues and risks to senior TfL staff on the readiness of the railway, and where relevant, provides strategic direction and ensures a pan-TfL approach is taken. The Elizabeth Line Readiness Board replaces both the Business Management Review and Crossrail Integration Board meetings.
- 3.6 The Elizabeth Line Communications Delivery Board, chaired by the Managing Director, Customers, Communications and Technology, meets four weekly and acts as a reference group for communications issues in relation to the opening and future operation of the Elizabeth line, including media, political and stakeholder management, community relations, customer information and other areas as appropriate. It assists in the handling of, and decision making in relation to Elizabeth line communications issues, including the potential overlaps from communications dealing with construction to those dealing with operations.

## **4 Crossrail Transition Activity**

- 4.1 At an operational level, Crossrail transition arrangements are being identified and managed through the Crossrail Integration project and the Crossrail Integration Steering Group, chaired by the Crossrail Operations Director.
- 4.2 The Crossrail Integration Steering Group reports up to the Elizabeth Line Readiness Board.
- 4.3 The aim of Crossrail Integration project is to effect the smooth transition of arrangements supporting the Crossrail delivery programme to those supporting operations, implementing transition activities in a manner that seeks to maximise value for money, safeguards the programme's commercial position, protects the programme team's capability and momentum, and retains talent, knowledge and information for TfL's future benefit and protection.
- 4.4 The Crossrail Integration project does not cover the operational handover of the railway, which is governed by the boards listed in section 3.2, but is principally focused on the functions which both facilitate and support the delivery teams within a major programme, such as Finance, Legal and IT. However, there are exceptions, such as the Land and Property and External Affairs work streams. In the Land and Property work stream over site development projects are being transferred to, and fully realised by, TfL Commercial Development, while in the External Affairs work stream the customer-facing Helpdesk activities are being transferred to TfL's Contact Centre Operations.
- 4.5 An early example of successful integration was the transfer in March 2016 of Crossrail's audit team, which carries out compliance reviews against HSE and technical standards in Crossrail and its contractors, into TfL's internal audit team. This means that all audit activity in respect of the Crossrail project is led by TfL Internal Audit in accordance with a Service Level Agreement. Outcomes of audit work are reported regularly to Crossrail's own Audit Committee as well as to the TfL Audit and Assurance Committee. The Chair of the Audit and Assurance Committee has recently begun attending the Crossrail Audit Committee as an observer, in order to provide oversight during the transition period.

- 4.6 Another early integration success was the transfer of TUCA (Tunnelling and Underground Construction Academy) in January 2017, into an ongoing TfL-managed operation providing training in the key skills required to work in railway engineering, tunnel excavation and underground construction. However, the majority of the activities will transition in the next financial year (April 2018 – March 2019).
- 4.7 There are currently 11 Crossrail Integration work streams which report on progress, risks and issues every four-week period to the Crossrail Integration Steering Group. The work streams were established around Crossrail directorate assets, activities and accountabilities that need to be transitioned to TfL in order to maintain the necessary support required to close out the Crossrail programme as effectively and efficiently as possible and/or to assimilate those assets, activities and accountabilities into an ongoing business as usual function where necessary.
- 4.8 Work streams are owned by relevant Directors with work stream charters outlining the scope, outcomes and successes. The charters also cover key risks and nominated work stream leads/contacts. Most of the owning directors are from TfL as they will be the future business owners but there is an approach of collaboration between TfL and Crossrail teams as well as across all of the work streams.
- 4.9 Each work stream is responsible for ensuring robust transition plans are in place for the activities within it, including clear budget ownership. However, not all functions necessarily map across from Crossrail to a single equivalent team or directorate within TfL. Identifying TfL ownership and developing clear transition plans between them and the current Crossrail owners has been complicated by TfL Transformation. Several previously identified owners have either left or are due to leave the organisation. There are also functions where discussions are taking place between Crossrail, TfL and Network Rail about the potential division of responsibilities along the route. These are due to the Elizabeth Line operational route being divided principally between the TfL-owned central tunnel section and the leased Network Rail surface section infrastructure to the East and West.
- 4.10 The resourcing profile and transition timescales are monitored through the Integration Plan (see Appendix 1). This plan reflects the current resourcing for the remainder of the Crossrail programme through to close out. It includes when accountable Directors are due to leave, highlighting future governance arrangements for transition both within Crossrail and to TfL.
- 4.11 Examples of transition activities include the transfer of the Crossrail Helpdesk into TfL from April 2018, and the transfer of IT infrastructure and support services to the TfL OneLondon estate from the end of 2018 for the remainder of the programme. TfL activity owners are responsible from the point of transfer. Activities are reviewed on a case by case basis with future owners to find the optimum point of transition.
- 4.12 Crossrail directorates not included in the immediate scope of the Crossrail Integration project are being monitored through the work streams with dependencies to or from them. For example, system applications requiring extension or migration to the TfL estate are captured through the IT work stream,

and accommodation requirements are captured through the Facilities work stream.

- 4.13 Most activities are due to transition to TfL within the next financial year (April 2018 – March 2019) and, therefore, any changes to the timings or status of the activities at the point of transfer and assimilation are being captured and assessed in terms of their risk to Crossrail and TfL business plans.
- 4.14 The challenge to each of the work stream and activity owners is to understand and agree on both sides the most appropriate time for the transition activities. This approach adopts a pragmatic view on the best time for activities to transfer while not relieving Crossrail of its obligations to deliver the project within the available budget.

## **5 Financial Implications**

- 5.1 There is no specific project budget allocated for transition activities. The transition arrangements are being planned and committed to within the framework of each of the Crossrail and TfL business plans. It is the role of the Crossrail Integration project to capture and highlight any emerging gaps between the two plans as risks to either or both organisations.
- 5.2 A further review of the financial impacts and risks to the TfL business plan are to be assessed across all activities now the Crossrail business plan has been finalised.

### **List of appendices to this report:**

Appendix 1 – Integration Plan – Level 1 – November 2017

### **List of Background Papers:**

None

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