

# Crossrail Sponsor Board Meeting No. 115B

Thursday 6<sup>th</sup> February 2020, 1000-1100

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

## Sponsor Board Members

Simon Kilonback*	Chair, TfL, Chief Finance Officer
Ruth Hannant*	DfT, Director General of Rail
Shashi Verma*	TfL, Director of Strategy and Chief Technology Officer
Matthew Lodge*	DfT, Director for Rail Infrastructure – South
Alison Munro	Independent Member

## In attendance

Kenny Laird	Technical Advisor to Sponsors
Alex Luke	DfT, Crossrail Project Director
Nicola Cox	TfL, Head of Corporate Finance
Andrew Wallace	JST
[REDACTED]	JST, Secretariat
[REDACTED]	Project Representative
Mark Wild	Crossrail Limited (CRL), Chief Executive
Rachel McLean	CRL, Chief Finance Officer
Jim Crawford	CRL, Chief Programme Officer
Mark Cooper	CRL, Chief Projects Officer
Hannah Quince	CRL, Chief of Staff

## Apologies

[REDACTED]	HM Treasury
Simon Adams	Head of Joint Sponsor Team (JST)

(\*Voting Members)

(\*\*Alternate Voting Members)

## 1. Minutes and Actions of Meeting 114 Part B

The minutes and actions for meeting number 114b were discussed and agreed without alterations.

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

## 2. Cost Update

### Cost Forecast

CRL provided an update on costs, stating that the AFCDC had increased by [REDACTED] from the previous period with a burn rate of [REDACTED]. Sponsors challenged CRL on the reasons for the variance between the forecast and the period 10 actuals and CRL stated it was lower than projected due to timing of milestone payments. CRL confirmed that the fundamental financial controls are in place and working effectively. Sponsors challenged what steps were being taken by CRL to reduce ongoing costs to which CRL stated more scrutiny of indirect costs is in progress as part of the business plan preparation which will be concluded in March (**Action 115b/01**). CRL stated that achieving the timely demobilisation of the Tier 1s using the

Alternative Delivery Model (ADM) by moving the residual scope into the most cost-effective delivery vehicle, is likely to have a significant impact on the forward cost profile.

Sponsors asked CRL to provide a more specific cost breakdown each period to provide clarity on the areas of expenditure and deliverables achieved e.g. testing, assurance etc (**Action 115b/02**).

Sponsors raised concerns about variances between the cost forecasts and the drawdown profile. Sponsors agreed on the need for CRL to provide more clarity on the intra-period forecasts and variances and consider how the AFC and cash forecast cycle could be better aligned (**Action 115b/03**). P-Rep highlighted the CRL cost trends associated with risk and Costs to go (CTG) and CRL agreed to meet with P-Rep to clarify underlying cost trends (**Action 115b/04**).

#### *Delegated Authority*

Sponsors noted the CRL request for an increase in the level of delegated authority and CRL agreed to meet with TfL to understand the justification for the request and timing (**Action 115b/05**).

### **3. Schedule Update**

#### *Trial Running and Trial Operations*

CRL provided an update on the steps they have taken to establish the “essential” configuration for Trial Running and the Triage exercise which is being undertaken by the Integrated Delivery Teams (IDTs) to prioritise the work required for trial running into a consolidated list (**Action 115b/06**). Sponsors asked CRL when they would have a clear schedule with further assurance up to Trial Running. CRL stated that following the Triage exercise they would sequence the consolidated list of activities and allocate the resources to ensure entry to trial running is achieved [REDACTED].

Sponsors asked CRL what steps were being taken by CRL to minimise any potential delay the start of Trial Operations given the focus on entry into ROGs and commencement of Trial Running. CRL agreed to share the prioritisation principles and how it is being applied to protect durations and deliver the trajectory from now to Trial Running and to Trial Operations (**Action 115b/07**).

Sponsors challenged CRL on progress with the assurance and CRL stated that the integrated and interconnected system architecture means that the assurance work is built on a singularly integrated railway and the structured safety judgements need to confirm it all fits together safely. This has the potential to introduce complexity and systemic risks. CRL confirmed their plan is to start writing safety justifications by June 2020, allowing [REDACTED] for review and approval to achieve trial running [REDACTED].

#### *Mitigations and Interventions*

Sponsors challenged CRL on steps being taken to manage potential risks to the schedule and successful delivery of Trial running [REDACTED]. CRL provided an overview of the eight interventions and mitigations, the key actions being undertaken and the status with implementation. Sponsors noted the status and asked CRL to update Sponsors going forward, to give continued confidence and assurance of progress (**Action 115b/08**).

Software

CRL stated that the dynamic testing plan had been re-issued, highlighting the remaining tests and timescales. CRL stated that software version PD+11 will be used for multi train tests and will have a number of 'point releases' to build the required functionality for trial running. Sponsors asked CRL for progress made with integration with the NR control centre and CRL stated that transition testing and blockers to interconnectivity functionality had been addressed but the integration with the NR control centre remains a risk. It was agreed that CRL would circulate the dynamic testing plan (**Action 115b/09**). Sponsors agreed to hold the next Sponsor Board meeting at Westferry or Romford Control Centre to experience the functionality of the control centre (**Action 115b/10**).

#### 4. Update and application of KPI Tree

CRL provided an overview of the KPI tree that has been established, highlighting that it is forward looking and measures progress towards delivery of the activities on the critical path. Sponsors asked whether contractor performance and productivity was aligned with required trends and CRL stated that contractor productivity improvements are required to support continued progress, noting that [REDACTED] performance has not improved despite intervention and incentivisation. Sponsors asked if they could assist CRL in relation to [REDACTED] performance and it was agreed that DfT Sponsors would consider and agree what further steps could be taken (**Action 115b/11**). CRL agreed to use performance league tables to benchmark contractor performance (**Action 115b/12**).

#### 5. AOB

No items were raised under AOB

#### Summary of actions:

No.	Action	Lead	Target and Update
115b/01	CRL to update Sponsors on indirect costs scrutiny	Rachel McLean	March 2020
115b/02	CRL to provide a more specific cost breakdown each period on the areas of expenditure and deliverables achieved e.g. testing, assurance	Rachel McLean	March 2020
115b/03	CRL to provide more clarity on the intra-period forecasts and variances and consider how the AFC and cash forecast cycle could be better aligned	Rachel McLean/ Nicola Cox	March 2020
115b/04	CRL agreed to meet with P-Rep to clarify underlying cost trends	Rachel McLean/ Project Representative	March 2020

115b/05	CRL to provide justification for the increase in delegated investment authority request and timing	Rachel McLean/ Nicola Cox	March 2020
115b/06	CRL provided an update on the steps they have taken to establish the “essential” configuration for Trial Running (TR) and the consolidated list	Mark Wild	March 2020
115b/07	CRL agreed to share the prioritisation principles and how applied to protect durations and deliver the trajectory from now to Trial Running and to Trial Operations	Mark Wild	March 2020
115b/08	CRL to update Sponsors on interventions and mitigations	Mark Cooper	March 2020
115b/09	CRL to circulate the dynamic testing plan to Sponsor Technical Adviser	Mark Cooper/ Kenny Laird	March 2020
115b/10	Schedule next Sponsor Board meeting at Westferry or Romford Control Centre	Hannah Quince/ Simon Adams	March 2020
115b/11	DfT Sponsors to consider and agree what further steps could be taken in relation to <span style="background-color: black; color: black;">██████</span> performance	Alex Luke	March 2020
115b/12	CRL agreed to use performance league tables to benchmark contractor performance	Mark Cooper	March 2020