

## CROSSRAIL SPONSOR BOARD MINUTES NO.100B

### MINUTES OF MEETING HELD ON

Monday 10 December 2018, 10.15-12.00

Venue: DfT, Great Minster House, 33 Horseferry Road, Room 3/23

#### Present:

Polly Payne*	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)
[REDACTED]	JST, Secretariat

#### By invitation

Graham Stockbridge	DfT, Crossrail Project Director
[REDACTED]	DfT, Crossrail Deputy Project Director
[REDACTED]	Project Representative
[REDACTED]	Project Representative
Andrew Wallace	JST
Mark Wild	Crossrail Limited (CRL), Chief Executive
David Hendry	CRL, Chief Finance Officer
Chris Sexton	CRL, Programme Director
Howard Smith	CRL, Operations Director
Lucy Findlay	CRL, Chief of Staff

(\* Voting Members)

### **1. Minutes and Actions of Meeting 99b**

The minutes of the last meeting, held on the 15 November were agreed.

[REDACTED] summarised the actions:

- 99b/01:** The Chair of the Sponsor Board wrote to CRL to formally respond to SACR20.
- 99b/02** It was reiterated that CRL should 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. This action remains ongoing.
- 99b/03** CRL continue to develop the enhanced / flash reporting and have discussed initial outputs with JST. The enhanced reporting is to be finalised and presented to Sponsors in the New Year.
- 99b/04** CRL will present its business plan to Sponsors in early 2019.

**99b/05** A workshop was held in November for KPMG to present its emerging recommendations to CRL.

**99b/06&07** CRL produced a commercially sensitive paper on the proposed [REDACTED] [REDACTED] which was circulated on 16 November. A meeting was held on 19 November for CRL to discuss this with Sponsor representatives. Following this the head of the JST wrote to CRL on 21 November noting that Sponsors have no objection to CRL entering into the appropriate [REDACTED] [REDACTED]

Matt Lodge noted that there remains a risk that the [REDACTED] [REDACTED] and DfT would keep CRL and TfL informed (continuation of action 98b/02).

Sponsors noted that there would be an announcement on the funding and financing agreement later that day (10 December). Mark Wild thanked Sponsors for their efforts in achieving this.

## **2. Revised Master Operational Handover Schedule (MOHS)**

Mark Wild and Chris Sexton presented on the development of the revised schedule. The December CRL Board did not accept the MOHS presented. Mark noted that while CRL has established a plan, it didn't currently have an integrated schedule with metrics to fully monitor progress and explained that CRL had committed to undertaking a series of actions and to provide an update to a CRL Board meeting on 19 December:

- To establish what the [REDACTED] would be for Stage 3 which would enable a safe and reliable railway, and transition to Stages 4 and 5;
- To identify the critical issues needed to deliver [REDACTED]
- To measure and track progress on these issues.

Chris Sexton presented on the critical paths. The unmitigated schedule showed the routeway being completed between [REDACTED] with station Tier One Substantial Demobilisation (TOSD) dates between [REDACTED] and with Stage Completion (SC) dates for operating services through the stations [REDACTED] [REDACTED]. CRL emphasised that this was the unmitigated schedule ahead of the [REDACTED] work being finalised. CRL was aiming to reduce the scope of [REDACTED] [REDACTED] using six sigma techniques to [REDACTED]

Sponsors challenged CRL and emphasised the need for a robust schedule and opening date. Mark Wild emphasised that CRL needed to complete [REDACTED] before finalising the schedule and to balance the earliest possible opening of Stage 3 with the need for a reliable transition to Stages 4 and 5. [REDACTED]

[REDACTED] Everything in the new MOHS would be evidence based using past performance. Sponsors and Mark Wild agreed that it would be helpful to CRL to brief senior leaders once CRL had completed [REDACTED] and schedule work and discussed it with Sponsors. Sponsors asked for an update call to be scheduled after the 19 December CRL Board meeting (**Action 100b/01**).

P-Rep asked if there was an opportunity to get operators and infrastructure managers (IMs) to work more closely together so that the IMs get earlier receipt of the asset and CRL

receives additional support. Howard Smith agreed and Mark Wild said this was part of Howard's new role as Chief Operations Officer.

P-Rep asked how CRL were countering optimism bias in the development of the MOHS. Mark Wild said his approach would be to tell Sponsors the truth but work hard to overcome any challenges. Chris Sexton noted that previously CRL's milestones were subject to a series of assumptions but now CRL has gone through those assumptions and factored them into dates unless there is evidence to support their exclusion.

### **3. Progress on Stage 3**

Chris Sexton presented on Health and Safety, emphasising that the statistics are extremely good by industry standards. CRL has also organised a Safety and Health Leadership Team (SHELT) meeting to ensure causes behind the near-misses are addressed.

Mark noted that the latest dynamic testing window results suggested CRL would be ready to start Main Dynamic Testing (MDT) on 14 January.

Howard Smith presented on the work completed to define [REDACTED] for Stage 3. He noted that a proposal was to [REDACTED]

[REDACTED] Matt Lodge thanked CRL for the update and noted that a similar approach had been taken by Network Rail (NR) with [REDACTED]

### **4. Progress on Stage 2:2, 4 and 5 and 5A**

Howard Smith presented on Stage 2:2. He said Bombardier Transportation (BT) was aiming to have the software completed by [REDACTED] but that CRL was reviewing this.

On Stages 4 and 5 Howard Smith said the expectation remained for these to open 6 and 12 months respectively following Stage 3. Matt Lodge noted that NR was requesting more robust evidence for developing the timetable and CRL should consider this for Stage 4. Howard Smith said he understood this and believed Stage 4 was less disruptive for the wider rail network. Mark Wild noted that CRL wouldn't have robust information until [REDACTED]

On Stage 5A Howard Smith said that NR had accepted MTR and GWR's D-55 timetable submissions. MTR was raising concern over the [REDACTED] which was being addressed through discussions between MTR and NR.

[REDACTED]

Simon Kilonback asked about NR delivery. Howard Smith said that most key work had been completed. NR was delivering Driver Only Operation (DOO) CCTV to support Stage 5A with a programme for completion by September 2019 with one outlying station which CRL is considering. CRL believe NR should deliver the power supply delivery and believe the critical issue for the Western enhanced station is the resolution of the funding issue.

## 5. Resourcing

Mark Wild said that CRL had completed its move to TfL's Endeavour Square office at Stratford but that morale was low and needed to be rebuilt. Sponsors offered their support.

Simon Kilonback asked how CRL's resourcing plan including its supply chain was being developed. Mark Wild said that [REDACTED] work would be used to map out what the critical resources were and how they could be brought together. Mark said that once the supply chain map was complete CRL would seek support from Sponsors for any critical resources that could be identified from public sector supply chains. Simon Adams offered to help identify supply chain expertise and Sponsors' support once CRL's supply chain map is complete **(Action 100b/02)**.

Mark Wild said that CRL would need to review [REDACTED] and switch to a more [REDACTED] across contractors focussed on the critical issues. CRL set out how it is currently resourcing a commercial and controls team. Mark Wild also noted that CRL might need to come back to Sponsors on [REDACTED]

Simon Kilonback asked CRL how it was resourcing within its organisation to manage contractors more effectively. Mark Wild said that he was meeting with Bechtel to increase the quality and amount of Bechtel resource.

## 6. Cost and emerging risks

Mark Wild noted that CRL's priority is to reduce the current spend rate by focussing on achievement of the TOSD dates. Sponsors agreed and asked for a further update in the New Year **(Action 100b/03)**.

Simon Adams asked about the [REDACTED] and David Hendry noted that the recent [REDACTED] (see actions 99b/06&07) provided some [REDACTED] but that it was quite small and these had [REDACTED]. Sponsors asked to be kept apprised of this risk **(Action 100b/04)**.

David Hendry presented on the financial position with the updated Remedial Action Plan (RAP2) [REDACTED]. However, he noted that the cost reviews show that some projects are [REDACTED] which suggests the costs could rise above the RAP2 estimates. Sponsors noted that the funding and financing agreement would provide contingency.

David Hendry said he is working with finance colleagues to improve financial information so that CRL has a better understanding of the key cost drivers.

Simon Kilonback noted that CRL need to give Sponsors regular, accurate and clear cash forecasts in order to inform Sponsors' provision of funding into the Sponsors Funding Account (SFA). **(Action 100b/05)**.

Simon Kilonback noted that Sponsors would set the revised Intervention Points based on the revised cost forecasts.

Matt Lodge asked about whether CRL was reviewing its reporting. Lucy Findlay said it would be looking to improve the CRL Board report and would like to have a session with the CRL Board and Sponsor representatives to discuss this. Sponsors welcomed this and said they would be willing to review their requirements of CRL to ensure effective and timely reporting and to support CRL whilst it remobilises. **(Action 100b/06).**

## 7. **AOB**

Polly Payne noted that the governance report would be provided to CRL in draft next week. Lucy Findlay noted that CRL had not shared the MOHS with KPMG as it had not been approved by the CRL Board. Sponsors said that the JST would discuss this with KPMG and that the finance / commercial report would be finalised and subsequently updated, if appropriate, when the MOHS is finalised.

Polly Payne said that Sponsors would like to have a session at the end of the CRL Board to improve the flow of information between CRL and Sponsors. Mark Wild said that the CRL Board was happy with this proposal. **(Action 100b/07).**

### **Action Tracker:**

<b>No.</b>	<b>Action</b>	<b>Responsible</b>	<b>Target</b>
100b/01	Update call to be scheduled after the 19 December CRL Board meeting	JST	Complete
100b/02	CRL to review its supply chain map. JST to help identify supply chain expertise and Sponsors support once CRL's supply chain map is complete	Mark Wild & Simon Adams	January / February 2019
100b/03	CRL to give Sponsors further updates on the achievement of TOSD dates	Mark Wild & David Hendry	January and ongoing
100b/04	CRL to keep Sponsors apprised of the risk that [REDACTED]	Mark Wild & David Hendry	Ongoing
100b/05	CRL to give Sponsors regular, accurate and clear cash forecasts in order to inform Sponsors' provision of funding into the Sponsors Funding Account (SFA).	David Hendry	Ongoing
100b/06	CRL to discuss changes to reporting with JST.	Lucy Findlay & Andrew Wallace / [REDACTED]	January / February 2019
100b/07	Sponsor session to be scheduled at the end of the CRL Board to improve the flow of information between CRL and Sponsors	JST	Complete