

Date: 30 September 2021

Item: Finance and Risk Update

This paper will be considered in public

1 Summary

- 1.1 This paper provides an update on the financial performance at Periods 4 and 5 2021/22 and on risk management progress.
- 1.2 A paper is included on the Part 2 agenda which contains supplementary information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL and other parties. Any discussion of that exempt information must take place after the press and public have been excluded from the meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and the supplementary information on Part 2 of the agenda.**

3 Funding

- 3.1 On 30 November 2020, a funding and financing agreement was reached between TfL, the Greater London Authority and the Government providing £825m of additional funding for the Crossrail Programme.
- 3.2 Following the funding and financing agreement of November 2020 and the TfL Board's approval of Programme and Project Authority, as at Period 5, net Programme and Project Authority is £15,459m.
- 3.3 Of the additional £825m funding, £495m has been drawn down as at Period 5.

4 Financial Performance

- 4.1 Spend in Period 5 was £41m and is £254m for the year to date. The period spend was £21m below the Delivery Control Schedule 1.1 (DCS1.1) Budget and the programme is £66m below the DCS1.1 Budget for the year to date. The number of Team CRL full time equivalent staff is 746 (note this excludes any consultancy resource). This was 38 lower than had been forecast in the January 2021 Workforce Plan.
- 4.2 Although potential new cost pressures are being prudently recognised in the Anticipated Final Crossrail Direct Cost (AFCDC) as they arise, the programme continues to maintain substantial risk and contingency budgets.

- 4.3 Work on the refreshed baseline DCS1.2 has continued in the period, and a fully updated cost and risk figure is due to be presented for approval this period. We do not anticipate that this will change materially from the Period 4 reported position of £15,939m.
- 4.4 The Period 4 P50 AFCDC was £150m above the additional funding of £825m, unchanged from the prior period. When the £825m additional funding was confirmed, the funding package was £91m lower than the P50 AFCDC at the time.
- 4.5 At higher levels of probability, current estimates of up to £1.1bn additional funding are consistent with previous estimates.
- 4.6 Additional actions are ongoing across all Sectors to identify opportunities to reduce the AFCDC and mitigate cost pressures.

5 Risk

- 5.1 There are 16 Level 1 Programme Risks at Period 4 and 165 interventions, of which 108 are complete (65 per cent).
- 5.2 The Level 1 Programme Risks summarise the significant risks that face the Programme. The review and update of Level 1 risks is now a well-established part of the Executive Group cadence, with a substantive review of risks and interventions on a bi-weekly basis. Risks are also tracked and monitored by the Elizabeth Line Delivery Group.

List of appendices to this report:

Exempt supplemental information is contained in a paper on Part 2 of the agenda.

List of Background Papers:

None

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