

# Completing the Elizabeth line

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# **Crossrail Cost to Complete** ***Cost and Commercial Management***

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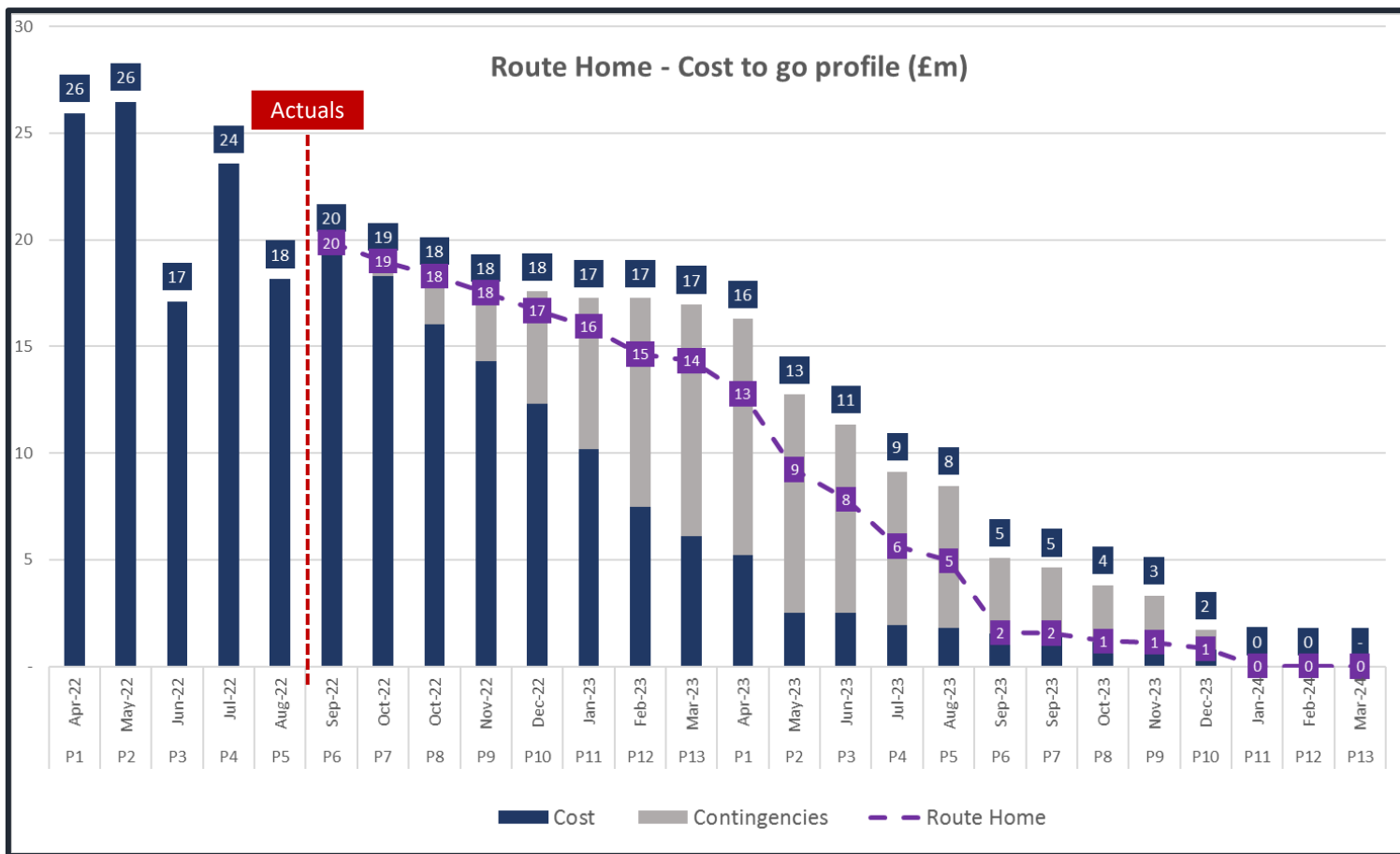
# Background

- In late 2018 Crossrail announced that the programme to open the Elizabeth line would not be delivered on the original estimated timeline
- In August 2020, Crossrail announced the programme that at the end would deliver Revenue Service. This programme was underpinned by a Delivery Control Schedule (DCS 1.1)
- With the DCS 1.1 an updated cost forecast was produced estimating that up to £1.1bn additional funding will be needed
- Through the implementation of robust controls, governance and commercial leadership, this forecast remained valid to the end of the programme

Simple but  
*relevant*  
techniques

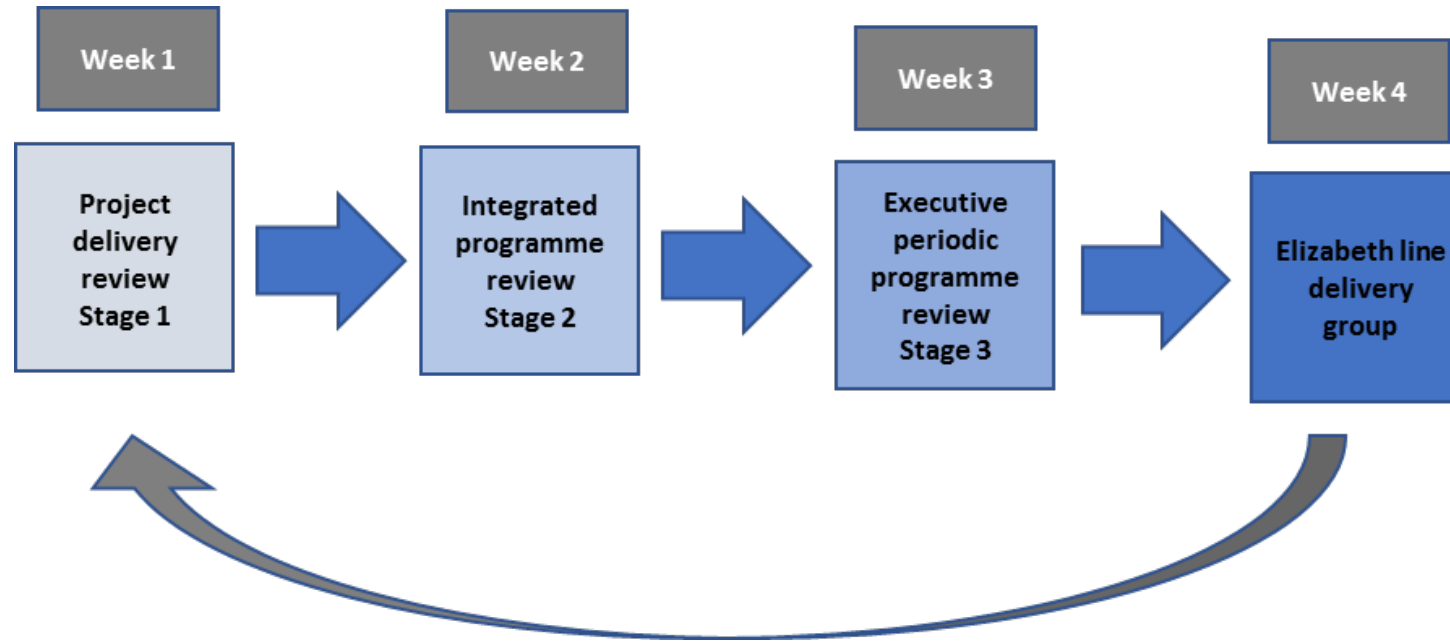
*Relationships*

Commercial  
*“sweet spot”*



## Key inputs

- ✓ Cost estimate building blocks
  - Projects estimated base cost
  - Management reserves / overlays
  - Projects and programme risk
- ✓ Scope and delivery strategy
- ✓ Evidence based approach for management reserves and risks estimates
- ✓ Commercial arrangements for main Tier1s
- ✓ Staff and other resources



➤ **Structured approach for periodic reviews allowed:**

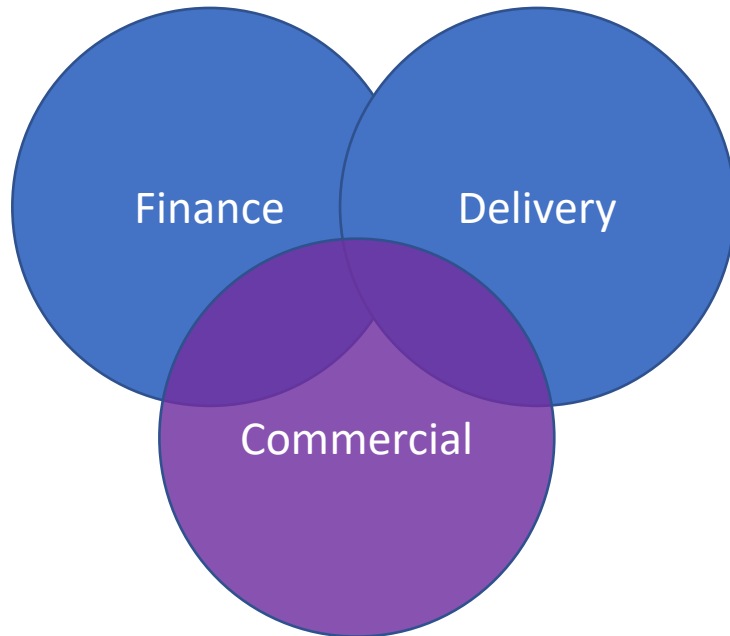
- ✓ *Relevant and timely information management*
- ✓ *Detail challenge of costs and pressures*
- ✓ *Risks assessment and mitigations development*

➤ **Supported by:**

- ✓ *Programme governance embedded in TfL*
- ✓ *Agile change control process*
- ✓ *Enhanced Commercial strategy*

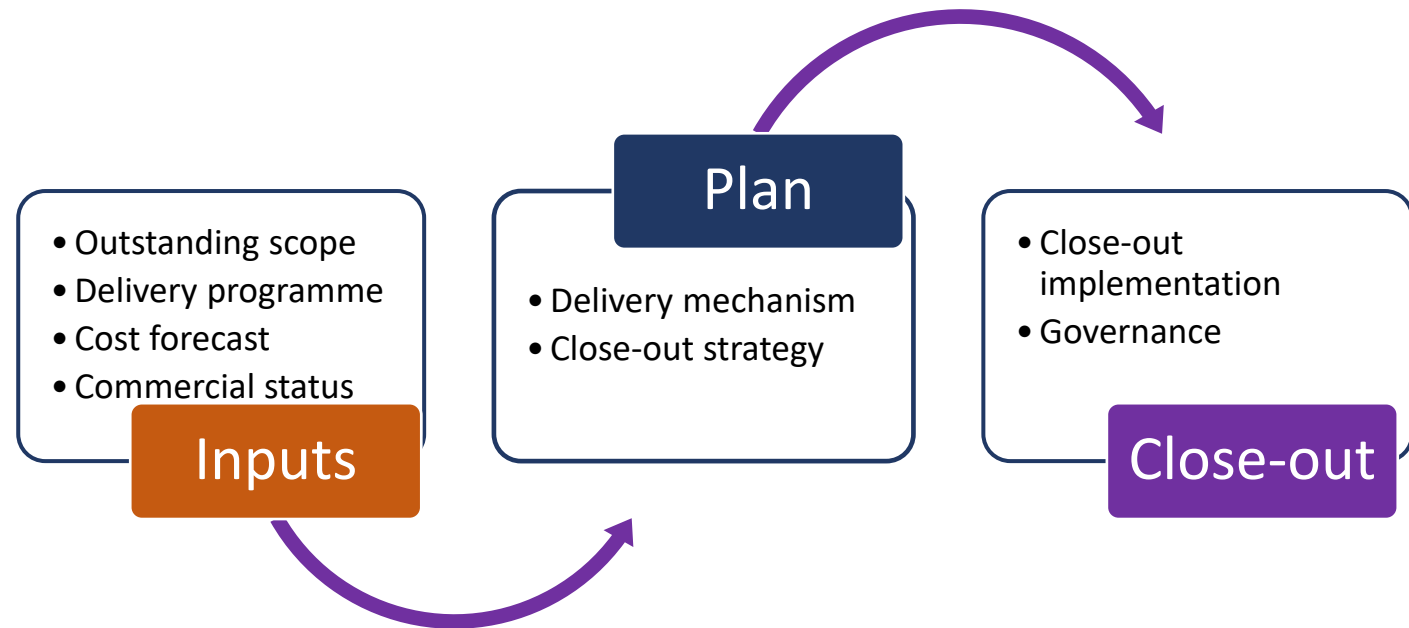
## The Commercial “sweet spot”

- ✓ Directly reporting to CFO
- ✓ But embedded in Delivery organisation



## Commercial strategy for close-out

- ✓ Tier1s demobilisation and final account
- ✓ Identification of most efficient delivery mechanism for outstanding works



# Lessons learned

Simple but  
*relevant*  
techniques

*Relationships*

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Enhanced period review



Agile change control process



Proactive risk management



Effective Workforce planning



Strategic thinking (“Route home”)



Effective assurance



Stakeholders management



Timely and open communication



Strategy planning and execution



Empowered Commercial via organisation structure



Supply chain engagement



Right incentives based on the phase of the programme



Robust completion process