

Crossrail Sponsor Board Meeting No. 118B

Thursday 7th May 2020, 1030-1200

Venue: Microsoft Teams

Sponsor Board Members

Ruth Hannant*	Chair, DfT, Director General of Rail
Julian Ware**	TfL, Head of Corporate Finance
Alexandra Batey**	TfL, Director of Investment Delivery Planning
Alex Luke**	DfT, Crossrail Project Director
Alison Munro	Independent Member

In attendance

Kenny Laird	Technical Advisor to Sponsors
Simon Adams	Head of Joint Sponsor Team (JST)
[REDACTED]	JST, Secretariat
Andrew Wallace	JST
[REDACTED]	JST
[REDACTED]	Project Representative
Mark Wild	Crossrail Limited (CRL), Chief Executive Officer
Rachel McLean	CRL, Chief Finance Officer
Jim Crawford	CRL, Chief Programme Officer
Howard Smith	CRL, Chief Operations Officer
Hannah Quince	CRL, Chief of Staff
[REDACTED]	HM Treasury

Apologies

Simon Kilonback*	TfL, Chief Finance Officer
Matthew Lodge*	DfT, Director for Rail Infrastructure – South
Nicola Cox**	TfL, Head of Corporate Finance
Shashi Verma*	TfL, Director of Strategy and Chief Technology Officer

(*Voting Members)

(**Alternate Voting Members)

1. Safety

CRL highlighted that 377 staff are currently undertaking maintenance of assets, care and custody activities and 163 staff are engaged in niche works. This is expected to grow up to 1000 people as the work ramps up, compared to a previous pre-COVID-19 baseline of 2500 people on site. CRL stated that in terms of staff on site, the welfare facilities are likely to be the pinch point, to ensure provision is aligned with the guidance on social distancing.

2. Minutes and Actions of Meeting 117 Part B

The minutes and actions for meeting number 117B 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.

3. CRL response to matters arising from the Crossrail Board

Sponsors expressed their increasing concerns regarding the period on period slippage in the schedule milestones and adverse cost trends in period 13 and asked CRL to respond to the concerns NEDs expressed at the CRL Board debrief and the issues raised by P-Rep and CRL's Project Assurance Review.

CRL noted the Sponsor concerns and agreed risks remain, particularly with delivery the Shafts & Portals (S&Ps) and assurance milestones which remain on the critical path. However, CRL highlighted there are detailed plans in place to prioritise resources and ensure delivery. CRL stated deliverables from contractors are required to support the production of assurance documentation, including visual confirmation at site to provide photographic evidence for assurance approval. CRL confirmed that the niche works have been initiated across 14 sites to complete outstanding electrical and fire items. Sponsors enquired if this would lead to improvements in the 34% productivity levels achieved at site and referenced in the Period 13 PAR to which CRL stated that the measures being applied to ensure social distancing are likely to impact on productivity levels and realistic assumptions will be assumed in their Recovery Plans going forward.

Sponsors challenged CRL on the underlying root causes of the pre-COVID-19 period on period variance between the plan and actuals and questioned whether CRL's interventions are likely to have the desired impact and support delivery. CRL stated they recognise the need to be able to demonstrate performance to Sponsors and they are focussed on successful delivery of S&Ps as the next key milestone and followed by routeway assurance of the nine routeway chapters which will then provide access on the pathway to dynamic testing.

Sponsors asked CRL how they plan to effectively manage risks and minimise the potential impact on the programme going forward. CRL stated they are maintaining a continued focus on potential risks and recognise that there are some trade-offs to be made and options on scope to deprioritise, particularly in the stations space due to the limited skilled resources.

4. Current Schedule and Cost performance

Sponsors asked CRL for an update on the schedule performance and progress with assurance documentation and requested an outline of how CRL plan to assure Sponsors that a realistic Recovery Plan will be developed and underpinned by robust scenario plans, a costed QSRA, a fully defined scope of works to complete within achievable durations.

Track, Signalling and Energy Engineering Safety Justifications (ESJs)

CRL highlighted the progress to date, noting the final Track Chapter acceptance case was submitted to RAB-C on 7 May 2020 and CRL is targeting Track hand over to RfL for maintenance at the end of month (includes about 50% of total asset data for Central Operating Section). In addition, the Energy ESJ which was a complex activity was also approved and the Chief Engineer noted the excellent quality of the submission. CRL stated that all the ESJs for the chapters in the Routeway are drafted and signalling ESJ is due to be submitted to RAB-C for review and comment.

CRL stated that the Transition testing arrangements have been confirmed with NR and blockades are in place on weeks 9, 10 and 11 to prioritise Dynamic Testing.

RAB-C Throughput & Quality of submissions

Sponsors challenged CRL on steps being taken to improve the throughput rate to RAB-C to support achievement of schedule milestones. CRL raised concerns that direct engagement

between RAB-C Chair and Sponsors needed to be managed carefully, as the RAB-C Chair is an independent role. Sponsors clarified that this was not the intention and that Sponsors had been seeking to understand the status of the assurance process to gain better visibility of risks that remained throughout the delivery of the project. CRL agreed there is a challenge with throughput to RAB-C and stated a revised risk-based approach has been adopted, which enables the RAB-C Chair to focus on the major submissions. In addition, a subcommittee has been established to review and approve the less critical SC1 submissions. A quality review step has also been incorporated in the process with an expert panel established to review the major submissions before they are tabled to RAB-C.

Sponsors enquired if the supply chain is providing the evidence to support the submissions and CRL stated all ESJs for the Routeway, Chapter and Elements have been drafted and need to be reviewed, submitted and then approved. CRL stated they have confidence in delivery of improvements in the assurance throughput but stated risks remain with the asset quality data made up of the Operations and Maintenance (O&M) and Health and Safety (H&S) documentation, essential requirements for the handover process. CRL confirmed the Tiger team reviews are in progress to identify the critical documentation to support the handover process.

Recovery Planning

Sponsors asked CRL to clarify the current forecast dates for key milestones. CRL stated the commencement of Trial Running was a to set the pace and drive decision making. CRL added that with mitigations the Period
13 Trial Running and the

Sponsors agreed that CRL should set out the new mitigations and interventions required to preserve the key programme milestones going forward in a post COVID-19 environment **(Action 118b/01)**.

CRL stated they have increased confidence going forward, as they are implementing changes to their approach, using highly experienced and capable personnel, increased granularity and definition in the planning and using blockades to execute the work.

Sponsors asked CRL to explain how realistic productivity assumptions will be reflected in the recovery plans and CRL stated they will consider how the COVID-19 measures may impact on people and productivity and use credible assumptions in the recovery plans. CRL stated that the recovery plan will be subject to CRL Three Lines of Defence (3LoD) reviews and reviewed by the CRL Expert Advisory Panel and then presented to June CRL Board.

CRL concluded that they now have an improved understanding of the scope to go, improved definition, quality and internal review of the recovery plan, which should provide increased confidence in delivery.

Sponsors challenged CRL to set out the underlying reasons for continued performance issues, slippage in milestones and low productivity to date (plan versus actuals) and demonstrate how the root cause of issues (scope change, optimism bias, behaviours etc) will be resolved or how realistic production rates will be assumed in the Recovery Plan **(Action 118b/02)**.

5. COVID-19 - Crossrail response update

Sponsors asked for an update on the CRL response to COVID-19. CRL stated that the scenario analysis and recovery planning work is progressing while the team also seeks to

maintain focus on programme delivery. Sponsors enquired of CRL have also considered radical opportunities to delivery Crossrail as quickly as possible, but CRL stated those plans were still under development.

CRL outlined the current plan to mobilise up to 1,000 people on site by the end of May 2020 to maintain momentum and deliver the S&Ps and the assurance workload. Sponsors asked if the singular focus on S&Ps would impact on the stations. CRL stated they plan to achieve SC3 for stations prior to Trial Running and recognise that COVID-19 measures will impact on the productivity levels, so the plan to delivery is via Dynamic Testing, blockades and scenario planning.

CRL outlined the Programme Recovery Framework comprised of nine modules that supports the CRL Recovery Plan, linked to the overarching commercial strategy. This includes Niche Works and Dynamic Testing, Blockade, TR2/Reliability Growth, Assurance, Transition to ROGS, Stations (SC1 and Close-Out Strategy) and Team Crossrail.

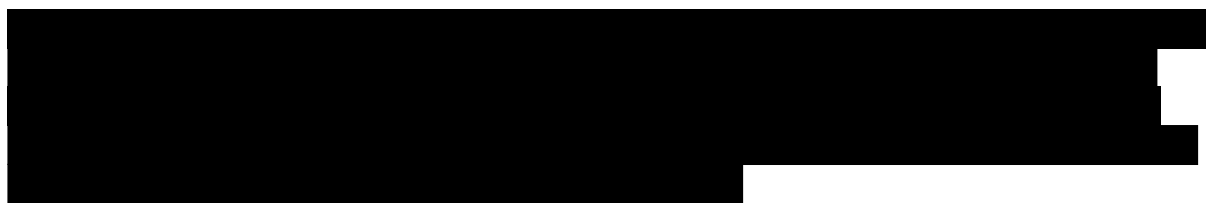
CRL concluded by stating the modules of the execution plan would be integrated and presented to the CRL Board at the end of May 2020 and implemented thereafter. Sponsors asked CRL to circulate the outline of the pillars/modules of the project execution plan **(Action 118b/03)**.

Sponsors noted the outline of the CRL PEP and agreed to set out their expectations on the contents to be included in the plan, noting they would not expect a letter from CRL in response. CRL to share the list of contents of PEP with JST as it develops. **(Action 118b/04)**.

Sponsors asked CRL to explain how affordability constraints are considered in the Scenario analysis work, as a parallel workstream and not sequentially. CRL explained that they have finance teams embedded in the scenario analysis team and have an iterative process to consider the cost implications and ensure an optimised view is developed in the plan.

Sponsors asked for two scenarios to be considered by CRL (1) completing the project within the £400m-£650m, funding shortfall and (2) bringing the Elizabeth Line into operation as soon as possible **(Action 118b/05)**.

Sponsors and CRL agreed that where CRL's scenarios required decisions from Sponsors (e.g. scope or phasing) that Sponsors would be engaged early and that ELRG may also need to be consulted. **(Action 118b/06)**.



6. AOB

CRL acknowledged the Sponsor letter of 23 April 2020, and stated a response was already drafted. Sponsors asked CRL to address in the letter, the concerns raised by Sponsors in this meeting including issues raised in the CRL Periodic Assurance Report (PAR) **(Action 118b/09)**.

Summary of actions:

No.	Action	Lead	Target and Update
118b/01	CRL should set out the new mitigations and interventions required to preserve the key programme milestones in a post COVID-19 environment	Mark Wild	June 2020
118b/02	CRL to set out the underlying reasons for continued performance issues, slippage in milestones and low productivity to date (plan versus actuals) and demonstrate how the root cause of issues (scope change, optimism bias, behaviours etc) will be resolved or how realistic production rates will be assumed in the Recovery Plan	Mark Wild	July 2020
118b/03	CRL to circulate the outline of the pillars/modules of the project execution plan	Jim Crawford	June 2020
118b/04	Sponsors to set out their expectations on the contents to be included in the CRL Recovery Plan	JST	June 2020
118b/05	Sponsors asked for two scenarios to be considered by CRL (1) completing the project within the £400-£650m, funding shortfall and (2) bringing the Elizabeth Line into operation as soon as possible	Mark Wild/ Jim Crawford/ Rachel McLean	June 2020
118b/06	CRL to engage Sponsors early in decisions related to Scenarios if they might require Sponsor approval	Rachel McLean	June 2020
118b/07	[REDACTED]	[REDACTED]	June 2020
118b/08	[REDACTED]	[REDACTED]	June 2020
118b/09	CRL to address in the letter to Sponsors, the concerns raised by Sponsors in SB 118b including issues raised in the CRL Periodic Assurance Report (PAR)	Hannah Quince	June 2020