



BD MIN 160915

**CROSSRAIL BOARD**

**Minutes of the Meeting of the Board of Directors of Crossrail Limited  
Held on Thursday 15 September 2016 at 15.45  
Meeting Room 2, 19 Eastbourne Terrace, London, W2 6LG**

<b>Members:</b>	<b>In Attendance:</b>	<b>Apologies:</b>
Terry Morgan <i>Chairman</i>	Funmi Amusu <i>Company Secretarial Assistant</i>	
Pam Alexander (by telephone) <i>Non-executive Director</i>	Victoria Burnett <i>Head of Secretariat</i>	
Michael Cassidy <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	
Mathew Duncan <i>Finance Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Phil Gaffney <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</i>	
Terry Hill <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Robert Jennings <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Valerie Todd <i>Talent and Resources Director</i>	
Simon Wright <i>Programme Director</i>		

The meeting was quorate.

	<p>The Chairman welcomed Board members and attendees.</p> <p>Members were reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.</p> <p>There were no interests declared in relation to the day's business.</p>
<p><b>BD MIN 160721</b></p> <p><b>BD RES 160830</b></p>	<p><b>Minutes of the Meeting of the Board held on 21 July 2016 and the Board Resolution passed 30 August 2016</b></p> <p>The Board <b>APPROVED</b> the minutes of the meeting held on 21 July 2016 for signature and <b>NOTED</b> the resolution passed on 30 August 2016.</p>
<p><b>BD AC 160915</b></p>	<p><b>Actions and Matters Arising</b></p> <p>The Board <b>NOTED</b> the following status updates for those actions due that would not be covered elsewhere on the agenda:</p> <p><b>17.052 - Health and Safety Performance Period 3</b> – on 5 July there had been an incident in which a shunter was nearly caught between a moving train and the stationary rail units. Initial reporting had not captured the full seriousness of the incident and had focussed on the property damage until additional staff were sent</p>

	<p>into the tunnel to collect information. Subsequent improvements had been made to the reporting speed of incidents. Although for the most part, Tier 1 contractors' reporting and response procedures remained good.</p> <p><b>BAD08 - Whitechapel Art</b> – Will Parkes reported that discussions were underway with the Art Fund who might participate as matched funder for the artwork at Whitechapel.</p>
<p><b>BD CBR 160915</b></p>	<p><b>Crossrail Board Report Period 5</b></p> <p>Andrew Wolstenholme introduced the Board Report providing an overview of Period 5 highlighting that:</p> <ul style="list-style-type: none"> <li>• Overall Period 5 had seen positive performance; particularly with the concreting train which had now turned around and was heading to Pudding Mill Lane;</li> <li>• There had been slower progress than expected on Cable Management Systems (CMS) due to installation around shafts, cross passages and stations. The plan was to use night shifts to recover progress;</li> <li>• There had been a slight reduction in the AFCDC. Cumulative CPI had increased to 0.96 and cumulative SPI remained at 0.97. Headroom to IP1 at P50 now stood at £71m. The Programme Controls Team had been asked to look into the meaningfulness of earned value measures of performance for projects nearing completion;</li> <li>• Expenditure against the business plan in the period had been £2.5m above plan - due predominantly to costs associated with [REDACTED] Year to date Crossrail expenditure was £14.5m below plan. The business planning process for 2017/18 was underway and the executive was looking at the assumptions and organisational structure required to deliver Stages 4 and 5;</li> <li>• KPIs had remained stable compared to the previous Period except for an improvement in CPI and a slight fall in certification; and</li> <li>• Since Period 5, Crossrail had celebrated completion of more than 50% of track and 75% complete on the project.</li> </ul> <p><b>Are We Safe?</b></p> <p>It was <b>NOTED</b> that:</p> <ul style="list-style-type: none"> <li>• The HSPI score had increased to 2.36 from 2.28. 75% of the contracts now had a score above the target of 2.20. However, C610 had not improved to the extent desired and the Health and Safety Committee would continue to monitor the contract's performance against its improvement plan;</li> <li>• There had been four lost time injuries in the Period and four potential near misses including: one RIDDOR at C610 where a steel beam had fallen from height; and three lost time injuries, two of which were C610 also;</li> </ul> <p><b>Are We Within Funding?</b></p> <p>Mathew Duncan presented an overview of the Period's financial position.</p> <p>It was <b>NOTED</b> that:</p> <ul style="list-style-type: none"> <li>• The AFCDC had decreased by £1.9m in the Period, to £11,835m. This was</li> </ul>

driven [REDACTED]

- The Intervention Points (IPs) had increased by £0.3m in Period 5 due to higher interest earned as a result of later phasing of cost at [REDACTED]. The P50 AFCDC was therefore now £71m below IP1 (P4 £69m). The P80 AFCDC was £140m above IP1 (P4 £142m) and there was a 39% chance of exceeding IP1.
- Of the £504m QRA total, £96m was currently programme risk not allocated to projects. £222m represented unresolved trends which had decreased by £12m in the Period, driven by a number of small decreases across the sectors. Total risk was 13% of remaining spend including a £6m opportunity for glidepath savings.
- The overall contingency budget of £580m remained sufficient to cover the P50 risk exposure of £504m, but was inadequate at P95 (by £323m, which was a £16m improvement on Period 4).

#### 2017/18 Business Planning

Mathew Duncan presented the Board with a timetable and overview of the 2017/18 business planning process.

The Board **REQUESTED** that a copy of the slide presented at the meeting be circulated to NEDs together with a note asking for their input as to what they would like to see covered at an informal briefing on business planning at the November Board meeting.

**Action:** Mathew Duncan

It was **NOTED** that the Executive had put together a communications strategy for key messaging around achieving funding targets. The Board **REQUESTED** that the Board discuss reputation and messaging in relation to funding at the meeting in November as part of the business planning process.

**Action:** Mathew Duncan/Will Parkes

#### Commercials Update

Paul Grammer provided an update on progress with the following contracts: C405 Paddington; C412 Bond Street; C422 Tottenham Court Road; C535 Farringdon; C502 Liverpool Street; C510/512 Whitechapel; C300/410 Tunnels West; C305 Tunnels East; C610 Systemwide; C828 Ilford Yard; C530 Woolwich; C620 Signalling; C660 Communications; and C360 Portals and Shafts.

The Board **NOTED** that:

- The total gap between CRL and its contractors' views of target had decreased by [REDACTED] and the total forecast gap in defined cost had decreased by [REDACTED].
- The value of open compensation events had reduced by [REDACTED] in the Period to £168m, driven by the implementation of historical compensation events at [REDACTED]. The value of [REDACTED]

implemented compensations events had increased by [REDACTED]. The number of high value compensation events had remained at four at an aggregate value of [REDACTED]

#### NR ONW – Funding issues

Paul Grammer provided a summary of key challenges with respect to the DfT intervention price for the ONW of £2.3bn, of which only £2.199bn had been authorised by Network Rail. Crossrail was continuing to support NR in carrying out wide reaching reviews of NR's costs and commercial opportunities. NR had now prepared a cost saving and recovery plan but further detailed work was required to achieve its targeted position.

Andrew Wolstenholme reported that Sponsors had officially responded to the Adverse Event Notice issued by Crossrail in June with regard to the availability of funding up to the intervention price. Sponsors had expressed their wish to progress the September variations for western stations which was time critical but would require funding above the current NR authority level of £2,199m. A discussion between Crossrail and Sponsors would take place at the Sponsor Board on 26 September. Crossrail was also considering how the interim financing arrangements might be varied to the mutual benefit of both parties. Sponsors were continuing to look into other sources of funding and aimed to take a decision in December 2016.

#### Are We on Time?

Simon Wright presented an overview of delivery performance highlighting some of the key issues for the Period. It was **NOTED** that:

- Track installation works in the Period had improved significantly, with several shifts recording record levels of track output from the concrete train. Total track completed was 26,182m which was about halfway;
- Safety within the concreting train operations arena remained a key focus area following the near-miss with the train in July. Track installation rates remained a significant risk to the completion of track works on time. As a result, the plan would be reviewed in full as part of the Period 6 MOHS update and SACR16 SQRA;
- Planned blockade works at Ilford Yard were progressing well. Workshop A had been brought into use on 26 July and workshop B and the old paint shop had been successfully handed over to Crossrail by BT on 20 August. The temporary yard control office and northern footpath had been completed. The Crossrail team continued to focus on planning and mitigation efforts to ensure that works were completed 'right first time' and any opportunities for third-party complications were minimised; and
- Planning efforts had advanced significantly during the Period to address delays to the Bond Street 'master plan shaft'. Early indications were that the team had been successful in sequencing the works to bring the completion date back by over 5 months but further work was needed to demonstrate that the planned date in August 2018 could be secured. Additional Sunday working had already started as part of the acceleration measures needed to achieve these timescales.

#### Operations

Howard Smith provided an update on key operations issues **NOTING** that;

- TfL Rail's performance continued to be high in comparison with other rail

	<p>operators;</p> <ul style="list-style-type: none"> <li>• Work to achieve Stage One was progressing well, albeit with a number of challenges which were being addressed; and</li> <li>• Heathrow Airports Ltd had commenced a judicial review of the ORR's decision on the charging framework to the Heathrow Spur. Crossrail's Sponsors were actively engaged in securing the necessary outcomes for Stage 2 services, <p><b>Are we world class?</b></p> <p>It was <b>NOTED</b> that:</p> <ul style="list-style-type: none"> <li>• The newly established Crossrail Integration Board would be holding its first meeting on Friday 16 September. Chaired by Howard Smith, its remit was to discuss and explore opportunities for transition of staff and functions from Crossrail to TfL as the Project neared completion;</li> <li>• The Learning Legacy Team was continuing to review the content for September's Tranche 2 launch and assisting in presenting Crossrail learnings to an international audience; and</li> <li>• A successful LRQA external audit had taken place ensuring that Crossrail retained its QMS, EMS and OHSAS certification standards.</li> </ul> <p>The Board <b>NOTED</b> the Board Report for Period 5.</p> </li></ul>
21/17	<p><b>CRLB 21/17 – Project Representative (PRep) Reports Periods 4 &amp; 5 2016/17</b></p> <p>The PRep report for Period 4 had been included in the Board Pack and was taken as read.</p> <p>Andrew Wolstenholme outlined the issues that would be raised in the Period 5 Report: These included: central operating costs and continued risk of breaching IP1; NR costs; Stage readiness issues; interface works and handovers; and interoperability.</p> <p>The Board <b>NOTED</b> the PRep report.</p>
22/17	<p><b>CRLB 22/17 – Crossrail's Forecast Cost and Contingency Reporting</b></p> <p>Mathew Duncan presented a draft response to the request made by Sponsors in July 2016 asking for additional information about the forecast cost at each stage of the opening and the respective levels of contingency available.</p> <p>The Board <b>ENDORSED</b> the response to Sponsors which would be submitted on 16 September, subject to the amendment of some figures and the inclusion of a reference to unfunded scope changes. The Board also <b>NOTED</b> that there was more work to do to accurately identify risk for Stages 4 and 5. (The work being carried out for business planning for 2017/18 and preparation for SACR16 would have a bearing on the amount of contingency and risk that would need to be held for later stages of the Project.) Sponsors would be provided with further information once the work was completed.</p>
23/17	<p><b>CRLB 23/17 – TfL Group Banking Arrangements</b></p> <p>Mark Fell presented a paper that sought approval for the new TfL banking arrangements and the signing of the HSBC Global Liquidity Solutions ("GLS") Terms</p>

	<p>and Conditions on behalf of Crossrail Ltd.</p> <p>The CRL Board <b>RESOLVED</b>:</p> <p>(a) that it is, in the opinion of the directors of the Crossrail Limited ("the Company"), for the benefit of the TfL Group and for the purposes of or ancillary to its business and without dis-benefit to the Company, that it should execute and deliver to the Bank the GLS Terms and Conditions;</p> <p>(b) that any two directors of the Company be and are hereby authorised to execute as a deed the GLS Terms and Conditions (including the Supplementary Terms and Conditions for Single Currency Pooling Service) and that the same be delivered to the Bank;</p> <p>(c) that Transport for London, defined as the Customer in the GLS Terms and Conditions, is hereby authorised to:</p> <p>(i) negotiate and agree with the Bank, on behalf of the Company, any additional service or change in the service operated by the Bank in accordance with the GLS Terms and Conditions or any amendment to the GLS Terms and Conditions; and</p> <p>(ii) to execute any document setting out such agreement referred to in sub-paragraph (i) above on behalf of the Company including any documents relating any accession to or withdrawal from the GLS Terms and Conditions of any TfL subsidiary and any account changes or additional services;</p> <p>(d) that the Company ratify anything done by the Customer on its behalf (in accordance with paragraph (c) above) with respect to the GLS Terms and Conditions;</p> <p>(e) that the Director of TfL Group Treasury (as notified by the TfL Company Secretary from time to time) shall as and when necessary be authorised to:</p> <p>(i) supply to the Bank lists of officials authorised to sign in respect of each and any account(s) of the Company together with specimen signatures;</p> <p>(ii) open further accounts for and on behalf of the Company and supply to the Bank details of the signatories together with specimen signatures in respect of such account(s); and</p> <p>(iii) notify the Bank of any restrictions on the operation of any such accounts, and</p> <p>the Bank shall be entitled to rely on any such details or notification supplied by the Director of TfL Group Treasury (as notified by the TfL Company Secretary from time to time).</p>
24/17	<p><b>CRLB 24/17 – Health and Safety Committee and Executive and Investment Committee – Terms of Reference</b></p> <p>The Board <b>APPROVED</b> changes to the Terms of Reference for the Health and Safety Committee and Executive and Investment Committee as presented to the meeting.</p>

<b>Minutes of Board Committees for Reference</b>		
The Board received the following minutes for reference:		
Executive and Investment Committee	<b>EIC MIN 160713</b> <b>EIC MIN 160810</b>	Andrew Wolstenholme
<b>Verbal Updates of Recent Board Committee meetings</b>		
<b>Health and Safety Committee</b> <b>5 September 2016</b> Matters covered by the Committee were: <ul style="list-style-type: none"> <li>• Period 5 Health and Safety Director's Report</li> <li>• Health and Safety six-period look ahead</li> <li>• Constructing Better Health - Lesson Learnt</li> <li>• Ideas on Health and Safety Management – Laing O'Rourke</li> </ul>	<b>HS MIN 160905</b>	Andrew Wolstenholme
<b>Executive and Investment Committee 7 September 2016</b> Matters covered by the Committee were: <ul style="list-style-type: none"> <li>• Crossrail Forecast Cost and Contingency Reporting</li> <li>• Stage One Operational Readiness</li> <li>• C828 Ilford Yard Update</li> <li>• C512/C510 Whitechapel Update</li> <li>• Business Planning Update</li> <li>• TfL Group Banking Arrangements</li> </ul>	<b>EIC MIN 160907</b>	Andrew Wolstenholme
<b>AOB</b>	Valerie Todd brought the Board's attention to an issue that had been raised recently by UNITE concerning the pay and scarcity of technical resources. Crossrail had noted UNITE's position which it would consider carefully.	
<b>NED Only Session</b>		
Non-executive Directors provided feedback on the day's meeting.		

Signed by:



**Terry Morgan**  
Non-executive Chairman

**Pre-meeting Board Briefing – Thursday 15 September 2016**

<b>Members:</b>	<b>In Attendance:</b>	<b>Apologies:</b>
Terry Morgan <i>Chairman</i>	Funmi Amusu <i>Company Secretarial Assistant</i>	
Pam Alexander (by telephone) <i>Non-executive Director</i>	Maggie Brown <i>Innovation Programme Migration Manager</i>	
Michael Cassidy <i>Non-executive Director</i>	Victoria Burnett <i>Head of Secretariat</i>	
Mathew Duncan <i>Finance Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	
Phil Gaffney <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Terry Hill <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</i>	
Robert Jennings <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Andrew Wolstenholme <i>Chief Executive</i>	John Pelton <i>Strategic Projects Director</i>	
Simon Wright <i>Programme Director</i>	Matt Randerson <i>Project Manager – Whitechapel Tunnels and Station (part of meeting)</i>	
	Howard Smith <i>Operations Director</i>	
	Valerie Todd <i>Talent and Resources Director</i>	

**1. Update on Ilford Yard**

Simon Wright and Paul Grammer presented an update on Ilford Yard following the Board's approval of additional funding for the C828 Supplemental Agreement on 30 August 2016. The presentation included a summary of progress with the schedule, drivers of cost increases for C828 and A035, and lessons learned.

The Board **REQUESTED** that a session be held at a Board meeting towards the end of the year to explore the lessons learned in more detail and formulate recommendations for future projects.

**Action:** Simon Wright/Paul Grammer/Mathew Duncan

The Board **NOTED** the presentation.

**2. Update on Whitechapel**

Matt Randerson presented an update on Whitechapel highlighting: health and safety performance; update on C510 SCL works, the C510/C610 works interfaces timetable; and update of C512 station works; and C512 risks and opportunities.

The Board **NOTED** the presentation.

**3. Update on Innovation Programme**

John Pelton and Maggie Brown gave a presentation on the history, activities and legacy of Crossrail's Innovation Programme

The Board **NOTED** the presentation.