

## CROSSRAIL SPONSOR BOARD MINUTES NO.104A

### MINUTES OF MEETING HELD ON

Friday 5 April 13.00-14.00

Venue: CRL, 5 Endeavour Square, Room 7BMR01

#### Present:

|                  |   |
|------------------|---|
| David Hughes*    | Chair, Investment Delivery Planning Director  |
| Ruth Hannant*    | DfT Director General for Rail                 |
| Simon Kilonback* | TfL, Chief Financial Officer                  |
| Matt Lodge*      | DfT, Director for Rail Infrastructure - South |
| Alison Munro     | Independent Member                            |

|             |                                  |
|-------------|----------------------------------|
| Simon Adams | Head of Joint Sponsor Team (JST) |
| ██████████  | JST, Secretariat                 |

#### By invitation:

|                    |  |
|--------------------|--|
| Tanya Coff         | TfL, Finance Director for London Underground |
| Graham Stockbridge | DfT, Project Director                        |
| ██████████         | DfT, Crossrail Deputy Project Director       |
| Andrew Wallace     | JST  |
| ██████████         | Project Representative                       |
| ██████████         | Project Representative                       |
| ██████████         | HM Treasury                                  |
| Kenny Laird        | Technical advisor to Sponsors                |

(\* Voting Members)

#### Apologies:

N/A

### **1. Minutes and Actions of Meeting 103a**

David Hughes welcomed Alison Munro to the Sponsor Board as an Independent Member and Kenny Laird as the technical advisor to Sponsors.

The minutes of the last meeting, held on Friday 8 March were discussed. Changes were proposed and these were subsequently agreed on the week commencing 8 April.

██████████ summarised the actions:

**103a/01** Complete: JST liaised with TfL, DfT and CRL comms to agree the approach to releasing the Sponsor Board minutes. The intention is for the minutes to be agreed at the subsequent Sponsor Board (or the following week if there are significant comments), reviewed for redactions and released four weeks after agreement.

**103a/02** Open: Sponsors agreed to ask their nominated NEDs to notify Sponsors if there are any significant points from Board, Board Committee and Sub Committee papers which Sponsors should consider and to provide the

papers in these circumstances. CRL Board papers would continue to be shared with Sponsors. JST would discuss with CRL Chief of Staff.

**103a/03 & 04** Complete: KPMG weekly review meetings/calls were scheduled between JST, DfT and TfL Sponsors on 8, 15 and 22 March to progress the KPMG actions. This informed the draft KPMG close-out report which was included in the April Sponsor Board pack and discussed in Item 2.

## **2. KPMG draft close-out report**

Sponsors noted the draft Sponsors' narrative and close-out report in response to the KPMG recommendations and said it was well written. Sponsors proposed changes to the draft narrative, including adding the senior CRL Board and Executive leadership changes, to review paragraph 9 of the narrative, and to review the wording on CRL's third line of assurance as Alison Munro felt that this had not been fully established yet (**action 104a/01**). P-Rep noted that they are expecting more detail on CRL's third line of assurance, and CRL's detailed assurance plan. Once P-Rep have received this it would overlay its recommended reviews. It had emphasised to CRL the importance of completing this plan quickly which CRL had acknowledged.

Andrew Wallace noted the JST's intention to take the finalised close-out report to TfL's Audit and Assurance Committee in June and for Sponsors to sign this off in advance at the 7 June Sponsor Board.

Sponsors discussed whether they need to discuss the KPMG close-out report with other parties. DfT said it would consider writing a letter from the Permanent Secretary to the Public Accounts Committee, summarising the actions Sponsors had taken. TfL said it would review the merit of something similar. Both Sponsors noted that the KPMG reviews and the actions Sponsors had taken were being shared with wider colleagues in government and TfL.

## **Business case and sensitivity analysis**

Andrew Wallace presented on the paper SB104-03 which provided sensitivity analysis on the updated benefit cost ratio (BCR) of the Crossrail programme to reflect the additional programme funding. Simon Kilonback said the analysis was very helpful and suggested the programme is still good value for money, but Sponsors needed to reconsider this analysis once the revised schedule and cost forecast had been received (**action 104a/02**). Ruth Hannant agreed and noted that it was very useful to have the analysis.

Sponsors agreed that this analysis would be used only for Sponsors' discussions and sharing with the Public Accounts Committee and London Assembly as it was not informing a programme decision.

## **3. Discussion of Part B Agenda and P-Rep programme assessment**

P-Rep provided an update on CRL's development and assurance of the Early Opening Programme (EOP). Alison Munro said that the 'black team' assurance review should have initial findings by 17 April CRL Board. Sponsors said their understanding was that an EOP decision might not now be made until the 25 April CRL Board and that Sponsors would seek further clarity on the expectations for the Board meetings from CRL in Part B. Kenny Laird said further work was needed to achieve buy-in from all parties to the EOP approach. P-Rep agreed and said they believed CRL needed to implement the EOP at sites as soon as possible.

Ruth Hannant asked about the CRL Board's challenge to the Executive on train reliability. P-Rep said that Stage 5A was needed to achieve reliability and that the CRL Board had challenged the CRL Executive over the increase to service levels based on other programmes which CRL was considering. Kenny Laird noted that further work was needed to establish the testing plan and to demonstrate how the safety case would be updated to reflect the EOP.

P-Rep noted that it had developed some ideas for improving productivity based on its observations at stations. CRL had responded positively to these ideas and a meeting had been arranged for the following week to discuss how the ideas might be implemented to improve understanding and tackling of the root causes of low productivity.

David Hughes noted the helpful paper on Stage 5A and that Sponsors should check with NR and CRL if there is anything Sponsors can do to support. Matt Lodge and Ruth Hannant agreed and said Sponsors should also seek assurance on CRL's planned mitigations to demonstrate that Stage 5A is achievable in December 2019.

On cost, Sponsors agreed that they needed greater certainty on the early warning triggers for cost pressures. Simon Kilonback noted that it in his opinion it was more important at this stage in the programme for CRL to develop cost ranges from observed performance rather than solely based on a quantified risk assessment.

#### 4. AOB

N/A

#### Action Tracker:

| No.     | Action   | Responsible                 | Target and Update  |
|---------|--|-----------------------------|--|
| 104a/01 | KPMG draft close-out report and narrative to be updated to reflect Sponsors' comment and for the finalised close-out report to be brought to the 7 June Sponsor Board. | Andrew Wallace & [REDACTED] | 7 June Sponsor Board                                     |
| 104a/02 | Sponsors to reconsider the business case sensitivity analysis once the revised schedule and cost forecast have been received.  | Andrew Wallace              | Once the revised schedule and cost forecast is finalised |