

**CROSSRAIL 2 PROGRAMME BOARD**

**19 February 2019**

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

**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]	Director, Major Rail Project Development
[REDACTED]	Crossrail 2, Interim Deputy Director, Rail Major Projects, DfT
[REDACTED]	Director, Housing & Land, GLA
[REDACTED]	Policy Advisor, HMT
[REDACTED]	Head of Crossrail 2, Network Rail (for Sir Peter Hendy)
[REDACTED]	Job title tbc, (for Stephen Dance)
[REDACTED]	Policy Advisor, MHCLG (for Simon Ridley)
[REDACTED]	Head of Funding & Case making, Crossrail 2 (for Simon Kilonback)
[REDACTED]	Deputy Chief Executive, Homes England

**CR2 Project Teams**

[REDACTED]	Head of Commercial and Controls, Crossrail 2, TfL
[REDACTED]	Transport Planning Manager, Crossrail 2, TfL(Presenter)
[REDACTED]	Chief of Staff, Crossrail 2
[REDACTED]	Crossrail 2, Rail Major Projects, DfT
[REDACTED]	Policy Officer, MHCLG
[REDACTED]	Policy Officer, GLA
[REDACTED]	Business Operations Manager, Crossrail 2, TfL ( <i>Secretariat</i> )
[REDACTED]	Crossrail 2, Rail Major Projects, DfT ( <i>Secretariat</i> )

**Apologies:**

[REDACTED]	Chief Finance Officer, TfL
[REDACTED]	Chair, Network Rail
[REDACTED]	Head of Infrastructure Delivery, IPA
[REDACTED]	Director General, Decentralisation & Growth, DCLG
[REDACTED]	Director, Housing & Land, GLA

Ref	Item	Decision	Action/Notes	To Action
1.	Introductions/ apologies		Apologies were noted as above	
2.	Minutes & matters arising from previous meeting		The minutes of the 1 November 2018 Programme Board were agreed. MD said that as a result of releasing Programme Board minutes in response to a FOI request, as anticipated, further requests had been made. These have been provided, with confidential information redacted, after consultation with DfT colleagues.	
3.	Crossrail 2 and Housing	Noted	<p>KK led the presentation by saying that as a result of a decision at the November Board a meeting took place on 18 December of interested parties to discuss the housing workstream. Those attending that meeting felt that more analysis was required on the 200k homes figure. KK noted that the original analysis was carried out in 2015 and that the policy context had changed since then MD said that the numbers had been refreshed since the policy changes and then again in 2018. They had been considered in the recent GLA SLHAA work and that if the project had used the refreshed housing numbers it would be quoting [REDACTED] homes.</p> <p>KK said that nevertheless there was a case for looking at the numbers again and understanding the reliance of the CR2 business case on the housing figures as well as the weighting that had been placed on it. He also said that delivery certainty needed to be considered. KK referred [REDACTED] of the presentation that set out a proposed programme of activities.</p> <p>MD asked if KK had spoken with TfL as well as AECOM (consultants) regarding the analysis. MD explained that the analysis was based on density, frequency of service, land allowed, assumptions [REDACTED] the Strategic Housing Land Availability Assessment and offered to arrange for him to be taken through the work.</p> <p>MD said the question that had been asked at the last Board was “how do you deliver these 200k homes?” There are a number of options from purchasing all the</p>	

		<p>land required upfront (such as MTR had done) to using the existing powers available or [REDACTED] [REDACTED] [REDACTED]</p> <p>KK said that MD had described a complex set of interactions but said that there needed to be confidence in the numbers from all involved and reiterated the point regarding the criticality of the housing to the business case.</p> <p>MD said that the number of homes was an important part of the Strategic Case but that it is not critical to the economic case which stands on its own.</p> <p>RJ expressed his disappointment to MHCLG saying that he had expected a set of options regarding delivery of the housing to have been presented at the meeting. RJ acknowledged that there had been a significant number of changes in personnel over the past few months but that he was keen to get to that original desired outcome. It required effort in order to get this work completed as part of the SOBC this year.</p> <p>CM said that the project team was working towards getting a SOBC prepared by late spring / early summer.</p> <p>DT said that the SOBC is essentially part of the Spending Review pitch and it was important to understand HMT's view. ON said that [REDACTED] powers incur cost and in fact it was not necessary to agree the delivery mechanism ahead of a SOBC submission. ON said it would be useful to see how housing benefits were impacted by the phasing of the project. MD explained this had been considered as part of the Independent Affordability Review (IAR).</p> <p>CE said that land [REDACTED] [REDACTED] a revenue stream. MD said that the land value uplift associated with CR2 [REDACTED] and methods for realising it had been explored as part of the IAR.</p> <p>MD suggested that it might be helpful if the project team took those that were new to the group through the work and analysis that had already been carried out. KK said</p>	
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			<p>this would be helpful and committed to getting a group together within the following two weeks to agree a scope of works that would result in a product.</p> <p>There was further discussion regarding funding via land value capture, Community Infrastructure Levy, Over-site Development, BRS and MCIL.</p> <p>Further discussion took place regarding the capture of benefits as part of the BCR. MD said that the BCR for the project was still good even without taking in to account the housing – the benefits of which are not captured at Level 1 and Level 2 assessments. CE said that the more confident the project is regarding housing numbers the more it pushes CR2 up the priority list. All that was required was a credible set of housing numbers and the identification of the appropriate levers. TW said that it was important to focus on the right activities at this point in order to ensure that the SOBC timeline was met. MD said that there was a clear link between housing and transport citing the Northern Line Extension, the Gospel Oak to Barking line as examples. ON noted that housing had become a key priority for the Government.</p> <p>KP noted that slide 5 of the presentation suggested 3 separate working groups (analysis, policy and engagement) and said that perhaps just one group was needed given the timescales involved.</p> <p><b>Action: KK to:</b></p> <ul style="list-style-type: none"> <li>• Convene a high level meeting of MHCLG, HE, GLA, DfT and TfL to agree a draft scope of works and products to be delivered</li> <li>• A working group to be convened to work on delivering the agreed products</li> <li>• There will be a report back to the Programme Board at the end of April.</li> </ul>	KK
4.	SOBC update	Noted	<p>CM started by saying that the slides he was about to present were a joint production with DfT colleagues. The 2019 SOBC will an update of the 5 cases: Strategic, Economic, Finance, Management and Commercial. CM went through each case highlighting the new information that would be presented in each case. The final product will be a single document, with a number of supporting documents. There is a 3 month programme that sets out the activities/outputs required to deliver the 2019 SOBC</p>	

			<p>by late spring/early summer.</p> <p>MD said that once the 2019 SOBC had been submitted there would be a discussion at Government's BICC.</p> <p>CE said that there was an implicit prioritisation [REDACTED] and that this had an [REDACTED] and asked if the GLA were confident that they and the Mayor were comfortable with that position. MD said that GLA officials acknowledge and accept the numbers and that this was a reminder of the [REDACTED] discussions. If there was a command paper for the whole scheme, it would give confidence that the housing in the north would follow. She also noted that the housing opportunity in the south is still sizeable, though different mechanisms would be needed to ensure it was bought forward compared to the northern section.</p> <p>DT asked:</p> <ul style="list-style-type: none"> <li>• what London's spend on infrastructure was likely to be?</li> <li>• A new baseline was expected, what was the assurance around its costs?</li> </ul> <p>He also said that the project needed to ensure that it was taking the Brexit effect into account in the same way as other projects.</p> <p>MD responded by saying that London's spend was subject to Mayoral discussions; that the new baseline would be established before late spring and would be independently assured before the CSR. DT said that the project team should assume the SOBC document to be an organic and expect to amend it post submission.</p> <p>The presentation was noted</p>	
5.	Revised assurance update	Noted	<p>MD started by saying that there were two aspects to this item: cost assurance and assurance of the project. With regard to the assurance of the project, MD referred to the diagram appendix 1 of the item. The newly adopted assurance approach is a 3 line approach mandated by Government; the first line being the project team itself, the second line being the management of the project alongside the Expert Review Groups and the third line being an independent, wholly external assurance panel.</p>	

			<p>SA said that the project had the IPA and IIPAG available to provide advice. RJ said that the challenge was to keep the specification of the scheme as simple as possible and hence easy to construct. It was important to avoid too much technical differentiation and standardise as much as possible.</p> <p>TE said that from lessons learnt from HS2 and Crossrail specification was a critical factor. Another factor was information flows for independent assurers; the issue of who sees what and when is key as is who is on the IAP at different stages of the project.</p> <p>MD said that the assurance process will be deployed throughout the life of the project. MD also noted that some savings had not yet been included in the estimated cost of the scheme, for example the opportunities around standardisation of designs.</p> <p>With regard to cost assurance, SA referred to the circulated slide and said that there is a continuing process of cost assurance – which will be independent.</p>	
6.	Safeguarding (verbal)	Noted	<p>MD said that the project team was liaising with the DfT on the possibility of a refreshing the safeguarding directions in response to the 2015 consultation. The project would like to refresh the safeguarding directions regardless of the Spending Review decision.</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	MD
7.	Regular programme update	Noted	MD said that the project was continuing to follow scenario 11a until otherwise instructed and that the safeguarding was important.	
	AOB		The group agreed the next Programme Board should be held in April	
Dates of future meetings			tbc	