

CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
held on Thursday 05 December 2013 at 13.30
28th Floor, 25 Canada Square, Canary Wharf, E14 5LQ**

Members:

Terry Morgan (Chairman)
Chairman
Andrew Wolstenholme
Chief Executive

David Allen
Finance Director
Ian Brown
Non-executive Director
Terry Hill
Non-executive Director
Phil Gaffney
Non-executive Director
Andy Mitchell
Programme Director
Daniel Moylan
Non-executive Director
Heather Rabbatts
Non-executive Director

In Attendance:

Martin Buck
Commercial Director
Mark Fell
*Legal Services Director &
Company Secretary*
Niamh O'Sullivan
Head of Secretariat
Will Parkes
External Affairs Director
Valerie Todd
Talent & Resources Director

Apologies:

Michael Cassidy
Non-executive Director
Robert Jennings
Non-executive Director

Howard Smith
Operations Director

The meeting was quorate, and no directors declared conflicts of interest in relation to any matters discussed.

62/14 The Chairman welcomed Board members and attendees.

BD **Minutes of the Meeting of the Board held on 07 November 2013.**

MIN

071113 The Chairman signed the minutes of the meeting as a correct record.

BD AC **Actions and Matters Arising**

051213

The Board noted the updates on the outstanding actions.

63/14 **BD CBR 051213 - Crossrail Board Report**

The Board noted that the improvement in safety performance continued with the RIDDOR AFC (including over 3 day lost time cases) reducing to 0.38 (P7: 0.41), no RIDDOR major injuries and HSPI up to 2.05 (P7: 2.04). A Health and Safety "Stepping up week" had been held which focussed on the core elements of the Crossrail Target Zero campaign. In addition, there had been a specific focus on tackling the issues of fatigue in the workplace and, following a further incident involving a runaway trailer unit, the safe operation of locomotives in tunnels.

The Metropolitan Police had confirmed that the HGV involved in the fatal accident with a

cyclist (reported at the November Board meeting) had been compliant with CRLs vehicle safety equipment requirements and [REDACTED]. There was nothing further to report on the continuing police investigations relating to this incident and the incident in September 2014. There had been a number of 'Exchanging Places' events during the Period which offered the opportunity to sit in the driver's seat of an HGV to gain a better understanding of when and where vehicle blind spots can occur. This is an important part of the Crossrail cycle safety initiative and time had been set aside at the Crossrail CEO Forum meeting on 29 November for the CEOs to meet with the Metropolitan police cycle safety facilitators and to take part in an exchanging places event. CRL was gathering information on the number of Crossrail HGVs using the roads during the rush hours of 4-6pm and was considering ways of reducing this. The Mayor of London would be holding an event regarding cycling safety on Monday 9 December and had recently made favourable comments about the Crossrail activities in this regard.

At the end of Period 8 the works were 45.9% complete against a planned figure of 46.4%, a variance of 0.5%. The gap had reduced by one week in the Period (to minus 6 weeks) and it was anticipated it would be closed by March 2014. TBM Elizabeth had broken into the Stepney Green Caverns and TBM Sophia had re-started and was tunnelling under the south bank of the Thames. Total TBM production had been 2.2 km in the Period. The end date for the stage 3 remained December 2018 at a P78 level of confidence.

Total spend in the Period was £108m, £12.2 m below forecast. An underspend of £19.6m resulting from net project, area and programme risk mitigation was offset by net overspends driven by the growth of utilities scope, additional contractor resource requirements to support the Straight Edge Plans, net delays at Paddington, delays to tunnelling in the West due to TBM maintenance work, delay to the completion date of Canary Wharf station due to re-sequencing works to accommodate the TBMs and delays to Thames Tunnel due to complications in processing spoil.

The Period 8 Schedule Performance Indicator (SPI) was 1.57 (up from 1.52 in Period 7). The Cost Performance Indicator (CPI) was 1.26 (up from 0.90 in Period 7).

Total costs in the year to date were £1,024.5m. The £22.5m overspend against forecast was principally due to a £7.5m overspend in Delivery and a £31.9m overspend in Land & Property, offset by an underspend on indirect costs of £16.9m.

Cumulative costs to date from 1 April 2007 were £5,213.6m. The Anticipated Final Crossrail Direct Cost (AFCDC) (P50) in Period 8 had decreased by £2.3m to £11,623m which was £121m below Intervention Point 0. The P80 AFCDC was £0.4m below Intervention Point 1.

The overall CPI is 0.94 (up from 0.93 reported in Period 7) and the overall SPI is 0.99 (up from 0.98 reported in Period 7).

The number of open NCEs in the Period had decreased for the first time in 8 periods from 851 to 848. The value of open NCEs decreased from £382.12m to £268.52m. Five high value NCEs were implemented in the Period.

The percentage of open NCEs against total raised was currently 7.2% (4.7% if NCEs less than 30 days were excluded), still below the 10% business target. The majority of the open NCEs were within the sub £50k category (528 of the 848 total) and there was a focus on resolving these issues before they came into the system.

The half-time reviews with contractors were now complete. 15 meetings had been held

tenders (Bombardier, CAF and Hitachi). The Board would be asked to endorse the outcome of the procurement process and make a recommendation to the TfL Board regarding the contract award. A post-award communications plan was being discussed with the Sponsors.

A public enquiry into the Paddington Bakerloo Line Connection had been opened on 12 November under the Transport and Works Act. No evidence was produced at the enquiry against the case for the Connection. The enquiry was closed on 14 November. The Inspector would submit his report and recommendation to the Secretary of State and his decision was expected early in 2014.

The Crossrail stand at the Skills Show had had over 2000 visitors. The Deputy Prime Minister Nick Clegg MP and the Skills Minister Matthew Hancock met Crossrail apprentices. Two Crossrail contractors had won awards at the National Apprenticeship Awards.

The unplanned employee turnover had increased during the Period. Unplanned employee turnover rates would be closely monitored in the coming months.

The service performance for IT had improved during the Period. CRL had reached an agreement with its IT supplier Fujitsu about a new service management arrangement which resolved a number of disputes from the past and would provide a firmer footing for commercial control in the future.

CRL had commenced working with a new media monitoring provider. Media evaluation was now being undertaken in-house, which enabled the External Affairs team to calculate tonality more accurately. Tonality was now calculated using the new provider's online evaluation system. The KPI score for the current year was not felt to be representative of general perceptions of tonality, which were positive.

The Board NOTED the report.

64/14 22/14 - Project Representative Report

The Board received the Project Representative's Project Status Report for Period 7.

The report had agreed with CRL's decision to hold CPI at the same rate from the previous period but raised the potential for cumulative CPI to drop in future due to several low in-period CPIs on certain large contracts. The Board noted that this assessment had not been correct and that on the contrary the CPI had risen in Period 8.

The Board NOTED the report.

65/14 23/14 2014/15 Business Plan and Corporate Objectives

The Board received a paper from the Finance Director which set out the 2014/15 Corporate Objectives and Business Plan.

Following the informal Board briefing on 10 October and a subsequent series of informal discussions with individual Board members it was proposed to retain the 2014/15 overall structure of CRL's performance management framework – based on the four key performance challenges of safety, funding, time and world class.

The paper under review set out the detailed objectives, measures and targets proposed for

with the aim of coming to a shared view on costs and forecast outcomes. Overall the meetings had been positive with only a small minority of contracts exhibiting a substantial difference from the CRL view of contract cost performance. A further update would be provided to the Board in the New Year.

Action: David Allen

All key output dates for the On-Network Works were on target to be achieved. Much of the work was being carried out in proximity to the live operating railway and the resulting safety issues were being monitored closely by the Crossrail Health and Safety Committee, with regular updates being provided by Rob McIntosh, Crossrail Programme Director at Network Rail. Network Rail would be undertaking 13 infrastructure works for Crossrail over the Christmas period and would be launching the work on Stockley Bridge in January 2014. The priority for Crossrail in the New Year would be Network Rail's signalling decision.

The procurement process for the Crossrail Train Operating Company concession agreement is continuing and tender documents had been issued to 4 shortlisted bidders at the start of Period 8. The Train Operator Company should be appointed by the end of 2014.

There had been a positive response to the Invitation to Tender for the station fit-out at Woolwich.

The Stations Programme Board would hold its first meeting on 12 December and would be considering issues such as supply chain capacity for the stations fit-out.

The Crossrail Sustainability Report 2013 had been launched at the House of Commons on 25 November 2013. Crossrail continued to make positive progress under the 3 pillars of economic, social and environmental sustainability.

During the Period planning applications for Fisher Street and for Bond Street West had been approved. The planning application at Paddington PIP had been withdrawn pending a revised proposal to Westminster City Council regarding a contribution for affordable housing.

CRL's approach to using building information modelling (BIM), and in particular the application of 4D modelling, had been recognised at the Bentley's 2013 annual awards.

The innovation programme was currently focussed on stations, railway system and railway operations. Further ideas would be submitted through the Innovate18 portal as part of the second innovation cycle. Ideas were being shared actively with TfL and the project partners.

The report on the National Audit Office audit would be published within the next two months.

The Old Oak Common Connection Agreement had been resolved and the final version would be issued to Rolling Stock and Depot bidders in early December to allow them to finalise their price and risk allocation.

The Rolling Stock and Depot Evaluation Team continued its evaluation of the 3 RSD

2014/15. A number of the individual targets would need to be finalised closer to the start of the 2014/15 financial year in order to ensure that they were realistic and ambitious.

The Board noted that the CPI measure included direct costs only. The weighting for this measure had been reduced from 10% in 2013/14 to 2% for 2014/15 on the basis that CPI is simply an interim measure with the key measure being the final cost of the project.

The Board noted that IP0 and IP1 were within a very narrow band of £240m and that this was the context in which it accepted that it was appropriate to permit an achievement score of 25% even if the AFCDC approached a level of £120m above IP0.

The Board noted that the 2014/15 plan proposed a staffing increase of 138.4 FTE (full time equivalent) compared to the 2013/14 Business Plan. This reflected a clearer view of the resources required to complete the civil engineering programme and to strengthen the Operations team. CRL had the organisation in place to recruit to the new positions either directly or through the programme partners if they could provide the best candidates for the required roles. The Executive was finalising a revised organisation structure which focused on the stations as the hub for the stations programme. The Board requested that a paper on the future organisation structure should be submitted to the February Board meeting.

Action: Andy Mitchell

The Board noted that CRL was required to issue a change notice to extend the Network Rail financing agreement and that Sponsor approval would be required to do this.

The Board :

- **APPROVED** the 2014/15 Corporate Objectives (noting that a number of the individual measures will need to be finalised closer to the start of the 2014/15 financial year); and
- **APPROVED** the 2014/15 Business Plan.

66/14 24/14 Rolling Stock and Depot Update

This item was withdrawn.

67/14 25/14 Reconstituted Operations and Systems Expert Panel

The Board received a paper which outlined the background and changes leading to the reconstituted Operations and Systems Expert Panel.

The Board NOTED the paper.

68/14 Minutes of Board Committees for Reference

The Board received the following minutes for reference;

Executive and Investment Committee	EIC MIN 301013	Andrew Wolstenholme
Health and Safety Committee	HS MIN 281013	Andrew Wolstenholme

69/14 Verbal Updates of Recent Board Committee Meetings

The Board received verbal updates on recent meetings of Board Committees;

Executive and Investment Committee - 27 November 2013 – Andrew Wolstenholme
The Board noted that the Committee had been updated on railway integration and the plan for testing, commissioning and handover. An update would be provided to the Board in the New Year.

The Committee had also considered a draft response to a Sponsor Change Notice in respect of service frequency. A revised paper would be considered by the Committee in January following which it would be submitted to the Board.

Action: Howard Smith

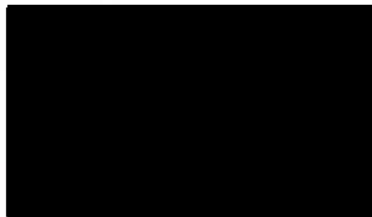
70/14 AOB

The Board noted that the Organising Committee of the Crossrail Early Career Professionals Initiative had made a request for members of the scheme to attend Crossrail governance meetings on a rolling basis. The Board agreed that this should include CRL Board meetings unless commercial sensitivity made it inappropriate.

The Board noted that, at the request of the Sponsors, CRL would be submitting a paper to the Joint Sponsor Board to provide an overview of the developments in securing funding for the Crossrail Art Programme. A copy of the paper would be circulated to Board members and a further update paper would be submitted to the Board early in the New Year.

Action: Will Parkes

Signed by:



**Terry Morgan
Non-executive Chairman**

Pre-meeting Board Briefing-Thursday 05 December 2013

<u>Members:</u>	<u>In Attendance:</u>	<u>Apologies:</u>
Terry Morgan <i>Chairman</i>	Martin Buck <i>Commercial Director</i>	Michael Cassidy <i>Non-executive Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Mark Fell <i>Legal Services Director & Company Secretary</i>	Howard Smith <i>Operations Director</i>
David Allen <i>Finance Director</i>	Niamh O'Sullivan <i>Head of Secretariat</i>	
Ian Brown <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Phil Gaffney <i>Non-executive Director</i>	Glen Snowden (part) <i>Head of Rolling Stock and Depot</i>	
Terry Hill <i>Non-executive Director</i>	Valerie Todd <i>Talent & Resources Director</i>	
Robert Jennings <i>Non-executive Director</i>	Ben White (part) <i>Head of Community Relations</i>	
Andy Mitchell <i>Programme Director</i>		
Daniel Moylan <i>Non-executive Director</i>		
Heather Rabbatts <i>Non-executive Director</i>		

New Format Board Report

The Board received a presentation from David Allen, CRL Finance Director.

The Board noted that the aim of the new format Board report was to provide information which was clearer and more focused. This reflected comments received from a number of Board members.

The Board noted that the new report would be used for Board meetings from January 2014 and that there would be opportunities for Board members to provide further feedback. The same format would be used for Executive, Board and Sponsor reporting.

The Board NOTED the presentation.

Rolling Stock and Depot

The Board received a presentation from Martin Buck, CRL Commercial Director and Glen Snowden, CRL Head of Rolling Stock and Depot.

The Board NOTED the presentation.

Crossrail Stakeholder Engagement Research

The Board received a presentation from Will Parkes, CRL External Relations Director and Ben White, CRL Head of Community Relations.

The Board NOTED the presentation and that the revised Communications Strategy would be submitted to the Board early in the New Year.

Action: Will Parkes

Update on Half Time Reviews

The Board received a verbal update from Andy Mitchell, CRL Programme Director and David Allen, CRL Finance Director.

The Board NOTED the verbal update.

Update on the Crossrail Christmas Schedule of Works

The Board received a verbal update from Andy Mitchell, CRL Programme Director.

The Board NOTED the verbal update.