

CROSSRAIL SPONSOR BOARD MINUTES NO.102B

MINUTES OF MEETING HELD ON

Friday 15th February: 14.15-16.30

Venue: CRL, 5 Endeavour Square, Room 9RMR03

Present:

Ruth Hannant*	Chair, DfT Director General for Rail
David Hughes*	TfL, Director of Strategy & Network Development
Matt Lodge*	DfT, Director for Major Rail Projects

[REDACTED]

Joint Sponsor Team (JST), Secretariat

By invitation

[REDACTED]

Project Representative

[REDACTED]

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

[REDACTED]

Network Rail

(* Voting Members)

Apologies:

Simon Kilonback*

TfL, Chief Financial Officer

Simon Adams

Head of Joint Sponsor Team (JST)

Graham Stockbridge

DfT, Crossrail Project Director

[REDACTED]

DfT, Crossrail Deputy Project Director

1. Minutes and Actions of Meeting 101b

The minutes of the last meeting, held on Friday 18 December were discussed and were agreed at the subsequent Sponsor Board. It was noted that, pending agreement from DfT, TfL and CRL, all Sponsor Board minutes would be publicly released by TfL once they had been finalised and reviewed for redactions.

[REDACTED]

summarised the actions:

101b/01: (Complete) The KPMG reports were shared by Simon Adams with CRL to share with its Board following the January Sponsor Board.

101b/02 (Complete) JST and CRL discussed the escalation route in the event of issues and DfT and TfL subsequently engaged with their NEDs. Note: The agreed escalation route in the event of concerns (as set out in the January Sponsor Board minutes) is for the Sponsor appointed Non-Executive

Directors (NEDs) to raise these immediately with their respective Sponsor and CRL to raise these with the head of the JST or vice versa to ensure quick resolution.

- 101b/03** (Complete) JST and CRL held sessions on 24th and 29th January to prioritise the KPMG recommendations. CRL & Sponsors have reviewed the implemented and planned actions with the intention to have most actions completed by the end of February.
- 101b/04** (Open) CRL presented on its visualisation board reporting and performance data in Item 2 of the Sponsor Board. The action remains open for CRL to share weekly performance data and enhanced reporting cost and schedule reporting dashboards with Sponsors.
- 101b/05** (Complete) P-Rep have been involved in EOP development meetings.
- 101b/06** (Open) CRL has completed the plan for developing the EOP (the plan for the plan) and will present this to the JST and P-Rep on w/c 25 February.
- 101b/07** (Complete) CRL provided an update on Stage 2:2 and Stage 5A in Item 6 and updates would continue at each Sponsor Board.
- 101b/08** (Open) Sponsors discussed in Part A how they wish risk allowances / contingency to be held. The head of the JST will discuss the delegations with David Hendry once the revised schedule is in place.
- 101b/09** (Open) CRL has suggested a Secretary of State and Mayoral 'round table' meeting with key contractors to ensure buy-in for the revised schedule. TfL is also arranging meetings with Siemens and CRL will provide briefing to DfT for a DfT meeting with Costain.
- 101b/10** (Complete) It was agreed that a meeting would be held between Tony Meggs and P-Rep to discuss P-Rep's attendance at the CRL Board. *Post-meeting note: P-Rep and Tony met on 18 February and agreed that P-Rep would attend future CRL Board from 28 February onwards.*

2. CRL Progress Update and Response to P-Rep

CRL presented to Sponsors on progress using the newly created visualisation room in Endeavour Square. Mark Wild explained that CRL remained concerned about productivity and was seeking to address this through a clear line of sight on activities completed and issues. CRL explained that the visualisation board approach is to have stand-up calls every day to review the progress of the day before, planned actions for that day, and any obstacles. The intention is to "coach" teams to "see" the progress and issues, and then solve the issues.

Sponsors thanked CRL for the presentation and asked for this to be a regular agenda item at Sponsor Board.

It was agreed that the P-Rep covering letter to their Periodic reports would be included in the Part B pack in future for CRL to respond to along with the Executive Summary. The Sponsor Board Chair would write to Mark Wild to provide the Period 10 P-Rep letter for CRL to respond on the key points **Action 102b/01**).

3. KPMG recommendations

Chris Sexton presented on the key actions CRL had already taken to implement the KPMG recommendations. CRL had obtained assistance from Deloitte and Anne McMeel on best practice in governance and assurance. CRL had:

- Reviewed its overall assurance framework and was strengthening its three lines of defence
- Re-established the audit committee with the first meeting scheduled for 25th March
- Merged the remuneration and nomination committees
- Reviewed management of risk both at an enterprise and project level and was rebuilding the risk management team
- Elevated the importance of the existing Safety Health Leadership Team Meeting with regular detailed consideration of health and safety at Board meetings
- Established a separate Investment Committee (from the Executive Committee) chaired by a Board member.

Chris Sexton agreed to set-out CRL's internal assurance plan by 22 February (**Action 102b/02**). Sponsors acknowledged that CRL's assurance capability might not be fully re-established in time to assure the Earliest Opening Programme (EOP) and that Sponsors could support CRL if needed. JST, P-Rep and CRL agreed to meet to discuss CRL's Internal Assurance Plan and assurance of the EOP (**Action 102b/03**). *Post-meeting: CRL clarified at the end of February that Deloitte would be assuring the EOP for CRL and Sponsor support was not required.*

Sponsors noted that JST had been preparing a narrative to explain how the KPMG recommendations were being implemented and that the JST would discuss this with CRL (**Action 102b/04**).

4. Earliest Opening Programme (EOP)

Mark Wild noted that CRL could not support KPMG's recommendation for a bottom-up, fully logic-linked programme as this would take six months to produce. Instead CRL would produce an integrated logic-linked schedule informed by Tier 1, 2 and 3 contractors.

Howard Smith presented on the EOP. The approach remained to enable the opening of a railway running from Paddington to Abbey Wood as soon as possible. [REDACTED] in order to bring forward Stages 3, 4 and 5 and the associated revenue. CRL was reviewing the priority of works (in tranches) based on their level of completion and their criticality to Stages 3, 4 and 5.

A significant amount of work will still need to be completed [REDACTED] to support the operation and [REDACTED] of the tunnels and CRL was determining what this would mean for the EOP opening date. CRL was reviewing passenger flows to ensure [REDACTED] do not cause a safety issue. This should be fine for Stage 3 but that this needs to be further reviewed for Stages 4 and 5.

David Hughes asked CRL what aspects of the EOP would require a Sponsor decision. Sponsors and CRL agreed that the sequencing and packaging of works were decisions for the CRL Board but that decisions over [REDACTED] were decisions for the Sponsor Board.

Sponsors noted that whole-life costs (including revenue, CAPEX and OPEX) of EOP versus the alternative would need to be considered and presented to Sponsors before a decision could be made (**Action 102b/05**). David Hendry agreed but noted that developing high-

quality whole-life cost estimates will be a challenge for CRL given the timescales. Mark Wild noted that the commitment of the supply chain might take some time after the EOP decision. P-Rep said that this was the necessary trade-off in getting a schedule which CRL could deliver against within the timescales. Mark Wild agreed and said that CRL needs to be clear to contractors on the priorities and sequencing of the work by April to deliver effectively and reduce the cost run-rate.

Ruth Hannant asked whether there were other schedule options other than EOP [REDACTED]. Mark Wild said CRL's view is that that a hybrid would be a less cost-effective option because the principle of EOP is that you open the railway as soon as possible to maximise revenue and [REDACTED]. If CRL waited to open the railway [REDACTED] this would reduce the revenue. P-Rep asked whether there was any temporary works required to enable EOP and Mark responded that there no significant temporary works required.

P-Rep asked whether there were any innovative delivery approaches such as taking a contractor off a station and giving it to a dedicated team. Mark Wild said CRL [REDACTED].

Ruth Hannant noted that CRL need to provide Sponsors with its assurance plan for the EOP (**Action 102b/06**), to deliver what is possible by the March CRL Board and to be transparent about any limitations. In the meantime, Sponsors would review CRL's assurance plan for the EOP once received, and consider if further P-Rep assurance is required (**Action 102b/07**).

5. Cost

David Hendry presented on CRL's cost forecast. [REDACTED] CRL was doing a further review and would report back to Sponsors in March [REDACTED].

6. Stages 2:2 and 5A opening

Ruth Hannant asked CRL to present on stage opening and noted that DfT was very conscious of Stage 5A as a delay would not only impact upon revenue but would have wider implications for rolling stock cascades and other programmes.

Howard Smith presented on Stage 2:2. He said that Bombardier Transportation (BT) testing on the Heathrow Spur was continuing every Friday. [REDACTED]

[REDACTED] and was flagging 2-3 weeks of schedule risk. CRL and TfL had met with BT's new president and emphasised the importance of Stage 2:2. MTRC is lined up to complete the driver training once the software is assured. NR is in the process of completing the GSMR required for Stage 2:2.

Andy Wallace asked whether there is sufficient [REDACTED] Howard Smith said that [REDACTED].

Howard Smith presented on Stage 5A. The full length units (FLUs) are being tested (in non-passenger service) on the West. MTRC was expressing some issues before accepting the trains for driver training but Howard believed these should be resolved.

Howard noted that stakeholders were expressing concerns about the reliability of the Stage 5A timetable in the off-peak which needs to be discussed further. DfT and CRL agreed to discuss the concerns and options if required (**Action 102b/08**).

Howard said the remaining elements were the Driver Only Operation (DOO) CCTV and platform extensions which NR were presenting on in Item 7.

7. On Network Works (ONW)

Ruth Hannant introduced the item by noting the success of the agreed funding mechanism (as presented in the paper SB102B-01) and Sponsors' thanks to CRL, NR and DfT in achieving this.

Network Rail presented on the ONW delivery.

NR said three stations require platform extensions for Stage 5A: West Drayton, Slough and Maidenhead. At Slough and West Drayton the contractor is mobilised with completion forecasted for end of summer / early autumn 2019. At Maidenhead there had been productivity issues and NR had decided to deliver the works itself. NR had agreed scope reduction with the operators to focus on the Crossrail platform lengths (with all bar the critical Intercity Express Trains 250m platforms to be delivered later). Completion was estimated for November/December 2019 but this needed to be adjusted based on the revised scope. Howard Smith emphasised that CRL was working with NR to ensure there was a robust programme and was considering operational mitigations, but these could not yet be relied upon.

NR presented on DOO CCTV delivery. The same contractor who had successfully delivered DOO CCTV for Stage 2:1 had been engaged and a full programme is expected by 28 February 2019. The outline programme showed completion by November. NR needed additional access to bring that forward. NR noted there had been positive discussions with the relevant operator (GWR), on securing additional access over the August bank holiday, which could bring the completion date forward to end of September / early October.

P-Rep asked what happens if NR cannot secure the additional access. NR said the completion date would remain at November.

Ruth Hannant emphasised that the NR PMO would not accept Stage 5A without a more robust integrated schedule showing greater certainty of delivering the works in advance to enable operational readiness. Sponsors asked NR to present the programme (for DOO and platform extensions) to CRL, JST and P-Rep in March and then present this to the April Sponsor Board (**Action 102b/09**). DfT offered to support NR with securing access if it could once NR had clarified and justified its requirements (**Action 102b/10**). Sponsors asked CRL to consider attendance by MTRC with JST at Sponsor Board to provide the operators perspective (**Action 102b/11**).

Ruth Hannant asked whether there were any other issues. NR noted that the enhanced western stations Package 3 (Hayes & Harlington, Southall, West Drayton) had been awarded with the contractor due to start on site in April. [REDACTED]

Sponsors asked Network Rail to clarify the timescales when the stations would be operational and when different works (e.g. ticket gates and lifts etc.) would be ready for passengers (**Action 102b/012**).

Matt Lodge asked if any mitigations were needed at the stations given all the works would not be completed now by December 2019. Matt White said this had been considered and operational plans had been developed based on different completion states.

8. AOB

Ruth Hannant thanked Matt White for his work on Crossrail as this was his final Sponsor Board.

Action Tracker:

No.	Action	Responsible	Target
102b/01	The Sponsor Board Chair to write to Mark Wild to provide the Period 10 P-Rep letter for CRL to respond on the key points	[REDACTED]	Complete and sent on 18 February.
102b/02	CRL to set-out CRL's internal assurance plan.	Chris Sexton	Complete and included in CRL Board pack.
102b/03	JST, P-Rep and CRL agreed to meet to discuss CRL's Internal Assurance Plan (IAP) and assurance of the EOP.	[REDACTED] & Andrew Wallace	Complete: Meeting of 20 February established agreement of CRL's IAP and that CRL had commissioned Deloitte to assure EOP. CRL need to provide their EOP assurance plan (see 102b/06).
102b/04	JST to update KPMG narrative and discuss this with CRL	Andrew Wallace	Complete: Meeting held with CRL on 1 March.
102b/05	CRL to consider the whole-life costs (including revenue, CAPEX and OPEX) of EOP versus the alternative and present this to Sponsors before a decision.	Mark Wild & David Hendry	March CRL Board
102b/06	CRL to provide its assurance plan for the EOP.	David Henderson / Chris Sexton	Early March
102b/07	Sponsors to review CRL's assurance plan for the EOP once received, and consider if further P-Rep assurance is required	Andrew Wallace & [REDACTED]	March
102b/08	DfT and CRL agreed to discuss concerns and options if required on the reliability of the Stage 5A timetable in the off-peak and options	Matt Lodge / [REDACTED] & Howard Smith	Complete: Industry conference calls have taken place in w/c 25 February and no intervention between DfT & CRL deemed necessary.
102b/09	NR to present the programme (for DOO and platform extensions) to CRL, JST and P-Rep present this to Sponsor Board	Network Rail	March (to CRL, JST & P-Rep) and April Sponsor Board
102b/10	DfT offered to support NR with securing access if it could once NR had clarified	[REDACTED] & Network Rail	March (following completed ONW)

	and justified its requirements		programme)
102b/11	CRL to consider attendance by MTRC with JST at Sponsor Board to provide the operators perspective	Howard Smith & Andrew Wallace	March Sponsor Board
102b/12	Network Rail to clarify the timescales when the stations would be operational and when different works (e.g. ticket gates and lifts etc.) would be ready for passengers	Network Rail	March (to CRL, JST & P-Rep) and April Sponsor Board