

CROSSRAIL SPONSOR BOARD MINUTES NO.111A

Thursday 17 October 2019, 0900-1015

Venue: CRL, 5 Endeavour Square, Floor 10, Small Auditorium

Sponsor Board Members

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

(* Voting Members)

In attendance

| | |
|----------------|-----------------------------------|
| Kenny Laird | Technical Advisor to Sponsors |
| Alex Luke | DfT, Project Director – Crossrail |
| Simon Adams | Head of Joint Sponsor Team (JST) |
| Andrew Wallace | JST |
| ██████████ | JST, Secretariat |
| ██████████ | Project Representative |

Apologies

| | |
|--------------|--|
| Shashi Verma | TfL, Director of Strategy and Chief Technology Officer |
| Tanya Coff | TfL, Finance Director for London Underground |
| ██████████ | JST |
| ██████████ | HM Treasury |

1. Minutes and Actions of Meeting 110a

The minutes and actions for meeting number 110a were discussed and Sponsors agreed the minutes should be revised to be more succinct in style but with no substantive changes (**Action 111a/01**). A progress update on actions from meeting 110a was provided:

| | |
|---------|---|
| 110a/01 | Sponsors to review the outcome of the CRL November Board meeting. |
| 110a/02 | Access to the contingent loan facility to be confirmed with HMG. - DfT confirmed that the Ministerial approval for the release of the first tranche of contingent funding was imminent. |

2. Sponsor and Risk Dashboards and P-Rep Summary

Sponsor dashboard

The Sponsor dashboard was presented. Sponsors noted the volume of metrics reported by CRL and asked that CRL is requested to present metrics that better indicate delivery performance (**Action 111a/02**).

Sponsors noted that the Semi-Annual Construction Report 22 (SACR22) is due from CRL on 8 November and will be considered at the December Sponsor Board (**Action 111a/03**).

Risk dashboard

The risk dashboard was presented. Sponsors discussed their continuing concerns regarding the risks and undertook to challenge CRL in the Part B agenda, see Agenda item 4.0.

P-Rep Summary

The Project Representation (P-Rep) highlighted the large number of issues with respect to handover paperwork and engineering assurance documentation.

P-Rep noted that CRL may suggest establishing a new baseline schedule, incorporating recent slippage. P-Rep advised, and Sponsors agreed that such a proposal should be treated with caution. Sponsors agreed to challenge CRL on progress towards handover dates in the Part B vis board session **(Action 111a/04)**.

3. KPMG Update

KPMG introduced their initial findings, reached as part of their current commission to provide an update of the Financial and Commercial review originally completed in January 2019. Based on CRL's Period 6 reports, KPMG noted that a number of scenarios could be foreseen, which either remain within or exceed the current funding, depending on the underpinning assumptions. KPMG were unable to reach a definitive conclusion at this stage in their work. KPMG noted that the initial analysis was provisional and did not yet include any discussion with CRL project/contract managers or Contractors.

Sponsors also noted that given CRL are in the process of updating the Delivery Control Schedule (DCS). Sponsors asked KPMG to conclude their work, incorporating CRL's Period 7 forecasts and updated DCS, and present their conclusions on Phase 1 to the November Sponsor Board **(Action 111a/05)**.

Sponsors asked KPMG to work with the JST to develop a scope for more detailed, confirmatory work, to be implemented in Phase 2 once the updated CRL DCS was received **(Action 111a/06)**.

It was concluded that Sponsors would consider KPMG's final conclusions alongside CRL's updated DCS forecast, and P-Reps Period 7 report at the November Sponsor Board.

Sponsors agreed to consider contingency plans, in the event that CRL forecasts costs to exceed funding at its November Board **(Action 111a/07)**.

4. Part B agenda

Sponsors discussed the Part B agenda, and agreed to raise:

- The need for better measurement of CRL's project delivery performance, against Key performance indicators (KPIs).
- The need for more detail of CRL's approach to demobilisation of the Tier 1 contractors.
- An update on PDP [REDACTED].
- How CRL intends to manage the pressure building on the handover and assurance processes.

5. AOB

Sponsors agreed that it was important to reflect on the demands that the governance and assurance processes place on CRL management time. Sponsors agreed to review future Part B meeting agendas, making them more focused on matters raised at the Sponsor De-brief at the CRL Board (**Action 111a/08**)

Greater London Authority (GLA) loan drawdown

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 November drawdown from the GLA loan. Sponsors approved the drawdown and asked the Joint Sponsor Team to confirm the outcome of the discussion with the GLA regarding certification.

Summary of actions:

| No. | Action | Lead | Target and Update |
|---------|--|--------------|----------------------------------|
| 111a/01 | Sponsors asked that the minutes from meeting 110a be revised. | Simon Adams | Sponsor Board 112, November 2019 |
| 111a/02 | JST to work with CRL to bring forward improved performance KPIs. | David Hughes | Complete |
| 111a/03 | Sponsors to review the SACR22 and respond to CRL. | Simon Adams | Sponsor Board 113, December 2019 |
| 111a/04 | Sponsors to challenge CRL on progress towards handover dates in Part B vis board session. | David Hughes | Complete |
| 111a/05 | KPMG to finalise their Phase 1 view of cost scenarios based on the CRL Period 7 report and updated DCS | KPMG | Sponsor Board 112, November 2019 |
| 111a/06 | JST to develop KPMG scope for phase 2 and present to November Sponsor Board for approval. | Simon Adams | Sponsor Board 112, November 2019 |
| 111a/07 | Sponsors to consider contingency plans, in the event that CRL forecasts costs to exceed funding at its November. | David Hughes | Sponsor Board 112, November 2019 |
| 111a/08 | Focus the agenda of future Part B meetings on the key points highlighted at the CRL Board de-brief. | Simon Adams | Complete |