

**CROSSRAIL 2 PROGRAMME BOARD**

**12 April 2018**

**BDB Offices, 50 Broadway, London SW1H 0BL**

**Minutes**

**Attendance:  
Members**

[REDACTED]	Independent Board Member (CHAIR)
[REDACTED]	Independent Board Member
[REDACTED]	Managing Director, Crossrail 2, TfL
[REDACTED]	Director General, High Speed & Major Rail Projects, DfT
[REDACTED]	Chair, Network Rail
[REDACTED]	Chief Finance Officer, TfL
[REDACTED]	Crossrail 2, Rail Major Projects, DfT
[REDACTED]	Crossrail 2, Rail Major Projects, DfT
[REDACTED]	Deputy Director, Transport funding, HMT
[REDACTED]	Director General, Decentralisation & Growth, DCLG
[REDACTED]	Head of Infrastructure Delivery, IPA
[REDACTED]	Director, Major Rail Project Development

**In attendance**

[REDACTED]	Chair, Independent Affordability Review (IAR) <i>Items 1- 3 only</i>
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**CR2 Project Teams**

[REDACTED]	Head of Commercial and Controls, Crossrail 2, TfL (Presenter)
[REDACTED]	Head of Funding & Case making, Crossrail 2
[REDACTED]	Head of Scheme Design, Crossrail 2, TfL
[REDACTED]	Head of Crossrail 2, Network Rail (Project Team)
[REDACTED]	Chief of Staff, Crossrail 2, TfL
[REDACTED]	Senior Policy Advisor, Major Projects, HMT
[REDACTED]	Business Operations Manager, Crossrail 2, TfL (Secretariat)
[REDACTED]	Crossrail 2, Rail Major Projects, DfT (Secretariat)

**Apologies:**

[REDACTED]	Director, Housing & Land, GLA
[REDACTED]	Executive Director, Development, Enterprise & Environment, GLA

Ref	Item	Decision	Action/Notes	To Action
1	Introductions/apologies		RJ said that [REDACTED] would be joining the meeting and that he had taken over from [REDACTED]	
2	Minutes & matters arising from previous meeting		<p>The circulated minutes were agreed as presented.</p> <p>With regard to actions:</p> <p><i>“SPH suggested that IAR panel members should be invited to that meeting”</i> – MG is attending the meeting today and will be invited to the next one.</p> <p>DT noted that the list of IAR panel sub panel members had been circulated and that <b>the ground rules have been agreed for the IAR.</b></p> <p>MD said that once there was clarity on the scheme i.e. the IAR had concluded and reported, <b>a further meeting to discuss hybrid bill powers would be convened.</b> Similarly, it was agreed that it was logical to wait until [REDACTED] was known before progressing <b>the idea of a strapline. This will be revisited at a later date.</b></p>	<p>MD</p> <p>DT</p> <p>MD</p>
3	Independent Affordability Review (IAR)	Noted	<p>MG thanked the Programme Board for the opportunity to attend.</p> <p>MG started by saying that the full IAR Panel had been set up along with the 3 sub panels. The Cost &amp; Risk sub panel had met 4 times; as had the Finance sub panel and the Funding sub panel had met on 3 occasions. MG said that the induction briefings that the IAR panel received had provided a very good understanding of the evolution of the scheme along side the funding &amp; finance picture contained in the SOBC.</p> <p>MG said that the support from MD and the team had been enormous and thorough. There had been a huge amount of positive engagement and he wanted to record his thanks formally.</p> <p>He said that the brief was to come up with options for improved affordability, recognising the preferred end state was the CSO. With regard to finance, the brief was to come up with an efficient finance plan.</p>	

		<p>The approach had been to go wide and from there draw up a long list, agree criteria to bring this down to a shortlist of 6 options. The “cost buckets” were defined as:</p> <ul style="list-style-type: none"> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> </ul> <p>The aspiration is to ideally come up with [REDACTED] in each bucket alongside the CSO.</p> <p>As the work progresses, there is likely to be alignment in the work of the 3 sub panels and they will meet jointly, as required, on common themes.</p> <p>MG referenced the Equity Map that is being populated with scheme beneficiaries. He said that he would be meeting with London First, who have set out their views in a recent report. <b>KP asked for the London First report to be circulated – which though currently draft is available. MD agreed to speak to London First and if they are content, to circulate the report.</b></p> <p>MG said that there was now an assumptions log regarding finance and that the IAR Panel will have access to some independent advisors who will review the assumptions made.</p> <p>MG said that the review was on track to provide a direction of travel briefing at the end of May, when he hoped there would be a good dialogue regarding the direction of travel with the Programme Board, and then an interim report would be produced in July.</p> <p>RJ said that a workshop had been set up to flush out a long list of options setting out how the funding package might be improved. RJ made the point that the financing of the scheme would come to the fore once the scheme itself was finalised.</p> <p>CM and SKi said that they were both happy with the direction that the review was taking. SKi said that London’s balance sheet had to support other priorities and that it was important to be cognisant of that.</p> <p>SD said that it was clear that there would be trade-offs</p>	MD
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			<p>and asked if these would be made clear to decision makers. MG responded saying that the review was not providing a solution but options, that will have been scored against a set of agreed criteria. All this information would be provided to decision makers. SR said he was keen to ensure that the Equity Map reflected the impact on and contributions from outside London.</p> <p>SPH asked if the work reflected the scheme [REDACTED] [REDACTED] it had NR impacts. RJ said that this had not been forgotten but that it was not part of the brief. SPH suggested that it be included as an option as it material.</p> <p>MG concluded, was thanked by the RJ on behalf of the Board, and left the meeting.</p>	MG
4	Governance	Noted	<p>A revised set of slides were circulated to the Board at meeting. CM introduced the item – the governance models proposed looked at two points in time:</p> <ul style="list-style-type: none"> <li>• A transitional model/proposal</li> <li>• A post SOBC model/proposal</li> </ul> <p>The proposals have not been put to Ministers. DT said that the team was keen to get the transitional proposal arrangements agreed as soon as possible. The transitional proposal is not substantially different to the current arrangements – the appointment of an independent Chair for the Programme Board is the main change.</p> <p>CM said that he hoped that the Chair would be appointed in time for the completion of the IAR and in fact, that the newly appointed Chair could announce the outcomes of the IAR.</p> <p>SD said that the model proposed would work provided the relationship between Sponsors was positive; there had to be sufficient alignment of interest for the relationship to be genuine. SD said that it would be helpful to plot the corporate relationships between the new entity that would be created and TfL/DfT. RJ noted the idea of an independent person on the CR2 Joint Sponsor Board. SKi acknowledged the value of having an independent person but said that a decision had not</p>	



			<p>been reached.</p> <p>SKi said that the status of the delivery entity can't be defined as yet as the final objectives of the scheme are not yet agreed.</p> <p>SD said that the joint Sponsor model had to endure throughout the life of the scheme and that Government's MPRG will scrutinise the proposed model – it needed to survive personnel, political and institutional change.</p> <p>SR asked how those contributing to funding from beyond the London boundary would be represented. SKi said that this had not been decided as yet but that the SROs were mindful of the issue. He also said that the bigger the Joint Sponsor Board became the harder it would be to make decisions.</p>	
5	Safeguarding	Noted	<p>MD said that this item was an update on a previous paper to the Board in January. The team has identified ■ sites where there are already conflicting interests and the team is aware of a further ■ sites could fall into this category over the next 12 months. MD talked about specific sites including Alma End estate and Merton Hall; the decision regarding the latter was reported in The Planner journal and is likely to give encouragement to other developers to submit development applications. MD said that the issue was being flag as she feels that something needs to be done before the next consultation.</p> <p>SPH said this was a serious issue and asked CM if he could speak to the SoS; with TfN progressing, a small shift in view could save this project money. CM said that he wanted to understand the options on hotspot safeguarding before committing. MD said that the IPT are highlighting the most risky sites that conflict with the scheme and emphasised that Boroughs are under pressure due to housing targets. MD also said that the SoS has the powers to introduce safeguarding without consultation. JH said that she was working very closely with the Safeguarding Manager in the IPT to develop the evidence for hotspot safeguarding. MD asked if it was worth piloting a hotspot site; JH said that the idea was being considered.</p>	

			<p>CM said that hotspot safeguarding needs to be before a planning application is submitted, and said that the department would look at the 3 cases listed in the paper to really understand the issues and would look at other projects and potential precedence's.</p> <p><b>RJ said that a progress update on safeguarding should be brought to the next Programme Board meeting.</b></p>	MD
	Lessons learned update		<p>SA said that the project was keen to learn lessons from a wide variety of infrastructure projects and was applying a risk management approach, asking:</p> <ul style="list-style-type: none"> <li>• Is it a material lesson?</li> <li>• Can we validate it?</li> <li>• At what point in the project is it relevant?</li> </ul> <p>MD said that one of the key lessons was to involve the operational side of the business early on. RJ said that for Crossrail not enough time for detailed planning of the delivery had been made and this had led to suboptimal processes – it was important to plan the delivery in detail before starting construction to ensure that subcontractors are not sat idle – the standardisation of design and off-site assembly would be key.</p> <p>SD offered the services of the IPA in working to ensure a reduction in efficiencies. SA said the project would certainly do this given the focus on productivity by Govt.</p> <p>CE said that it was really important to disseminate the lessons well and that the exercise felt too focussed on Crossrail; he said that the project needed to be more “hand in glove” with NR especially in the area of digitising the railway.</p> <p>Lessons were being learnt from other schemes including HS2, Thames Tideway and the NLE.</p> <p>There was general agreement that the work was useful and should continue.</p>	
7	Regular programme update	Noted	MD said that the team was focussed on supporting the IAR but that discussions were also taking place regarding the project budget; safeguarding; developing a digital twin model and ensuring that the project was ready to	

			move forward should there be a positive SOBC decision.	
			<b>CM asked that a programme plan on SOBC preparation be brought to the July Board.</b>	SA
10	AOB			
<b>Dates of future meetings</b>			<b>Venue</b>	
31 May 2018			tbc	