



BD MIN 170714

CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
held on Thursday 17 July 2014 at 13.30
28th Floor Boardroom, 25 Canada Square, Canary Wharf, E14 5LQ**

Members:

In Attendance:

Apologies:

Terry Morgan (Chairman) <i>Chairman</i>	Martin Buck <i>Commercial Director</i>	Heather Rabbatts <i>Non-executive Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Howard Smith <i>Operations Director</i>	
David Allen <i>Finance Director</i>	Valerie Todd <i>Talent & Resources Director</i>	
Ian Brown <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Michael Cassidy <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director & Company Secretary</i>	
Phil Gaffney <i>Non-executive Director</i>	Victoria Finney <i>Head of Secretariat</i>	
Terry Hill <i>Non-executive Director</i>	Chris Green (part of meeting) <i>Chair, Operations & Systems Panel</i>	
Robert Jennings <i>Non-executive Director</i>	Chris Sexton (part of meeting) <i>Technical Director</i>	
Daniel Moylan <i>Non-executive Director</i>	Siv Bhamra (part of meeting) <i>Systemwide Director</i>	
Simon Wright <i>Programme Director</i>	Jeremy Bates (part of meeting) <i>Head of Integration</i>	

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

	The Chairman welcomed Board members and attendees, including Simon Wright who was attending his first Board meeting since formally joining CRL as Programme Director on 14 July.
BD MIN 190614	Minutes of the Meeting of the Board held on 19 June 2014 The Chairman signed the minutes of the meeting as a correct record.
BD AC 170714	Actions and Matters Arising The Board noted the updates provided on the outstanding actions.

BD CBR 170714	<p>Crossrail Board Report</p> <p>The Board considered the Crossrail Board Report for Period 3, during which satisfactory performance had been maintained.</p> <p><i>Are we safe?</i></p> <p>The Board was informed of an incident, involving a serious injury, at Paddington that morning, and the investigations already underway. The cause was as yet unknown.</p> <p>Overall safety performance during Period 3 had been in line with that in the previous Period with the RIDDOR AFR (including 3 day+ lost time cases) steady at 0.31. There had been six significant incidents during Period 3: four RIDDOR lost time case injuries, one 3+ days lost time case, and one lost time case incident. HSPI had increased from 2.12 in Period 2 to 2.17 in Period 3, with 16 of the 18 contracts registering HSPI scores of 2.00 or above (89%), exceeding the corporate objective of 85%.</p> <p>The Board discussed the actions being taken to improve safety performance, including the focus on maintaining standards during the summer period. The safety challenges of the next phase of the project with an increased number of smaller contractors were recognised.</p> <p><i>Are we within funding?</i></p> <p>The Project remained largely on schedule, with no change in either the cumulative SPI of 0.99 or the CPI (0.95) from the previous Period. However, the Board noted that SPI for the period had slipped to 0.92 and it was agreed that the summary section should in future report CPI and SPI during the period, as well as the cumulative figure.</p> <p>Action: David Allen</p> <p>The P50 AFCDC had increased during the Period by £21m to £11,684m, resulting in a reduction in the headroom to £63m below IP0 (£83m below IPO in P2). However, at P80, the AFCDC of £11,951m was now £36m below IP1, compared to £1m below IP1 in the previous period.</p> <p>Total costs in the Period were again below Business Plan, at £19m below (14%). Direct costs were £18m (16%) below the Business Plan, largely due to the phasing of Programme risk expenditure (£11m below the Business Plan), and an underspend in Technical and Surface. In line with previous periods, indirect costs were £2m (13%) below Plan due to unspent contingency and lower than budgeted staff costs.</p> <p>Performance on key contracts was discussed, in particular the improvement against both cost and schedule at C412 (Bond Street). The ongoing slippage against schedule on C610 (systemwide works) remained a concern. There was continued Executive focus on this potential issue with steps being taken to manage the contractor's performance and additional resources being deployed. The Executive remained confident that the gap would be made up before the contractor's deployment to site.</p> <p>There had been a further improvement in the estimated financial outturn at completion: the extrapolation of contingency drawdown was now showing a projected surplus against the IP1 compliant budget of £57m at 31 March 2019, compared to a £52m shortfall at the end of Period 2. The reasons for the reduced level of change during the Period were discussed, particularly the actions being taken to control</p>
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change. The majority of the changes coming through were driven by the need to co-ordinate the works rather than by additional scope or preference.

Are we on time?

At the end of Period 3, 53.9% of works were complete, against a plan of 54.7%, a variance of 0.8%, a slight increase on the variance of 0.7% reported in Period 2. Forecast completion of Stage 3 remained at December 2018 and the cumulative SPI had been maintained at 0.99, indicating that 99% of the work scheduled to date had been completed.

During the Period, 0.53km of TBM tunnelling was achieved, against a target of 0.7km (compared to 1.3km against a target of 0.9km in Period 2), and 0.5km of SCL against a plan of 0.9km. It was recognised that, given the stage of the project, the Period TBM and SCL run rates were becoming less indicative of progress. At the end of Period 3, 35.5km of TBM tunnelling was now complete, ahead of the planned 34.9km, with 8.2km SCL, versus the plan of 8.6km.

The Board was updated on key current issues:

- Farringdon: A decision had been taken that the additional temporary shaft at Farringdon was not needed; the TBM would instead be dismantled and taken back to Stepney Green.
- Moorgate shaft: a decision would be made within the following two weeks about whether the last level of strutting would be required; if so, the worse case scenario would be a 10 day delay to the shaft works, but this should have no impact on the TBM schedule.
- Bomb Gap potential development: no further information had been received regarding Network Rail's plans for the site, and CRL works were continuing as planned; the Board received assurance that Network Rail had been informed of CRL's position and timeline.

The Board was updated on two potential issues at Old Oak Common. Work was being undertaken to advise TfL on the potential impact on and risks to the Crossrail programme of a proposed over-site development; it was noted that this would be a decision for TfL in due course, not CRL. The Chairman and Chief Executive updated the Board on a DfT proposal to re-route services from Tring to Old Oak Common during the Euston Station works for HS2. It was recognised that this proposal was beyond the scope of the project and should not be linked in any way with Crossrail; this was solely a matter for the Sponsors rather than CRL.

The Board noted that TfL's Finance and Policy Committee had met that morning and an announcement was expected shortly on the award of the £1.4 billion contract to operate Crossrail services.

The surface works, delivered by Network Rail (NR), were 27% complete, with key achievements during the Period including the completion of the Stockley Bridge Slide and award of the Traction Power Contracts. The Board was updated on the aspirations of the Mayor and TfL to make the surface stations fully accessible and the options being considered to fund this. The challenges and risks around the testing and commissioning of trains in the western section resulting from NR's decision about ETCS implementation were noted for discussion later in the meeting. Good progress on the design of various stations, including Ealing Broadway, Ilford and Romford, was welcomed.

A positive response has been received to the Places and Spaces OSD/urban realm exhibition.

	<p><i>Are we world class?</i></p> <p>Crossrail's third sustainability report had been launched earlier in the week at the second Crossrail Sustainability awards. Feedback on the report had been positive.</p> <p>CRL had exceeded its targets for recycling and reuse of waste and excavated material. There had not been any level 2 incidents during the Period.</p> <p>In terms of social sustainability, the number of apprentices engaged on Crossrail had increased from 319 in Period 2 to 357 at the end of Period 3. TUCA had hosted an employer event in June, which had resulted in around 20 people either being invited for interview or receiving a job offer. To mark National Women in Engineering Day, Young Crossrail had hosted an event with the 30 winning girls from the Engineering Your Future Competition providing workshops, networking and a site visit.</p> <p>On economic sustainability, good progress with the innovation programme had been made, including the evaluation of the 160 ideas received during the latest round.</p> <p>The Board discussed the first episode of the three-part BBC Two documentary, <i>The Fifteen Billion Pound Railway</i>, which had aired the previous evening. The average audience for the programme had been 2.5m, with a peak of 3m, almost 1 million above the average for that slot. Feedback had been positive, and it was noted that the subsequent episodes would provide a complementary perspective on the project which would in particular give greater prominence to the role of women. Stakeholder engagement during the Period included the Chancellor's visit to North Woolwich and the Secretary of State for Wales' visit to Canary Wharf.</p> <p>The Board was updated on the implications of the Government reshuffle which had taken place the previous day, including the appointment of a new Crossrail Minister. Contact was already being made to offer meetings and site visits.</p> <p>The changes to pension arrangements approved by the Board had been implemented with effect from 1 July. Analysis was still being undertaken on the triennial actuarial valuation and the results would be brought before the Board in the autumn. The Board was updated on an audit planned for the autumn to test compliance with the London Living Wage.</p> <p>The Board considered the structure and content of the report and asked that this be reconsidered to give greater prominence to the systems contracts during the next stage of the programme.</p> <p>Action: David Allen</p> <p>The Board NOTED the report.</p>
26/15	<p>CRLB PAPER 12/15 – Project Representative Report</p> <p>The Board received the Project Representative's (PRep's) Project Status Report for Period 2.</p> <p>The Report had welcomed the improved safety performance, noting the various initiatives in place to improve safety, including Stepping Up week, as well as lessons to be learned from recent incidents. It was supportive of the action that had been taken to control the volume of change, and improve performance on under-performing contracts. The report had drawn attention to the concerns raised by the Engineering Expert Panel about reporting lines for project field engineers because of</p>

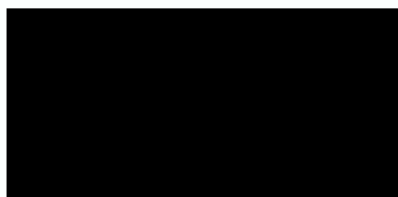
	<p>recent failures of contractors' self-certification processes leading to "retrospective" NCRs. The report also highlighted the ETCS migration plan being developed and the need for RfL to begin to engage in development of ERTMS level 3 capability tests.</p> <p>PRep had highlighted that it would focus more on the progress of the Network Rail schedule and the anticipated cost of on-network works over the next few periods.</p> <p>The Chief Executive provided a verbal update on the draft Period 3 PRep report, noting that it raised concerns about delays at Ilford Yard, which were being managed. The risks around design progress and controlling design change, and the work being taken to manage these, had been highlighted for the first time.</p> <p>The Board NOTED the report.</p> <p><i>Chris Green and Chris Sexton joined the meeting.</i></p>
27/15	<p>CRLB PAPER 13/15 – Operations and Systems Expert Panel Update</p> <p>The Board received a paper from Chris Green, Chair of the Operations and Systems Expert Panel, reporting on the Panel's review of Operational, Train, Depot, Infrastructure and Systems readiness. The report was broadly positive and the Board discussed the conclusions and recommendations.</p> <p>The Board expressed its view that there was a clear need to ensure that the provision of wi-fi on Crossrail trains was determined without delay given the significance for the train specification. The Executive explained the current state of progress within TfL and that the decision making process was underway. The Board asked to be updated on progress.</p> <p>Action: Howard Smith</p> <p>It agreed that the Network Rail control strategy should be monitored closely. The planned transfer of the new Liverpool Street Signalling Centre in July 2019 posed risks to the project and that the timing of this transfer should be raised with Network Rail. The risks around electro-magnetic interfaces were also noted and should be reviewed.</p> <p>The Board thanked the Panel for its work, and NOTED the paper.</p> <p><i>Jeremy Bates and Siv Bhamra joined the meeting</i></p>
28/15	<p>CRLB PAPER 14/15 – Railway Integration Review Point 3</p> <p>The Board received a presentation on the results of the progress assessment at Railway Integration Review Point (RIRP) 3, the third of 12 planned review points. The Board noted the railway integration model and that the RIRP process had been established by the Railway Integration Authority as the principal tool to measure the integration process through the delivery lifecycle.</p> <p>The Board welcomed the conclusions of the assessment and suggested that the 10 key issues it raised inform future reporting to the Board.</p> <p>The Board NOTED the presentation.</p>
29/15	<p>CRLB PAPER 15/15 – Signalling Interface with Great Western – Technology Decision</p>

	<p>The Board received a paper explaining the signalling interface with Great Western, and the technology decision which was due to be made by Network Rail, and its implications for Crossrail.</p> <p>The Board recognised that there were risks around both plan A and B in terms of successful launch of Crossrail to schedule. The Board was informed that the choice between Plans A and B would be a decision for Network Rail, but CRL was in a position to comment and express reservations if appropriate. The Board commented that the Executive therefore needed to undertake its own risk assessment of each from both a technical and operational view, in order to reach a view on its preferred way forward. The results of this assessment, along with a plan and timetable for engaging with Network Rail and Sponsors, should be brought to the Board as soon as possible, with an update on signalling to be a standing item on the Board's agenda.</p> <p>Action: Simon Wright</p> <p>The need to ensure that all lessons were learned from KPMG's review of the TfL's 2011 award of the signalling contract to Bombardier was highlighted.</p> <p>The Board NOTED the paper.</p> <p><i>Chris Green, Chris Sexton, Jeremy Bates and Siv Bhamra left the meeting</i></p>			
30/15	<p>CRLB PAPER 16/15 – Setting of 2014/15 Objectives for Programme Partners and Project Delivery Partners</p> <p>The Board received a paper proposing performance objectives for the Project Delivery Partner (PDP) and Programme Partner (Transcend) for 2014/15.</p> <p>The Committee APPROVED the proposed application of a modified version of Crossrail's corporate KPIs to PP and PDP.</p>			
31/15	<p>CRLB PAPER 17/15 – The Crossrail Art Foundation</p> <p>The Board received a paper recommending the establishment of the Crossrail Art Foundation as a charity and company limited by guarantee, to deliver the programme of artwork at new Crossrail stations.</p> <p>The Board sought and received assurance that legal advice had been received regarding the ownership of the art and that the charity objects as proposed would facilitate the winding up of the charity once the programme was complete.</p> <p>The Board APPROVED the proposal on the basis set out in the paper. It also requested an update in the autumn on the Art Programme, which should include clarity on the future ownership of the artwork and maintenance liability.</p> <p>Action: Will Parkes</p>			
32/15	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p> <table data-bbox="311 1944 1380 2016"> <tr> <td data-bbox="311 1944 662 2011">Executive and Investment Committee</td> <td data-bbox="758 1944 981 2011">EIC MIN110614 EIC MIN 230614</td> <td data-bbox="1077 1944 1380 1977">Andrew Wolstenholme</td> </tr> </table>	Executive and Investment Committee	EIC MIN110614 EIC MIN 230614	Andrew Wolstenholme
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	<i>Non-Directors left the meeting</i>
33/15	<p>AOB</p> <p><u>New Non-Executive Director</u> The Chairman provided a verbal update on the process to select a new non-executive Director. The nominations panel comprising the Chairman, the Senior Independent Director and Chair of the Nominations Committee recommended the appointment of Jayne McGivern to the Board.</p> <p>The appointment was APPROVED by the Board. Sponsor approval would be sought.</p>

Signed by:

Terry Morgan
Non-executive Chairman



Pre-meeting Board Briefing – Thursday 17 July 2014

<u>Members:</u>	<u>In Attendance:</u>	<u>Apologies:</u>
Terry Morgan (Chairman) <i>Chairman (part of meeting)</i>	Martin Buck <i>Commercial Director</i>	Heather Rabbatts <i>Non-executive Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Will Parkes <i>External Affairs Director</i>	Howard Smith <i>Operations Director</i>
David Allen <i>Finance Director</i>	Valerie Todd <i>Talent & Resources Director</i>	
Ian Brown <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director & Company Secretary</i>	
Michael Cassidy <i>Non-executive Director</i>	Victoria Finney <i>Head of Secretariat</i>	
Phil Gaffney <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Terry Hill <i>Non-executive Director</i>	Matt White (part of meeting) <i>Surface Director</i>	
Robert Jennings <i>Non-executive Director</i>		
Daniel Moylan (part of meeting) <i>Non-executive Director</i>		
Simon Wright <i>Programme Director</i>		

1. Update on On-Network Works, including Signalling

The Chief Executive noted that the Chairman was attending TfL's Finance and Policy Committee meeting and that he had been asked to chair the first item of the session in his absence.

The Board received a presentation from Matt White, Surface Director, regarding the status of on-network works, cost, challenges and risks.

The Board NOTED the presentation.

The Chairman joined the meeting.

2. Leadership Conference overview and associated commercial considerations

The Board received a presentation from David Allen, Finance Director, which provided the key content from his presentation to the Leadership Conference on managing commercial matters. It also provided examples of pain/gain share scenarios for a number of projects, and insight into the causes of this variance.

During the discussion it was suggested that consideration be given to engaging at the Board level with suppliers to help manage behaviour.

Action: David Allen

The Board NOTED the presentation.

Daniel Moylan joined the meeting.

3. C610 update

The Board received a presentation from Martin Buck, Transition and Strategy Director, regarding the principal areas of work and risks around the early access initiative.

The Board noted that £36m was an early estimate of cost and requested an update in October on the best estimate for this.

Action: Simon Wright

The Board NOTED the presentation.

4. Transition update

The update on Transition was deferred to a subsequent meeting.