

Date: 25 May 2022

Item: Finance and Risk Update

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## **This paper will be considered in public**

### **1 Summary**

- 1.1 This paper provides an update on the financial performance at Period 13 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 paper on Part 2 of the agenda.**

### **3 Financial performance**

- 3.1 Spend in Period 13 was £31m and is £568m for the financial year to date. The period spend was £12m below the Delivery Control Schedule 1.2 (DCS1.2) Budget and the Programme is £81m below the DCS1.2 Budget for the year to date.
- 3.2 On average the Programme has seen an underspend of £7m a period over the past financial year. This average has increased to £10m since DCS1.2 was set in Period 5.
- 3.3 The number of Crossrail full time equivalent staff is 534 (note this excludes any consultancy resource). This was 34 lower than had been forecast in the DCS1.2 Workforce Plan, driven by vacancies.

### **4 Anticipated Final Crossrail Direct Cost (AFDCD)**

- 4.1 The current P50 (50th percentile) AFDCD is £15,963m, £23m higher than DCS1.2, and unchanged since that which was previously reported in P11.
- 4.2 The P50 AFDCD is currently £174m above the additional funding of £825m, £23m higher than as at DCS1.2. When the £825m additional funding was confirmed, the funding package was £91m lower than the P50 AFDCD at the time.

- 4.3 At higher levels of probability, current estimates of up to £1.1bn additional funding are consistent with previous estimates.
- 4.4 Although potential new cost pressures are being prudently recognised in the AFCDC as they arise, the Programme continues to maintain significant provision and contingency budgets. Actions are ongoing across all areas to identify opportunities to reduce the AFCDC and mitigate cost pressures.

## **5 Funding**

- 5.1 On 30 November 2020, a funding and financing agreement was reached between TfL, Greater London Authority and the Government providing £825m of additional funding for the Crossrail Programme.
- 5.2 Following the funding and financing agreement of November 2020 and the TfL Board's approval of Programme and Project Authority, as at Period 13, Programme and Project Authority drawn down is £15,731m.
- 5.3 This means of the additional £825m funding, £767m has been drawn down as at Period 13.
- 5.4 The authority currently drawn down by the Programme covers commitments over a number of future periods, and in some instances, particularly in relation to resources, for the remainder of the Programme.
- 5.5 Cost to date recognised on the Programme is £15,609m versus the total Programme and Project Authority available of £15,789m, indicating there is no short term concern that the Project will not be able to continue to meet its commitments.

## **6 Risk**

- 6.1 There are 15 Level 1 Programme Risks at Period 13.
- 6.2 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 four-weekly basis. Risks are also tracked and monitored by the Elizabeth Line Delivery Group.

### **List of Appendices:**

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

### **List of Background Papers:**

None

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