

## CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited  
held on Thursday 18 July at 13.30  
28<sup>th</sup> Floor, 25 Canada Square, Canary Wharf, E14 5LQ**

<u>Members:</u>	<u>In Attendance:</u>	<u>Apologies:</u>
Terry Morgan (Chairman) <i>Chairman</i>	Simon Adams <i>Acting Chief of Staff</i>	Terry Hill <i>Non-executive Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Martin Buck <i>Commercial Director</i>	Heather Rabbatts <i>Non-executive Director</i>
David Allen <i>Finance Director</i>	Mark Fell <i>Legal Services Director &amp; Company Secretary</i>	Andy Mitchell <i>Programme Director</i>
Ian Brown <i>Non-executive Director</i>	Niamh O'Sullivan <i>Head of Secretariat</i>	
Michael Cassidy <i>Non-executive Director</i>	Chris Sexton <i>Technical Director</i>	
Phil Gaffney <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Robert Jennings <i>Non-executive Director</i>	Valerie Todd <i>Talent &amp; Resources Director</i>	
Daniel Moylan <i>Non-executive Director</i>		

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

<b>32/14</b>	The Chairman welcomed Daniel Moylan, who had been appointed as the TfL nominee on the CRL Board to his first Board meeting. He also welcomed other Board members and attendees.
<b>BD MIN 200613</b>	<b>Minutes of the Meeting of the Board held on 20 June 2013.</b> The Chairman signed the minutes of the meeting as a correct record.
<b>BD AC 180713</b>	<b>Actions and Matters Arising</b>  Action 01/14 – The Board noted that the Executive was working with London Underground to review all the options for the link between the Bakerloo Line and the new Crossrail Station at Paddington and was also carrying out a value engineering exercise on the deep subway option. The outcome of this work would be brought to the Board for a decision in September.

	<p>Action 65/13 – The Board noted that the Executive had considered three options for the caretaking/maintenance of stations following completion of construction and before handover of the station to the operator. These were as follows; (i) the contractor who had constructed the station, (ii) the infrastructure manager or (iii) a facilities management entity created by CRL. Further work is required but it was anticipated that the best value for money would be achieved if the stations were managed by a facilities management entity created by CRL.</p>
33/14	<p><b>BD CBR 180713 - Crossrail Board Report</b></p> <p>The Health and Safety Performance Index (HSPI) had increased in Period 3 to 1.89 which was an improvement on an HSPI of 1.81 in Period 2 and reflected management focus on improving performance during the Period. The reported Accident Frequency Rate (AFR) for Period 3 was 0.34. This was less than the 0.35 reported in Period 2, however it represented a small increase in AFR due to retrospective reporting of additional working hours by BFK in Period 2. The Lost Time Case AFR had also risen (against the adjusted figure) to 0.73 in Period 3, from 0.71 in Period 2. This rise was disappointing however there were no lost time injury or RIDDORs reported in the West area during the Period which was a very encouraging reversal of previous trends. The Health and Safety Executive had held its Board meeting at the Bond Street site on 25 June. Dame Carol Black, Expert Advisor on Health and Work to the Department of Health, had also visited the Bond Street site and had commended Crossrail on the work being undertaken with regard to health risks associated with construction workers and the successful engagement with Small and Medium Enterprises with regard to health and safety.</p> <p>There had been 3 RIDDOR reportable incidents in the Period, a fracture to the right thumb and a chipped bone in the right wrist which had required an operation, an injury to an operative's foot when lifting a section of rail track which had required an operation and several weeks absence from work, and an injury to a welder's face while using a grinder for which several stitches were required. Following the latter two incidents which had taken place on c305 the contractor Dragados/Sisk had voluntarily stopped work and senior management from the company had met with the CRL CEO, and Health and Safety Director to discuss their underperformance with regard to safety.</p> <p>At the end of Period 3 the works were 40.3% complete against a planned figure of 42.8%. Overall schedule earned value was £134m behind plan compared to £124m in Period 2, giving an overall SPI of 0.95. The overall schedule status remained at minus 9 weeks against the RP4.2 baseline agreed in April 2011. The Executive continued to forecast that the programme would achieve the December 2018 opening date. One Anchor Milestone was achieved in the period, as planned. This was associated with the completion of the eastbound primary sprayed concrete lining at Stepney Green - some of the most complex SCL works on Crossrail.</p> <p>The TBMs continue to make steady progress and the total length of tunnel constructed was now 15.74 km of bored tunnels averaging over 96m per day in the 2 weeks preceding the date of the Board meeting. During Period 3 Victoria broke through at Canary Wharf Station to join Elizabeth, who is in the process of being re-launched towards Farringdon. In total 3.18km of Sprayed Concrete Lining was complete – out of a total of 14.67km.</p>

Work continued to prove the capacity of the modified conveyor configuration at Wallasea. Plans had also been put in place to ensure that there is no reduction in tunnelling rates due to any future material handling issues at Wallasea. An update would be provided at the September Informal Board session.

**Action: Andy Mitchell**

Good progress was being made at Connaught Tunnel where the cofferdam had been re-flooded as planned. As a result the risk of disruption to the Defence Exhibition at the ExCel Centre in September 2013 had reduced significantly.

The Anticipated Final Crossrail Direct Cost (AFCDC) in Period 3 was £11,660.9m (P50), compared to £11,657.5m in Period 2 and remained below Intervention Point 0 (IP0) by £8.7m. Total spend in Period 3 was £126.3m which was £5.7m (4.5%) above the 2013/14 Business Plan forecast and included delivery spend of £102.2m (£0.9m above forecast) and indirect spend of £15.6m (£2.9m below budget). At P50 there was £190.3m more contingency than required to complete the programme within an IP1 compliant budget. At P95 there was a shortfall of £510.5m.

There has been a marked improvement in CPI for the West (1.14) and East (1.07), but a reduction in the Central area (0.72). There was still very poor cost performance on Western Tunnels (CPI of 0.66 in the period and a cumulative cost variance of £51.5m), Paddington Station (CPI of 0.77 in the period and a cumulative cost variance of £22.5m), Eastern Tunnels (CPI of 0.89 in the period and a cost variance to date of £28.3m), SCL Station Tunnels East (CPI of 0.85 in the period and a cumulative cost variance of £20.3m). There is a significant gap between the best and worst performing joint ventures across all metrics and it was made clear to suppliers at the Crossrail Leadership Conference on 5 June and the CEO Forum at Leighton Buzzard on 3 July that they must address Crossrail's concerns. Half time reviews would be held with Joint Venture Partners to agree corrective action. A report would be provided to the Board when the reviews were completed.

**Action: Andrew Wolstenholme/Andy Mitchell**

Management focus on cost performance had continued in the Period – particularly on staff and labour spend on the tunnelling jobs, muck away costs and prolongation of activities (e.g. at PIP). £48m of changes had been approved via Crossrail internal governance mechanisms in the Period including some contractor incentives, £9.4m at Paddington, £33m for the Western Tunnels and £5.2m for Whitechapel, which would feed through to earned value over subsequent periods.

The Board noted that the CRL Quality Sub-committee held its second meeting on 12 July. The meeting had received an update on the Right First Time (RFT) initiative. The initial focus of the Quality Team would be on reduction of defects and rework. The CRL Head of Quality is reviewing the resourcing by contractors of their Quality teams. Any significant programme-wide issues would be reported to the September Board meeting.

Crossrail would be producing its second annual sustainability report in October 2013 and was preparing a communications plan to publicise what had been achieved during the year. Crossrail was undertaking innovative work with regard to air quality and construction and had achieved a high level of compliance with Crossrail's requirements from contractors.

The Board noted that the Executive had undertaken an in-depth review of the circumstances surrounding the Tunnel Boring Machine/ Diaphragm Wall interface issue at the Western Ticket Hall of Bond Street station and would update the Board on the causes and lessons learned from this exercise.

**Action: Andy Mitchell**

The number of open NCEs in the period had decreased from 717 to 700, the value of Open NCEs decreased from £304.8m to £299.6m.

The volume of new NCEs being raised each period was still comparatively high at 356, a similar figure to period 2 and a trend which had been on the increase over the most recent 4 periods. The percentage of open NCEs against total raised was currently 7.0% (4.3% if NCE's less than 30 days are excluded) and below the 10% business target. There were eight high value NCEs which represented 53% by value of all open NCEs on the programme. It was noted that there was considerable focus on clearing the number of open NCEs but that this was not at the expense of negotiating a fair financial settlement and minimising cost to the project.

With regard to the Key Programme Risks the Board noted that the preparation of a staffing and staff demobilisation plan until the end of the project would align with the business planning process and with discussions with the project Sponsors on the transition to an operating railway. The Board also noted that the Executive was considering Crossrail's options with regard to c701 instrumentation and monitoring in view of the on-going financial problems at itmsoil.

The Board noted that Siemens had withdrawn from rolling stock and depot procurement. The Crossrail Procurement Expert Panel was meeting on a quarterly basis to provide assurance for the RSD procurement plan and would provide an informal Board briefing to the Board in the early autumn.

**Action: Martin Buck/David Orr**

It was noted that the Joint Sponsor Team are preparing a briefing note on the Governance process that will apply to the final decision and that the Board would be updated accordingly.

**Action: Martin Buck**

The CEO had held a positive meeting with Sir Robin Wales, Mayor of the London Borough of Newham. The main part of the invasive work at Kempton Court was nearing completion and, although 39 complaints had been received from the Whitechapel area in the period, relationships with stakeholders were in a stable position.

Crossrail's powers to acquire land would expire 21 July 2013. All land and rights required for the Crossrail programme had been successfully secured - 11,400 compulsory purchase notices had been served across 180 work areas. The Board noted its thanks to the Land and Property Team for achieving this significant milestone on the Crossrail project.

	<p>The Board noted that Network Rail would be postponing re-signalling at Slough from Christmas 2013 to Easter 2015 at the latest and that this would not impact negatively on Crossrail works. Network Rail had appointed a Head of Integration who was working on an integration plan. Robbie Burns, Network Rail Director for Crossrail was aware that NR had resource shortages and that it had been necessary for Crossrail to provide support in obtaining the necessary consents from local authorities. The Board would be kept informed of any problems in this area.</p> <p><b>Action: Andy Mitchell</b></p> <p>The Skills Funding Agency had confirmed funding of £4.1m to the National Construction College (which contracts with Crossrail to provide training at the Tunnelling and Underground Construction Academy) for a pre-employment programme to support skills and training for unemployed people in tunnelling and underground construction.</p> <p>The Unite leverage campaign continued and its demands remained unchanged. Unite had given evidence to the Scottish Affairs Committee on its campaign regarding blacklisting and its allegations against Crossrail. The Executive was analysing the Unite evidence to the Committee. It was possible that Crossrail would also be called to give evidence.</p> <p>The Ethical Trading Initiative (ETI) had taken the decision to put its audit of Crossrail on hold however Crossrail would be undertaking its own audit to cover the remit originally proposed by the ETI to provide absolute reassurance that Crossrail's employment strategy and management of employee relations was in line with best practice in all areas.</p> <p>The IT Director had resigned and the IT Team was now reporting to the Finance Director.</p> <p>The Crossrail Innovation Programme had received 120 submissions for innovations in its first competition.</p> <p>The Board NOTED the report.</p>
34/14	<p><b>11/14 - Project Representative Report</b></p> <p>The Board received the Project Representative's Project Status Report for Period 2.</p> <p>The main focus of the Project Representative's Report was to highlight the significant reduction in Health and Safety performance. In addition, there was discussion and analysis of how the Cost and Schedule Performance metrics (CPI and SPI) might be extrapolated to calculate the estimate at completion cost. Crossrail had provided a paper to the Joint Sponsor Board which had covered this issue – a copy of which would be circulated by email and an informal briefing would be provided to the Board.</p> <p><b>Action: David Allen</b></p> <p>The Board NOTED the report.</p>
35/14	<p><b>12/14 Project Representative Interim Review SACR9</b></p> <p>The Board received a paper and a copy of the Project Representative Interim Review of SACR9.</p>

	<p>The report referred to CRLs statements regarding the introduction of additional scope by Sponsors as regrettable. The Board noted that it was important that this statement regarding additional scope was put on the record.</p> <p>The report also highlighted the risk that contractor performance might not improve sufficiently to meet the production rates assumed in the schedule MCS05. The Board noted that the increase in production rates was being sustained.</p> <p>The Board noted that the Chairman of the Audit Committee had found it useful to meet with Gordon Masterton, Project Representative, in advance of Audit Committee meetings and would arrange to do this again.</p>
36/14	<p><b>AOB</b></p> <p>The Board noted that the Sponsor Change Confirmation Notice in respect of the Woolwich Station Fit Out was expected from the Crossrail Sponsors imminently. The CRL Investment and Change sub-Committee had endorsed the establishment of a total budget of £92.51m for delivering a Woolwich FOS which would be funded from:</p> <ul style="list-style-type: none"> <li>- CRL's Current Control Budget provision for its through train running scheme (TTR) (£36.98m);</li> <li>- additional Sponsor Committed Funding (£54.00m); and</li> <li>- a drawdown from CRL Programme Contingency (£1.53m).</li> </ul> <p>In accordance with the CRL Board Scheme of Authorities the CRL Board was requested to approve a £55.5m drawdown from Programme Contingency. £54m of this additional budget would however, be returned to Programme Contingency when CRL received the formal confirmation of the change and the £54m of additional funding from Sponsors. Board approval of the transfer from Programme Contingency was required to allow CRL to release the OJEU notice to commence the procurement in accordance with the CRL Programme.</p> <p>The Board approved the £55.5m drawdown from Programme Contingency and requested that a paper formalising the request should be submitted to the Board in September.</p> <p><b>Action: David Allen</b></p> <p>The Board noted that the Department for Transport was in discussions with the City of London regarding the provision of funding for the Crossrail Art Programme and that Crossrail could now commence the search for a Sponsor for Paddington Station Art Programme.</p> <p>The Board noted that it would be useful to review a summary of the detailed data regarding individual contract performance, which is provided as part of the current Board report. The Board requested that a meeting is arranged with Robert Jennings to explore how the Board report might be better designed to meet this objective.</p> <p><b>Action: David Allen/Simon Adams</b></p> <p>The Board noted that CRL has concluded its consultation with TfL regarding remuneration for this year.</p>

<b>37/14</b>	<p><b>Minutes of Board Committees for Reference</b></p> <p>The Board received the following minutes for reference;</p> <p>Executive and Investment Committee - EIC MIN120613 - Andrew Wolstenholme</p> <p>Health &amp; Safety Committee - HS MIN100613 - Andrew Wolstenholme</p> <p>Sustainability Committee - SUS MIN 010513 - Andrew Wolstenholme</p>
<b>38/14</b>	<p><b>Verbal Updates of Recent Board Committee Meetings</b></p> <p>The Board received verbal updates on recent meetings of Board Committees;</p> <p>Executive and Investment Committee - EIC 100713 - Andrew Wolstenholme</p> <p>Health and Safety Committee - HS 080713 - Andrew Wolstenholme</p> <p>The Board requested that consideration should be given to circulating a summary of the issues discussed at the Health and Safety Committee across the Programme.</p> <p>Sustainability Committee - SUS 260613 - Andrew Wolstenholme</p>

Signed by:

**Terry Morgan**  
**Non-executive Chairman**

**Pre-meeting Board Briefing-Thursday 18 July 2013**

<b><u>Members:</u></b>	<b><u>In Attendance:</u></b>	<b><u>Apologies:</u></b>
Terry Morgan Chairman	Simon Adams <i>Acting Chief of Staff</i>	David Allen Finance Director
Andrew Wolstenholme <i>Chief Executive</i>	Martin Buck <i>Commercial Director</i>	Terry Hill <i>Non-executive Director</i>
David Allen <i>Finance Director</i>	Mark Fell <i>Legal Services Director &amp; Company Secretary</i>	Andy Mitchell <i>Programme Director</i>
Ian Brown <i>Non-executive Director</i>	Niamh O'Sullivan <i>Head of Secretariat</i>	Daniel Moylan <i>Non-executive Director</i>
Michael Cassidy <i>Non-executive Director</i>	Martin Rowark (part) <i>Procurement Director</i>	Heather Rabbatts <i>Non-executive Director</i>
Phil Gaffney <i>Non-executive Director</i>	Chris Sexton <i>Technical Director</i>	
Robert Jennings <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
	Valerie Todd <i>Talent &amp; Resources Director</i>	
	Matt White (part) <i>Surface Director</i>	

**DfT**

Claire Moriarty, DfT joined the CRL Board between 11:00 – 12:00 for an informal discussion.

**Rail Integration Review Points - Presentation**

The Board received a presentation from Chris Sexton, CRL Technical Director. The Board noted the railway integration model and the rail integration review point (RIRP) process which had been established by the Railway Integration Authority as the principal tool to measure the integration process through the delivery lifecycle. The Board noted that it was important to understand the role of the Crossrail Train Operating Company (CTOC) in the integration process and also the need to agree the governance overlay for the handover to TfL and to the operator.

The Board noted that Crossrail had appointed to the role of Head of Integration and would be reviewing the membership of the Expert Panel to provide independent review of the integration process.

The Board NOTED the presentation.

**East London Line Lessons Learned – Presentation**

The Board received a presentation from Howard Smith, CRL Operations Director, and Martin Rowark, CRL Procurement Director, on the lessons learned from the problems experienced in reaching a commercial settlement following completion of the East London line. The Board noted the relevance of a number of the lessons learned for the Crossrail project – particularly the need to retain adequate project contingency.

The Board NOTED the presentation.



**Ealing Broadway Station – Presentation**

The Board received a presentation from Matt White, CRL Surface Director, on the proposed design of the new Ealing Broadway station. The Board noted the stakeholder input and engagement which had been undertaken in finalising the design for the station. The local authority now accepted that it was not possible to have an escalator at the new station and discussions were now taking place regarding the capacity of the lift which would be installed.

The Board NOTED the presentation.

