

Jacob Gemma

From: Secretariat Team <[REDACTED]@crossrail.co.uk>
Sent: 06 February 2018 12:27
To: Brown Mike (Commissioner); [REDACTED]@dft.gsi.gov.uk'; [REDACTED]@dft.gsi.gov.uk'; Carter Howard; Hughes David (Director); Kilonback Simon
Cc: Branks Kirsten; Tagg Ella (ST); [REDACTED]@dft.gsi.gov.uk'; [REDACTED] Hawthorne Julia; Secretariat Team
Subject: CRL Board pack - 01 February 2018
Attachments: CRLB-180201-SPONSORS.zip

Dear all,

Please find attached a zipped folder with the papers for the CRL Board meeting held on 01 February 2018.

Kind Regards,

Funmi

Funmi Amusu | Company Secretarial Assistant

Crossrail | 25 Canada Square, Canary Wharf, London, E14 5LQ

[REDACTED] (Ext [REDACTED] | CS28/G3/01 | [REDACTED]@crossrail.co.uk

www.crossrail.co.uk

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Jacob Gemma

From: [REDACTED] <[REDACTED]@dft.gov.uk>
Sent: 11 May 2018 18:45
To: Hughes David (Director of Strategy and Network Development); Kilonback Simon; Hannant-Payne; Matthew Lodge
Cc: Adams Simon; Graham Stockbridge; [REDACTED] [REDACTED] [REDACTED]
Subject: Crossrail weekly call summary
Attachments: 20180511 11th May Sponsors weekly call_final.docx

Hi all,

Please find attached a summary of the Crossrail weekly call held this morning with CRL.

Many thanks,
[REDACTED]



Department for Transport

[REDACTED]
Crossrail Joint Sponsor Team
4/29, Great Minster House
33 Horseferry Road, London, SW1P 4DR
[REDACTED]

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Jacob Gemma

From: [REDACTED] <[REDACTED]@dft.gov.uk>
Sent: 08 June 2018 17:29
To: Hughes David (Director of Strategy and Network Development); Kilonback Simon; Hannant-Payne; Matthew Lodge
Cc: Adams Simon; Graham Stockbridge; [REDACTED] [REDACTED] [REDACTED]
Subject: Crossrail weekly call summary
Attachments: 20180608 Sponsors weekly call_final.docx

Hi all,

Please find attached a summary of the Crossrail weekly call held this morning with CRL.

Many thanks,
[REDACTED]



[REDACTED]
Crossrail Joint Sponsor Team
4/29, Great Minster House
33 Horseferry Road, London, SW1P 4DR
[REDACTED]

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Jacob Gemma

From: [REDACTED] <[REDACTED]@dft.gov.uk>
Sent: 27 April 2018 17:39
To: Hughes David (Director of Strategy and Network Development); Kilonback Simon; Hannant-Payne; Matthew Lodge
Cc: Adams Simon; Graham Stockbridge; [REDACTED] [REDACTED] [REDACTED]
Subject: Crossrail weekly call summary
Attachments: 20180427 27th April Sponsors weekly call_final.docx

Hi all,

Please find attached a summary of the Crossrail weekly call held this morning with CRL.

Many thanks,

[REDACTED]



Department for Transport

[REDACTED]
Crossrail Joint Sponsor Team
4/29, Great Minster House
33 Horseferry Road, London, SW1P 4DR
[REDACTED]

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Jacob Gemma

From: Adams Simon
Sent: 18 May 2018 12:03
To: Hughes David (Director of Strategy and Network Development); Kilonback Simon
Subject: FW: Increase to IP2 - Triangulation Summary

Below, Jacobs have set out their emerging findings in which they have taken a number of perspectives that converge around the £400m upper-bound.

Simon

From: [REDACTED] [[mailto:\[REDACTED\]@jacobs.com](mailto:[REDACTED]@jacobs.com)]

Sent: 18 May 2018 10:18

To: Adams Simon

Cc: [REDACTED] [REDACTED] [REDACTED]

Subject: Increase to IP2 - Triangulation Summary

Simon,

I have assembled the following summary table in finalising the report. I will bring along this afternoon as a handout as it supports the triangulation towards an upper book-end of £400m above IP2. We can then use to help support the CRL book-end message and provide funding allowance guidance for JS.

In simple terms if this was my project I would want to make sure I could fund up to £400m above IP2 (£12.9b), release £250m now (P50 AFCDC) and release the remainder as required, but create some healthy tension and early warning process for both drawdown and release. I am happy to talk this through with sponsors with/without CRL in the room and will follow your steer.

Input	Description	Impact on Upper Limit	Increase to IP2
Scenario Uncertainty	Subjective elements constitute circa 50% and assumes all construction work completed by stage 3 opening.	Indicates an overall scenario outturn accuracy of +/- 10%. B3 outturn increases by +£35.5m	£391m
Time cost element	Time related costs within the scenarios greater than 30% of costs as assumed.	Additional +£51m (@70% time costs added to scenario A2 and hence B3.	£406m
P13 AFCDC Review	Variation between scenario A3 and reported forecast outturn.	CRL view = + £72m Contractor view = + £188m Mid-Point = + £130m	£413m
P10 to P13 cost performance	Analysis of changes to AFCDC and spend rate indicates a 0.76 multiplier of cost to go for every £1 spent.	This equates to +£187m added to the corresponding AFCDC.	£397m
P10 to P13 schedule performance	Analysis of % complete and cost to date.	This generates an outturn of £12,916m.	£404m

Regards,

[REDACTED] | [Jacobs](#) | Programme Director | [REDACTED] | [REDACTED] | [jacobs.com](#) | [www.jacobs.com](#)

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Extract - Unrelated materials removed

From: [REDACTED]@dft.gsi.gov.uk
Sent: 09 March 2018 14:29
To: David Hughes <[REDACTED]@tfl.gov.uk>; [REDACTED]@tfl.gov.uk'
<[REDACTED]@tfl.gov.uk>; Hannant-Payne [REDACTED]@dft.gsi.gov.uk>; Matthew
Lodge <[REDACTED]@dft.gsi.gov.uk>
Cc: 'Adams Simon' <[REDACTED]@tfl.gov.uk>; Graham Stockbridge
<[REDACTED]@dft.gsi.gov.uk>; [REDACTED]
<[REDACTED]@dft.gsi.gov.uk>; [REDACTED]@dft.gsi.gov.uk>; [REDACTED]
[REDACTED]@tfl.gov.uk>

Subject: Crossrail weekly call summary

Hi all,

Please find attached a summary of the Crossrail weekly call held this morning with CRL.

Many thanks,

[REDACTED]

Jacob Gemma

From: King Antony (Div Finance Director MPD)
Sent: 15 May 2018 22:07
To: Kilonback Simon
Subject: Fwd: Programmes and Investment Committee, 16 May 2018 - TfL Restricted
Attachments: image002.jpg; ATT00001.htm; bp-pic-20180516-item-full-set.pdf; ATT00002.htm

Simon

Think iipag papers included in here

Tony

Sent from my iPhone

Begin forwarded message:

From: Mordue Jamie <[REDACTED]@tfl.gov.uk>
Date: 11 May 2018 at 16:07:41 BST
To: "Brown Mike (Commissioner)" <[REDACTED]@tfl.gov.uk>, Carter Howard <[REDACTED]@tfl.gov.uk>, Kilonback Simon <[REDACTED]@tfl.gov.uk>, Powell Gareth <[REDACTED]@tfl.gov.uk>, "Wild Mark (MD)" <[REDACTED]@tfl.gov.uk>, Judge Paul <[REDACTED]@tube.tfl.gov.uk>, "Rowe David (ST)" <[REDACTED]@TfL.gov.uk>, "Clarke Andrea (Exc)" <[REDACTED]@tfl.gov.uk>, Bridgeland Michael <[REDACTED]@tfl.gov.uk>, "Walker Clive (Internal Audit)" <[REDACTED]@tfl.gov.uk>, Batey Alexandra <[REDACTED]@tfl.gov.uk>, "Philbrook Mark (ST)" <[REDACTED]@TfL.gov.uk>, "Hughes David (Director of Strategy and Network Development)" <[REDACTED]@tfl.gov.uk>, Coff Tanya <[REDACTED]@tfl.gov.uk>, "Doig Patrick (ST)" <[REDACTED]@tfl.gov.uk>, Niven Robert <[REDACTED]@dlr.tfl.gov.uk>, "King Antony (Div Finance Director MPD)" <[REDACTED]@tfl.gov.uk>, "Thomson Allan (S&SD)" <[REDACTED]@tube.tfl.gov.uk>, "Morgan Terry (Crossrail)" <[REDACTED]@crossrail.co.uk>, Smith Howard <[REDACTED]@TfL.gov.uk>, Adams Simon <[REDACTED]@tfl.gov.uk>, "Wylie David (CPO)" <[REDACTED]@tfl.gov.uk>, Harvey Stuart <[REDACTED]@tfl.gov.uk>
Cc: Kenny Shamus <[REDACTED]@tfl.gov.uk>, Gourley Jennifer <[REDACTED]@xxx.xxx.xx>, Luggie Emma <[REDACTED]@tfl.gov.uk>, Hawthorne Julia <[REDACTED]@tfl.gov.uk>, "Tagg Ella (ST)" <[REDACTED]@TfL.gov.uk>, "[REDACTED]@crossrail.co.uk" <[REDACTED]@crossrail.co.uk>
Subject: Programmes and Investment Committee, 16 May 2018 - TfL Restricted

Dear All,
Please find attached the background papers for the meeting of the Programmes and Investment Committee on 16 May. A small number of spare copies will be available at the meeting.

Kind regards,

Jamie

Jamie Mordue

Senior Committee Officer | Secretariat

Phone: [REDACTED]

6th Floor, City Hall, The Queen's Walk, London SE1 2AA | Email: [REDACTED]@tfl.gov.uk

Extract - Unrelated materials removed

From: Adams Simon

Sent: 18 April 2018 15:30

To: Kilonback Simon; Hughes David (Director of Strategy and Network Development); Cernoia-Russo Emanuela

Subject: CR1 Funding Update

Simon/David/Emanuela,

Separately, we went through Jacobs initial findings this morning that will be reported to Sponsor Board tomorrow. They are saying that scenario A3 is looking likely, with both bottom-up and top-down forecasts converging around a £300m overrun.

Simon

From: Brown Andy (Corporate Affairs)
Sent: 22 May 2018 09:26
To: Hughes David (Director of Strategy and Network Development); Thomson Linda; Branks Kirsten
Cc: Wild Mark (MD); Kilonback Simon; Adams Simon
Subject: RE: Crossrail - Briefing Note for Mike / Bernadette Meeting
Attachments: 21328 Elizabeth Line 6p DL Leaflet 170518 v2.pdf

Thanks David - we'll make sure Mike has it.

(Kirsten and Linda - FYI)

Fortunately the costs part also looks pretty much in line with what Mike said when we saw the Mayor yesterday afternoon!

The meeting is 4.30pm today, at DfT.

Andy

From: Hughes David (Director of Strategy and Network Development)
Sent: 22 May 2018 08:50
To: Brown Andy (Corporate Affairs)
Cc: Wild Mark (MD); Kilonback Simon; Adams Simon
Subject: FW: Crossrail - Briefing Note for Mike / Bernadette Meeting
Importance: High

Andy

Below is a briefing on Crossrail funding for Mike's meeting / call with Bernadette later today. Mike asked for this following yesterday's brief post ExCo discussion with myself, Simon and Mark. What time is Mike speaking with Bernadette? I've a call with Simon Wright mid afternoon, which may result in some changes to numbers set out below.

David

Crossrail Costs / Funding Update

Cost Forecast – Central Tunnel Section

- CRL now forecasting drawdown of final tranche of TfL's £600m contingency in Period 4 (brought forward from previous forecast of Period 6). They continue to forecast that they will exhaust the contingency (and therefore be out of cash) in Period 8.
- Semi-Annual Construction Report 19 (SACR 19) will forecast an IP2 breach of **£211m**. This is the **p50** AFCDC estimate generated through CRL's formal cost estimating process. It is consistent with what TfL has been reporting to City Hall for a number of weeks in the weekly Crossrail updates. It is the number quoted by Terry at last week's PIC (closed session). DfT officials report that Terry cited **£260m** in a recent meeting with the Secretary of State.
- The conclusion reached following lengthy discussion between Sponsors and CRL at the end of last Friday's Sponsor Board was that: **"Sponsors should assume that it is unlikely the cost outturn will be less than £211m, it is likely to be between £211m and £315m and if there are schedule challenges it could be up to c£370m"** (this is the draft minute of Friday's discussion). As explained earlier, Simon W has asked for a further discussion with Sponsors (tomorrow at 1530) to ensure absolute clarity and consistency across all parties about how this range is interpreted and described.
- CRL will probably want to stand by their p50 estimate of £211m, as that's the number generated by their formal cost forecasting process. The ranges above £211m are generated using scenario based analysis, and are therefore not directly comparable to estimates generated through the QRA process. CRL's view is that the traditional QRA approach is of limited utility at this late stage of the project (hence the shift to the scenario based 'book-ends' approach). For what it's worth, the SACR19 **p95** forecast is **£343m**.

- **Jacobs** independent review of the upper book-end scenarios point to a likely worse case of around **£400m**. CRL's equivalent is **£383m**.
- Both Jacobs and CRL expressed the view that slippage in Stage 3 opening beyond Dec 18 would be unlikely to result in a significant increase to the top end of this range.
- Conclusion: We're looking at a range between **£211m to £400m**.

Cost Forecast – On Network Works

- Our understanding of the ONW cost estimate remains unchanged at £2,530m, against the original budget of £2,300m. The DfT has already secured funding to support this increased cost. NR has indicated further risks in the range of £32m to £76m, with a funding request of £54m to be funded from NR contingency.

Proposed Funding Deal

- We've agreed with DfT officials a 50:50 deal based on an assumed IP breach of £300m. [REDACTED]

[REDACTED] Detail is summarised in table below. Intent would be to capture this in exchange of letters between yourself and Bernadette.

	FY18/19	FY19/20
<i>Assumed funding requirement</i>	177	123
<i>DfT proposed contribution</i>	125	25
<i>Balance = TfL contribution</i>	52	98
<i>TfL funding source</i>	[REDACTED]	[REDACTED]

- Key caveats to above: (i) DfT officials need to sell deal to HMT and DfT ministers; (ii) Simon K needs to secure HMT approval of additional debt (discussions planned this week); (iii) we'll need to think about what TfL Board governance is required to sign-off on this deal (I've not yet discussed this with Howard).

- [REDACTED]

Written Ministerial Statement

- Bernadette wants to bring forward WMS from end to early June. Probably makes sense. DfT and TfL working together on narrative around cost increases. Needs to be anchored around formal SACR19 position, but signposting likelihood of a higher outturn. Objective needs to be to protect Crossrail's reputation for successful delivery.

Other Issues

- As mentioned, Bernadette may ask if DfT officials can attend Elizabeth Line Readiness Board.
- Worth being aware that DfT were very unhappy last week to discover that customer / stakeholder leaflets being distributed in advance of Sunday's commencement of TfL Rail services from Paddington were heavily GLA / Mayor focused, with no mention of the DfT funding contribution (see attached). This was a gaff – we've apologised, withdrawn the leaflet and prepared a replacement in consultation with DfT.

David Hughes

Director of Strategy & Network Development

London Underground

Palestra | 11th Floor | 197 Blackfriars Road | Southwark | London SE1 8NJ |

Direct: [REDACTED] | Auto: [REDACTED]

Mobile: [REDACTED]

✉ [REDACTED] [tfl.gov.uk](mailto:[REDACTED]@tfl.gov.uk)



EVERY JOURNEY MATTERS

Jacob Gemma

From: Hughes David (Director)
Sent: 04 March 2018 14:56
To: [REDACTED] Kilonback Simon; Hannant-Payne; Matthew Lodge
Cc: Adams Simon; Graham Stockbridge; [REDACTED]
Subject: RE: Crossrail: Sponsors update

Thanks, [REDACTED]

This is extremely helpful – good work.

From: [REDACTED] [[mailto:\[REDACTED\]@dft.gsi.gov.uk](mailto:[REDACTED]@dft.gsi.gov.uk)]
Sent: 02 March 2018 18:07
To: Hughes David (Director); Kilonback Simon; Hannant-Payne; Matthew Lodge
Cc: Adams Simon; Graham Stockbridge; [REDACTED]
Subject: Crossrail: Sponsors update

Hi all,

This email updates Sponsors on key areas following the February Sponsor Board last week.

1. Crossrail weekly call: This was held this morning with CRL and provided a useful summary of key progress and issues (see attachment 1 for written summary).

2. Independent Cost Review: The Joint Sponsor Team (JST) has today received Jacobs's response to the Terms of Reference (this has been updated in attachment 2 based on the Sponsor Board Part A discussion). We are reviewing the credentials and experience of the proposed reviewers and the forecasted cost which has been shared with Sponsors. Initial meetings with the potential reviewers and CRL are scheduled for next week.

3. Summary and implications of the Sponsor Board cost discussion (Action 90b/02). This is attached (attachment 3) and is intended to inform Sponsors' further discussions. It covers the cost scenarios presented by CRL, timing requirements for further cash funding, implications under the Sponsors' Agreement and next steps. The JST will let Sponsors take forward the next steps and will provide support if required.

4. Sponsor Board Part A and Part B minutes are attached (attachments 4 & 5) for reference and for any comments or changes. These will then be revised following Sponsors' and CRL's comments and recirculated ahead of the March Sponsor Board.

Many thanks,

[REDACTED]

[REDACTED] | Principal Sponsor, Crossrail Joint Sponsor Team
4/29 | [REDACTED]

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Jacob Gemma

From: Adams Simon
Sent: 17 May 2018 13:04
To: Hughes David (Director of Strategy and Network Development)
Cc: Kilonback Simon
Subject: Re: Crossrail 200

In period 13, P50 was 211 above IP2. P80 278, P95 343.

S

Sent from my iPhone

On 17 May 2018, at 12:40, Hughes David (Director of Strategy and Network Development) <[REDACTED][tfl.gov.uk](mailto:[REDACTED]@tfl.gov.uk)> wrote:

What's in Sacr 19? I understood it to be 211?

Sent from my iPhone

On 17 May 2018, at 12:27, Adams Simon <[REDACTED][tfl.gov.uk](mailto:[REDACTED]@tfl.gov.uk)> wrote:

Simon/David,
I have just got off the phone with Mathew D. He was unaware of the commitment to 211 and was concerned. His view is that Jacobs will conclude that we are on scenario A3, originally forecast at 283, but with the "tail" work adding to that.
I have a call in to Jacobs to cross-check.
Simon

Jacob Gemma

From: Adams Simon
Sent: 28 January 2018 20:17
To: Hughes David (Director)
Cc: Matthew Lodge; Kilonback Simon; Graham Stockbridge
Subject: Re: FOR ACTION - Crossrail Sponsor Board - Reflections

David/Matt,

The other option that is easily available to us is to use the HS2 PRep that comprises KPMG, Nichols and WSP. We would have to take a look to see if they have the right post contract commercial skills and steer them carefully but otherwise I can see that working.

The other alternative would be to use a specialist independent cost consultancy, although the number of those who are not conflicted and have the expertise is relatively small. G&T could be an option?

For me, the fundamental concern is the lack of a comprehensive MHOS and the degradation of CRL's risk management and analysis. We don't need to overdo the analysis but we do need to understand in more detail the risks to the remaining contracts and critical milestones.

In the absence of that analysis an independent review is unlikely to of much value. Which suggests the logical sequence of events is:

- CRL completes MHOS
- Prep reviews MHOS as it develops (which is happening).
- CRL develops its assessment of the risk to the MHOS, consulting with JST/PRep.
- Sponsors commission Independent Review of MHOS, AFC and Risk.

Thoughts?

Simon A

Sent from my iPad

On 28 Jan 2018, at 19:20, Hughes David (Director) <[REDACTED]@tfl.gov.uk> wrote:

Good points, Matt. Think I agree on all of them.

On incentives – have to admit this hadn't occurred to me but you're bang on. I think Simon K and I need to discuss with Mike B, and then suggest I (in my role as Sponsor Board chair) seek a meeting with Sir Terry.

On the cost review, I like the idea of using Jacobs, but someone new rather than the current P Rep team. In part that's because I don't really see why we should be forking out more cash, when we're already paying Jacobs. But also I think that it will be less likely to rock the boat with CRL. And I agree we should crack on with it.

David

From: Matthew Lodge [[mailto:\[REDACTED\]@dft.gsi.gov.uk](mailto:[REDACTED]@dft.gsi.gov.uk)]
Sent: 28 January 2018 00:03
To: Adams Simon
Cc: Hughes David (Director); Kilonback Simon; Graham Stockbridge
Subject: FW: FOR ACTION - Crossrail Sponsor Board - Reflections
Simon A
Apologies I omitted you from the earlier email
M

From: Matthew Lodge

Sent: 27 January 2018 21:02

To: Hughes David (Crossrail) <[REDACTED]@tfl.gov.uk>; [REDACTED]@tfl.gov.uk

Cc: Graham Stockbridge <[REDACTED]@dft.gsi.gov.uk>

Subject: FOR ACTION - Crossrail Sponsor Board - Reflections

David / Simon

A few reflections on Fridays' Sponsor Board.

IP2 and Incentives

On the importance / or not of IP2 – do we also want some assurance from Terry M as to whether any of the proposed approaches have any impacts on the incentive payments that the senior team at Crossrail Limited receive?

DfT of course doesn't have access to such info as this is reviewed by the TfL Remuneration committee (I think) but think that both sponsors should get some assurance from CRL that whichever route to implementation we follow individuals will not benefit from this decision. I am aware that my Perm Sec Is concerned about the issue – given potential perception of reward for failure etc.

More generally we may want to agree some general lines on incentive payments, when they are paid, how they are calculated etc

Review of Crossrail Updated Forecasts

In the meeting we said that PREP would review the revised Crossrail costs etc.

I wonder whether at this point we need someone with a fresh pair of eyes to critically review and challenge the numbers etc – this could either be an external third party or we seek someone from within Jacobs who has no / limited connection to the project / team to provide another point of view.

Bit concerned that PREP may now be a bit close to the project.

External Review

I think it important for both parties (and our respective audiences) we commission this work soon as it is important that we take action to fully understand why the financial position of the project has declined so significantly over a very short space of time, and at a time when little can be done to reduce project costs, what lessons we can learn from this for other projects – in terms of cost forecasting, contract management, project governance, incentives etc. I'll discuss this with my DGs this week.

Views?

Thanks

M

Matthew Lodge

Director, Major Projects, DfT Rail

4/29 GMH, Great Minster House

33 Horseferry Road, London, SW1P 4DR



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Jacob Gemma

From: Adams Simon
Sent: 22 May 2018 15:02
To: Hughes David (Director of Strategy and Network Development); [REDACTED]
Cc: Kilonback Simon; 'Matthew Lodge'; [REDACTED] dft.gsi.gov.uk'
Subject: Call 15:30 Cost forecasts - £28m

David/[REDACTED]

For reference the paragraph below is an extract from a briefing to Sponsor Board in January, summarising the collective understanding of the risk from the £28m discrepancy.

“Sponsor Funding Account Risk

For completeness, it is worth noting that CRL has previously identified that the SFA balance is calculated to be **£28m** less than the sum of the funding. Investigation by CRL and TFL indicates that this is most likely due to a mismatch between the funding provided to CLRL (Crossrail London Rail Links, the precursor to CRL) (£179m) and Costs incurred (£151.3m) creating a surplus, from which £28m of CRL early day costs were likely to have been funded, while those costs continued to be recorded in the SFA calculation. The consensus is the risk of the shortfall materialising is low.”

In summary, in accordance with the funding schedule there should have been £28m of residual funding available at the point at of transition from CLRL to CRL. However, extensive investigations of the records of time have been unsuccessful in proving that.

Simon

End

From: Hughes David (Director of Strategy and Network Development)
Sent: 22 May 2018 14:35
To: Adams Simon
Subject: Fwd: Cost forecasts - 1530 call

Simon

FYI

David

Sent from my iPhone

Begin forwarded message:

From: [REDACTED] <[REDACTED]@dft.gov.uk>
Date: 22 May 2018 at 14:25:11 BST
To: Matthew Lodge <[REDACTED]@dft.gov.uk>, "Hughes David (Crossrail)" <[REDACTED]@tfl.gov.uk>, Graham Stockbridge <[REDACTED]@dft.gov.uk>
Subject: RE: Cost forecasts - 1530 call

David

By way of explanation, just had a quick call with Lucy and she has explained the following:

Penultimate para - £320m is a rounding up of the £314.6m Tail 1 scenario

Final para - £400m includes the £370m ish for Tail 2 scenario plus the mysterious £28m (which I have received a separate email from Simon Adams about asking for help to resolve altho I suspect this one is going to be tricky).

Hopefully someone from CRL will explain this at 3.30. I explained to Lucy what I thought the minutes would reflect ie the wording sent round by [REDACTED] on Friday eve.

Regards

[REDACTED]

[REDACTED] | Deputy Project Director, Crossrail and Associated Services, Department for Transport
4/29 | [REDACTED] |

From: Matthew Lodge

Sent: 22 May 2018 14:02

To: Hughes David (Crossrail) <[REDACTED]@tfl.gov.uk>; Graham Stockbridge
<[REDACTED]@dft.gov.uk>; [REDACTED] <[REDACTED]@dft.gov.uk>

Subject: RE: Cost forecasts - 1530 call

David

Just to say – and on first reading - that I think this goes beyond what we agreed and what we were told on Friday

M

Matthew Lodge | Director and Head of Project Delivery Profession, Major Projects, DfT Rail, Department for Transport

4/29 GMH | [REDACTED] |

From: Lucy Findlay [mailto:[REDACTED]@crossrail.co.uk]

Sent: 22 May 2018 13:16

To: Matthew Lodge <[REDACTED]@dft.gov.uk>; Adams Simon
<[REDACTED]@tfl.gov.uk>; [REDACTED] <[REDACTED]@tfl.gov.uk>; David Hughes
<[REDACTED]@tfl.gov.uk>; [REDACTED] <[REDACTED]@tfl.gov.uk>; [REDACTED] <[REDACTED]@dft.gsi.gov.uk>

Cc: Simon Wright <[REDACTED]@crossrail.co.uk>; Mathew Duncan
<[REDACTED]@crossrail.co.uk>; Paul Grammer <[REDACTED]@crossrail.co.uk>

Subject: Cost forecasts - 1530 call

To inform the call at 1530 this afternoon, reflecting the discussion at Sponsor Board on 18 May, we've prepared the below.

CRL will formally report a P50 AFCDC to Sponsors in SACR19. It is £211m in excess of Intervention Point 2 (a position that has not changed in Period 1 2018/19) and maintains delivery of Stage 3 in December 2018. Additional funding required will therefore not be less than £211m.

At the request of Sponsors CRL has prepared a number of scenarios to consider potential final cost outcomes for the project. Jacobs, as independent advisor to the Sponsors, has reviewed these scenarios and provided independent assurance and verification. No further scenarios will be developed.

Sponsors asked CRL to consider a scenario that maintains 9 December 2018 delivery and includes delivery of some scope within the trial operations period. This scenario indicates a requirement for £320m of additional funding above IP2.

If that scope is further delayed and is completed post-opening the cost could potentially increase to £400m above IP2. This cost scenario also allows for opening with a short delay and new unforeseen issues arising.

Lucy

Lucy Findlay | Chief of Staff

Crossrail | 25 Canada Square, Canary Wharf, London, E14 5LQ

DD: [REDACTED] (Internal: Ext [REDACTED] M: [REDACTED] | CS28GM01 | [REDACTED] crossrail.co.uk

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Jacob Gemma

From: Matthew Lodge <[REDACTED]@dft.gsi.gov.uk>
Sent: 28 February 2018 20:28
To: Hughes David (Director); Adams Simon; Hannant-Payne; Kilonback Simon
Cc: Graham Stockbridge; [REDACTED]
Subject: RE: Independent Review of CRL cost scenarios

Simon

Thanks for sharing

Couple of points

- Can we see the revised Terms of Reference - so we are fully aware of the scope etc for the work
- Can I assume that when you get the proposal and associated cost – we can see for a quick review etc (stress quick) – so we can flag any concerns and understand the approach. Think we need to understand the review lead also and experiences
- Do we need to agree how the cost will split?

I should stress that I don't want this to delay the process but I do want to ensure we (both sponsors) fully understand the what, how and who of the review

M

Matthew Lodge | Director and Head of Project Delivery Profession, Major Projects, DfT Rail, Department for Transport
4/29 GMH | [REDACTED] |

From: Hughes David (Director) [[mailto:\[REDACTED\]@tfl.gov.uk](mailto:[REDACTED]@tfl.gov.uk)]
Sent: 28 February 2018 19:16
To: Adams Simon ; Matthew Lodge
Cc: [REDACTED]
Subject: RE: Independent Review of CRL cost scenarios

Thanks, Simon.

As we discussed, it would be good if we could get this underway next week at the latest.

David

From: Adams Simon
Sent: 28 February 2018 18:20
To: Matthew Lodge; Hughes David (Director)
Cc: [REDACTED]
Subject: Independent Review of CRL cost scenarios

Matt,

Just to keep you informed, I have had various conversations with Jacobs regarding the Independent review of the CRL cost scenarios. They are in the process of finalising their proposal with a view to starting next week.

Regards,

Simon

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Jacob Gemma

From: Hughes David (Director of Strategy and Network Development)
Sent: 03 April 2018 11:52
To: Adams Simon
Cc: [REDACTED] dft.gsi.gov.uk; Matthew Lodge; [REDACTED] dft.gsi.gov.uk; [REDACTED] dft.gsi.gov.uk; [REDACTED]
[REDACTED] Wallace Andrew (London Rail); Kilonback Simon
Subject: RE: Jacobs Review - Phase 2

Simon

Thanks for your update below. The approach you outline seems sensible to me.

Regards

David

David Hughes
Director of Strategy & Network Development
London Underground
Palestra | 11th Floor | 197 Blackfriars Road | Southwark | London SE1 8NJ |
Direct: [REDACTED] | Auto: [REDACTED]
Mobile: [REDACTED]

✉ [REDACTED] [tfl.gov.uk](mailto:[REDACTED]@tfl.gov.uk)



EVERY JOURNEY MATTERS

From: Adams Simon
Sent: 03 April 2018 10:37
To: [REDACTED] [dft.gsi.gov.uk](mailto:[REDACTED]@dft.gsi.gov.uk); Hughes David (Director of Strategy and Network Development); Matthew Lodge; [REDACTED] [dft.gsi.gov.uk](mailto:[REDACTED]@dft.gsi.gov.uk); [REDACTED] [dft.gsi.gov.uk](mailto:[REDACTED]@dft.gsi.gov.uk); [REDACTED] Wallace Andrew (London Rail); Kilonback Simon
Subject: Jacobs Review - Phase 2

All,

At the March Sponsor Board Sponsors agreed that the JST would determine the scope and approach for further cost assurance work to inform Sponsors' funding discussions and build on Jacob's initial analysis of CRL's cost scenarios. We promised to update Sponsors as soon as possible on this action.

The JST has commissioned Jacobs and P-Rep to work together to undertake deep dives on a limited number of critical contracts (including [REDACTED]). This will provide an assessment of how confident Sponsors can be about the cost scenario ranges and the required funding, by considering the reasonableness of CRL's judgements on those critical contracts.

For each selected critical contract Jacobs will look at contract performance, acceleration options, costs to date, costs to go, risk, and an assessment of the contractual position and commercial incentives.

We note that during the period of the Jacobs work, CRL will be undertaking a contact by contract review with their project managers, scheduled for 9 April. We have asked CRL to share the outcome of that review with JST and PRep as soon as practicable.

We asked Jacobs to minimise additional cost by utilising the existing P-Rep team where possible. Jacobs has proposed a combined approach drawing on P-Rep resource supplemented with expertise from the cost review team. The estimated cost is a further £50K (in addition to normal P-Rep costs).

It is worth noting that JST is in the process of agreeing the JST resource plan for the coming year and anticipates being able to offset some of that cost through revised plans for the progressive demobilisation of the P-Rep.

Outputs from the work will comprise:

- A further presentation to the April Sponsor Board on the 19th
- Detailed assessments of the uncertainty around the critical contracts.
- A final report covering Phase 1 and Phase 2 work, and containing an assessment of the range of required funding.

Separately, I met with Paul Grammar and Mathew Duncan from CRL to discuss their assessment of the low probability high impact risks excluded from the scenario analysis. In general, it was a sensible discussion but they did try to include productivity risk. I asked for that to be stuck out but it emphasised to me the importance of this further work by Jacobs.

Regards,

Simon

Sent from my iPad

Jacob Gemma

From: Hughes David (Director of Strategy and Network Development)
Sent: 18 May 2018 09:58
To: Adams Simon; Kilonback Simon
Subject: RE: Jacobs View

Not helpful - but thanks anyway!

-----Original Message-----

From: Adams Simon
Sent: 17 May 2018 19:16
To: Hughes David (Director of Strategy and Network Development); Kilonback Simon
Subject: Jacobs View

I have just been talking to Jacobs, who met with CRL this afternoon. In summary, CRL have reviewed the upper bookends and seem to have concluded that the upper bound is likely to be close to 360 but possibly reduce to 340 if the trial running/trial ops period can be reduced. Jacobs' view is that it would be prudent to set an upper bound of 400 for funding purposes but that it would then be reasonable to set CRL a target close to 300. Jacobs could not see any scenario whereby 211 represented likely upper bound of the funding required.

Simon

Sent from my iPad

Jacob Gemma

From: Tagg Ella (ST)
Sent: 31 July 2018 14:26
To: Greig William
Cc: Kilonback Simon; Van Der Nest Christian (ST); Quearney Carol (ST); King Antony (Div Finance Director MPD); Branks Kirsten; Thomson Linda
Subject: RE: TfL/ Jacobs meeting - Tuesday 07 August, 4.15pm

Thanks Will,

I'll let Tony know Monday morning if he is required but we will need the Commercial team to add to the briefing in any event by midday Friday 03 August – please send the information over to Christian/Carol in Gareth's team so they can incorporate it into the brief.

Many thanks
Ella

Ella Tagg

PA to Commissioner

Phone: [REDACTED] (auto [REDACTED])

11th floor, Zone 11Y8, Palestra, 197 Blackfriars Road, London, SE1 8NJ



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From: Greig William
Sent: 31 July 2018 13:09
To: King Antony (Div Finance Director MPD); Tagg Ella (ST)
Cc: Kilonback Simon
Subject: RE: TfL/ Jacobs meeting - Tuesday 07 August, 4.15pm

Tony – thank you for potentially representing Simon at the TfL/Jacobs meeting. I would warn off the commercial team but I'll ask Ella to confirm on Mon 6 Aug.

Ella – I can confirm that Tony will be representing Simon at the TfL/Jacobs meeting, if required. Before he stands the commercial team up, who'll pull together the relevant detail on Jacobs, please could I request that you inform Tony on Monday AM? Thanks in advance.

Regards,

Will.

William Greig | Chief of Staff to Chief Finance Officer

Transport for London, Palestra, 11th Floor, Zone 11Y7, 197 Blackfriars Road, London, SE1 8NJ

Tel: [REDACTED] | Auto: [REDACTED] | Email: [REDACTED] [tfl.gov.uk](mailto:[REDACTED]@tfl.gov.uk)

From: King Antony (Div Finance Director MPD)
Sent: 31 July 2018 12:55

To: Greig William
Subject: RE: TfL/ Jacobs meeting - Tuesday 07 August, 4.15pm

Will,

That's fine.

Does the commissioner need a brief of work that Jacobs have been doing with TfL?

I will ask the commercial team to put something together if required?

Regards

Tony

Tony King | Finance & Commercial Director – MPD

Major Projects Directorate

Desk: [REDACTED] | Ext: [REDACTED] | Mob: [REDACTED] | Email: [REDACTED]@tfl.gov.uk

From: Greig William
Sent: 31 July 2018 11:13
To: King Antony (Div Finance Director MPD)
Subject: FW: TfL/ Jacobs meeting - Tuesday 07 August, 4.15pm

Good morning Tony,

The below from Ella is requesting CFO representation in a TfL and Jacobs meeting on Tue 7 Aug at 16:15 (Commissioners Board room at 11Y8).

Jacobs are bringing their CFO equivalent and therefore want similar representation on our side. I'm not presuming there to be a speaking part for you but more moral support for the Commissioner.

On thinking who best to represent Simon and recognising that Jacobs are a large contractor, please could you represent Simon at this meeting?

I hope that's okay but please come back to me if not. Thanks.

Regards,

Will.

William Greig | Chief of Staff to Chief Finance Officer
Transport for London, Palestra, 11th Floor, Zone 1 | Y7, 197 Blackfriars Road, London, SE1 8NJ
Tel: [REDACTED] | Auto: [REDACTED] | Email: [REDACTED][tfl.gov.uk](mailto:[REDACTED]@tfl.gov.uk)

From: Tagg Ella (ST)
Sent: 31 July 2018 09:48
To: Van Der Nest Christian (ST); Greig William; Quearney Carol (ST)
Cc: Powell Gareth; Branks Kirsten; Thomson Linda
Subject: TfL/ Jacobs meeting - Tuesday 07 August, 4.15pm

Hi Christian/Carol, Will,

Steve Demetriou, CEO, has asked that Donald Morrison his Senior Vice President and GM, Buildings & Infrastructure Europe attend the meeting. Please can this be noted in the briefing. Mike met Donald recently in Mike's capacity as Chair of the STAT Board.

Steve has now also asked that Kevin Berryman, their Executive VP and CFO attend. So as Mike is away at the moment could we please line up somebody in Finance to attend please (as Simon will be on annual leave) – Patrick/Sarah? I'll then check with him on Monday if he would like them to attend. And also could the briefing include some finance details.

Many thanks
Ella

Ella Tagg

PA to Commissioner

Phone: [REDACTED] (auto [REDACTED])

11th floor, Zone 11Y8, Palestra, 197 Blackfriars Road, London, SE1 8NJ



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From: Tagg Ella (ST)
Sent: 23 July 2018 15:55
To: Quearney Carol (ST)
Cc: Van Der Nest Christian (ST); Branks Kirsten; Thomson Linda
Subject: RE: Jacobs one page report

Hi Carol,

As discussed Mike has agreed to meet with Steve. This has now been confirmed with a meeting invite sent for Tuesday 07 August at 4.15pm – Gareth will join the meeting.

Please can I ask you to provide a briefing by midday Friday 03 August.

Many thanks
Ella

Ella Tagg

PA to Commissioner

Phone: [REDACTED] (auto [REDACTED])

11th floor, Zone 11Y8, Palestra, 197 Blackfriars Road, London, SE1 8NJ



From: Quearney Carol (ST)
Sent: 19 July 2018 14:55
To: Tagg Ella (ST)
Subject: FW: Jacobs one page report

Ella,

The reason GP thinks Mike might want to meet Jacobs would be the extent of work they do for us on our network (by no means is it essential Mike does though).

Jacobs are a major contractor to us and a key engineering firm with their recent acquisition of C2HM.

It's the year of engineering and they are keen to continue to support - mike might want to talk about skills development and also reinforce their support for the Museum (need to confirm what that is for a briefing note)

They are part of HS2 and also Heathrow airport and are keen to develop and help on construction vehicle routing etc on a pan London basis and work with us as a strategic partner.

They also have some thoughts on service optimisation

So not essential but given its their American global CEO it's the the right level for Mike to make relationships.

We can provide s brief if Mike agrees to the meet.

Attached the supplier report on their contracts current and tendering.

And below some lines from Nick Fairholme

Ringway Jacobs (RJ) will be commencing works to transform the gyratory at Highbury Corner [on 28 June 2018](#). Initial enabling works will be followed by the main construction, with a total time on site of 18 months. RJ are undertaking the design and construction of the scheme. The TfL team are working closely with the London Borough of Islington to manage the local stakeholders. We are also liaising closely with Cadent Gas, who are undertaking critical gas main replacement works adjacent to Highbury Corner, to ensure the impact on traffic is minimised

- RJ achieved the new international standard for Occupational Health & Safety Management Systems (ISO 45001) on its first day of publication on 12 March 2018. They were one of the first companies in the country, and worldwide, to do so.
- RJ reported zero utility strikes for the whole of 2017/18, and none so far in 2018/19
- From May 2018, RJ are delivering the LoHAC contract in Central London, following the departure of CVU. The transition, which involved the TUPE of staff and movement of plant and premises, has gone smoothly.

Jacob Gemma

From: Thomson Linda
Sent: 22 May 2018 18:25
To: Kilonback Simon; Hughes David (Director of Strategy and Network Development); Wild Mark (MD)
Cc: Brown Andy (Corporate Affairs)
Subject: TfL restricted - Confidential and Legally Privileged
Attachments: Conversation between Mike Brown and Bernadette Kelly - 22 May 18.docx

Hi

Please see attached a confidential note from Mike after an earlier meeting he had with the Permanent Secretary at the DfT.

Regards

Linda

Crossrail Funding Mtg between Mike Brown and Bernadette Kelly (DfT) 22/05/18

MB and BK shared common and consistent information on the likely cost outturn above IP2. It was confirmed that CRL remain of the view that £211m is the likely p50 estimate. However there was a shared view (BK and MB) that this, at face value appeared to be conservatively optimistic. Numbers up to the £400m – worse case following Jacobs' review was discussed MB said his instinct was somewhere in the range up to £350m. It was noted that the teams from DfT and TfL were having constructive discussions about paying for such an overspend and that DfT potentially had more funding available in this to 2018/2019 financial year. To that end they could potentially pay up to £150m (although would seek to have this capped at that level) with TfL paying the balance potentially next financial year. [REDACTED]

[REDACTED]

[REDACTED]

BK said that the intention was to see whether a SoS statement to the House could be made week commencing 11 June and to that end there was an aspiration for the approvals to be signed off at the DfT's B.I.C. meeting on 5 June. BK emphasised that she did not yet have the necessary firmed up Ministerial approvals but was optimistic that this might be achieved. MB said there was a meeting with the Mayor next week on Crossrail specifically where the matter of funding from TfL could be raised.

BK suggested that a meeting be arranged next week (Tues, Wed or Thurs) between her, MB and Terry Morgan to gain greater confidence as to the level of certainty around the £211m. MB's office to arrange.

Separately BK raised the issue of DfT still being interested in operational readiness matters and it was agreed that if Andy Pitt turns out to be the DfT nominee for the enhanced CRL Board, that it would be useful for him in the first instance to have a discussion with Mark Wild.

[REDACTED]. MB said that a broader agreement would allow other unresolved matters to be addressed.

On CR2 Programme Board, it was agreed MB would pursue a potential option discussed.