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Simon Adams  
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*Sent by email*

Dear Simon

**Project Representative (PRep) Period 2 2019/20 letter to Sponsors**

I write, at the request of the Crossrail Sponsors, in response to the two items specifically raised by the PRep in their letter to you of 24 June 2019 regarding their Project Status Report 125 Period 2 FY 2019/20.

*a) The actions taken to underpin the DCS and the associated AFDCD should result in a robust and predictable output. However, the buy-in of the Tier 1 contractors is still to be confirmed [REDACTED]. How does CRL plan to develop an aligned supply-chain that is fully bought-into the opening dates?*

We are currently working on three areas:

1. As part of the mobilisation following agreement of the Earliest Opening Programme (EOP), we have developed a plan to gain the buy-in of the [REDACTED]. Each project team received the following instruction on 28 May 2019:
  - a) [REDACTED]
  - b) [REDACTED]
  - c) [REDACTED]

As part of those AFC reviews, we will assess the maturity of the buy-in from the Contractor (Accepted programme, Bottom-Up forecast formally issued, CRL review of the forecast etc.) project by project. For some projects [REDACTED], there is more work to be done with the Contractor. These meeting will have a standard slidepack the first slide shows a [REDACTED]

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There has been a number of high level discussions with [REDACTED] to identify and remove blockers in order to get the buy-in from the Contractors.

2. A paper has been drafted to cascade the [REDACTED] to the Contractor. The paper should be presented on 9 July 2019 to the Executive Group before cascading the information to the Contractors.
3. Since Period 2 there has been a significant exercise at sector level to align the contractors' programmes with the developing DCS and vice versa. In Stations, Shafts and Portals there have been further rounds of IPVW reviews on a contract by contract basis.

*b) The risk management approach which was reinstated in January 2019 is still considered to be immature for a programme of this, type at this stage of the delivery lifecycle. What is CRL's assessment of the current state of development of the approach being adopted, and what are the timescales to address the remaining issues?*

The CRL Risk team had some concerns about the risk statistics quoted in PRep's Period 2 report, as they were taken from ARM (our risk management system) without CRL involvement and appear to contain some errors (e.g. they include 'emerging' risks under development which by definition would not be expected to have mitigation actions). What the figures do show however is the significant growth in risk information that has been generated over the last few months.

Reinstatement of Crossrail risk management resources commenced in mid-February 2019. To date, much of the focus of our activities has been on the Quantified Cost Risk Assessment process to support a comprehensive assessment of the AFCDC, and in four months we have completed two significant cost builds (for the EOP in April and the current exercise on the DCS which is due to be reported in July), As such, we have not focussed our efforts on developing risk mitigation plans yet although we are steadily working on this. On that basis, we would not expect to report a significant difference in Target vs Current risk levels - all quantitative assessments are based on current exposure. However, the finance visualisation board shows that 71% of red risks currently have mitigation plans, with a target of 80% by 12 July 2019. The Crossrail team is working at a high level of intensity. The capacity of project teams and risk management function is currently limited and we are focussing on addressing significant risks. PRep has made some valuable comments on the current quality of risk description and root cause analysis which we will implement once the current DCS assessment is concluded.

In terms of plans for the future, there are a number of initiatives in progress to address the perceived gaps in the current risk management approach and the PRep has been made aware of these. We are currently working with other functions to develop a 'match fit' Programme Controls implementation, facilitated by Deloitte, which will draw together these activities into an integrated improvement plan. This will be shared with PRep and Sponsors over the next four weeks.

I trust that these responses are helpful to Sponsors.

Yours sincerely

[REDACTED]

Mark Wild  
CEO