

Crossrail Sponsor Board Meeting No. 113a

Friday 13 December, 1030 -1130


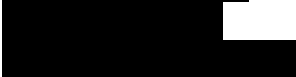
Venue: TfL, 197 Blackfriars Road, Floor 11, Wapping Room

Sponsor Board Members


Shashi Verma*	TfL, Director of Strategy and Chief Technology Officer
Matthew Lodge*	DfT, Director for Rail Infrastructure – South
Alex Luke**	DfT, Project Director
Julian Ware**	TfL, Senior Principal, Finance

(*Voting Members)
(**Alternate Voting Members)

In attendance

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

Apologies

Simon Kilonback*	TfL, Chief Financial Officer
Ruth Hannant*	DfT, Director General of Rail
Alison Munro	Independent Member
	HM Treasury

1. Minutes and Actions of Meeting 112a

The minutes and actions for meeting number 112a were discussed and agreed with 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

The Sponsor dashboard was presented. Sponsors noted the period on period slippage in the key milestones and cost forecasts and the additional metrics on Cost of Work Done (COWD) Costs-to-go (CTG) and risk trends. Sponsors discussed the metrics and noted that the FTE profile for key contracts indicates that CRL are still resourcing to complete activities prior to handover and integration of assets. Sponsors noted that, in some cases, the scope of these activities remain unclear and agreed to ask CRL in Part B, for clarity on the key activities outstanding at stations between now and handover, including those activities on the critical path.

Risk dashboard

The risk dashboard was presented. Sponsors discussed their continuing concerns and undertook to challenge CRL in the Part B agenda on the risks to the Stations critical path.

Sponsors also agreed to ask CRL in Part B whether Sponsor assistance is required with regards to Operational Readiness.

3. P-Rep Summary

The Project Representative (P-Rep) highlighted the progress CRL have made on issues raised by P-Rep in previous period reports, noting however, that more risks are materialising and are impacting on the CTG trends. P-Rep stated that CRL have a better grasp of the issues but need to move at pace to implement actions to mitigate the risks and re-profile the delivery of the assurance paperwork to ensure successful delivery. It was agreed that P-Rep would review the CRL end-to-end delivery strategy (**Action 113a/01**). Sponsors also agreed to challenge CRL on their proposed alternative delivery model and progress with the end-to-end delivery strategy, in the Part B agenda, see Agenda item 6.

4. KPMG update and next steps

KPMG Update

KPMG outlined their updated illustrative scenarios, which included an alternative “managed pessimistic scenario analysis”, considering CRL’s proposed changes to the programme delivery approach to reduce the risk of further time and costs overruns. KPMG outlined the underlying assumptions in their analysis, which had been validated by discussions with P-Rep.

Sponsors discussed the KPMG assumptions and agreed to validate the specific assumption related to Canary Wharf payments (**Action 113a/02**).



Next Steps

KPMG proposed more detailed analysis of CRL’s principal contracts in the next phase of their work. Sponsors noted that until CRL sets out its proposals for the alternative delivery model and end-to-end delivery strategy, and reconfirms schedule and cost projections to its Board, scheduled on 9 January, it would be premature and potentially distracting to CRL to commission KPMG to carry the analysis proposed.

It was agreed that KPMG should conclude its current work by first validating its assumptions with the CRL Finance team and then drafting a summary paper to be submitted to the JST in advance of the next Sponsor Board. KPMG were also asked to meet incoming CRL Chief Financial Officer to provide a brief on their findings and observations to date. (**Action 113a/03**).

5. IPA Review & CRL’s response

JST presented CRL’s response to recommendations arising from the IPA Critical Friend Review of the Crossrail 3 LoD Assurance Framework. Sponsors discussed the adequacy of the CRL response and considered whether any additional actions were required of CRL or Sponsors.

Sponsors agreed to ask CRL for their view on the approach to addressing recommendation 2 in the IPA report (**Action 114a/04**).

Sponsors also requested that the JST ask CRL for their programme for implementation of the recommendations, with a view to providing a progress update on implementation at the February 2020 Sponsor Board (**Action 113a/05**).

Sponsors agreed to engage with IPA and agree the scope and timing for a 'check in' on CRL's progress with implementation of the IPA recommendations around February / March 2020 (**Action 113a/06**).

6. SACR22

The Crossrail Semi-Annual Construction Report Number 22 (SACR22), for periods 1 to 6 (1 April 2019 – 15 September 2019) was presented to Sponsors. Sponsors noted the contents and discussed whether the SACR serves any effective purpose for Sponsors as a standalone document. Sponsors agreed that given the high level of engagement between CRL and Sponsors, they have timely insights into the programme delivery to support and inform Sponsor decision making when required.

Sponsors noted that the SACR is also used to meet TfL's reporting requirements to the European Investment Bank (EIB) and agreed to align the scope of the SACR going forward to the specific requirements of the EIB. In addition, Sponsors asked JST to engage with TfL Corporate Finance to agree the way forward for reporting information to EIB (**Action 113a/07**).

DfT Sponsors asked that JST should advise CRL that the Crossrail Investment Model (CIM) is still required for DfT reporting and it should be updated by CRL and reviewed by P-Rep (**Action 113a/08**).

Sponsors asked that for SACR23, the JST should complete a cross-referencing exercise to provide a trail indicating where CRL are reporting key information that would have been in the SACR report (**Action 113a/09**).

Sponsors agreed to delegate authority to the Head of the JST to write to CRL confirming the outcome of the Sponsor Board discussion on SACR22 (**Action 113a/10**).

7. Approval of Certified Information

It was noted that the Joint Sponsor Team, P-Rep and CRL had recently met to validate CRL's certified information in relation to the January drawdown from the GLA loan. Sponsors approved the information provided in relation to the validation of the funding request for the January drawdown and asked the Joint Sponsor Team to confirm the outcome of the discussion with the GLA.

8. AOB

Transition

Sponsors were asked to note the transition from David Hendry to Rachel Mclean and the transition of the role of Chair of the Sponsor Board from David Hughes to Simon Kilonback.

Summary of actions:

No.	Action	Lead	Target and Update
113a/01	P-Rep to review CRL's report on End to End plan in January	[REDACTED]	January 2020
113a/02	Check and confirm profile of Canary Wharf payments	Julian Ware	December 2019
113a/03	KPMG to meet with CRL Finance Team and incoming CRL Chief Financial Officer to brief her on the observations and conclusions on this phase of their work.	Simon Adams	December 2019
113a/04	CRL to outline their approach to addressing recommendation 2 in the IPA report	Hannah Quince/ Chris Sexton	February 2020
113a/05	CRL to update the SB on the timetable for implementation of the actions they have agreed to implement following IPA recommendations and provide a progress update	Hannah Quince/ Chris Sexton	February 2020
113a/06	Engage with IPA and agree the scope and timing for a follow up review of progress with implementation of the IPA recommendations arising from the 3LoD IAAF Review	Alex Luke	January 2020
113a/07	JST to engage with TfL finance on appropriate way forward for reporting information to EIB	JST/Julian Ware	January 2020
113a/08	Advise CRL that the Crossrail Investment Model (CIM) is required by DfT Sponsors and to be updated by CRL and then reviewed by P-Rep	Simon Adams	February 2020
113a/09	JST to complete a cross referencing exercise to review how requirements of the PDA related to SACR are reported via other mechanisms	Simon Adams	January 2020
113a/10	Head of the JST to write to CRL confirming the outcome of the Sponsor Board discussion on SACR22	Simon Adams	January 2020