

**CROSSRAIL BOARD**

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
held on Thursday 26 March 2015 at 13.30
28th Floor Boardroom, 25 Canada Square, Canary Wharf, E14 5LQ**

Members:

Terry Morgan (Chairman)
Chairman
Andrew Wolstenholme
Chief Executive

David Allen
Finance Director
Michael Cassidy
Non-executive Director
Terry Hill
Non-executive Director
Robert Jennings
Non-executive Director
Jayne McGivern
Non-executive Director
Daniel Moylan
Non-executive Director
Simon Wright
Programme Director

In Attendance:

Martin Buck
Transition & Strategy Director
Mark Fell
*Legal Services Director &
Company Secretary*
Lucy Findlay
Chief of Staff
Will Parkes
External Affairs Director
Howard Smith
Operations Director
Valerie Todd
Talent and Resources Director

Apologies:

Phil Gaffney
Non-executive Director

The meeting was quorate.

	<p>The Chairman welcomed Board members and attendees. The Chairman noted Robert Jennings' reappointment by DfT to the CRL Board for a further term.</p> <p>The following interests were declared: Jayne McGivern's acceptance of a non-executive directorship on the Board of Skanska AB; and Terry Hill as Chair of the Arup Foundation and Trustee of the Arup Group Trusts.</p>
BD MIN 260215	<p>Minutes of the Meeting of the Board held on 26 February 2015</p> <p>The Board approved the minutes of the meeting held on 26 February 2015 for signature.</p>
BD AC 260315	<p>Actions and Matters Arising</p> <p>The Board noted the updates provided on the outstanding actions.</p> <p>55/15 David Allen updated the Board on his conversations with the CFOs of Morgan Sindall and Kier. Action closed.</p> <p>70/15 Andrew Wolstenholme updated the Board that a letter had been received from Sponsors with their guidance on funding of Crossrail's yellow plant. A draft response was in preparation and would be circulated to the CRL Board for their comment.</p>

<p>BD CBR 260315</p>	<p>Crossrail Board Report Period 12</p> <p>The Board considered the Crossrail Board Report for Period 12, noting that the project was 62.7% complete (1% behind plan).</p> <p><i>Are we safe?</i></p> <p>Overall safety performance had stabilised, with the RIDDOR AFR remaining at 0.23. HSPI had remained at 2.28 with 15 out of 16 contracts scoring 2.00 or above (equivalent to 94% of contracts). The points of focus for the Period included preparing for the launch of a new Crossrail-wide induction course, the Golden Rules refresh and Target Zero reboot and Stepping Up Week.</p> <p>There had been no RIDDOR majors, one RIDDOR 7+day lost time injury, two 3+day lost time injuries and two lost time injuries with less than 3 days. The lost time case AFR had remained at 0.37.</p> <p>Andrew Wolstenholme said that he had raised BBMs safety performance with their leadership team and had requested a safety recovery plan. He also said that it appeared that one contractor had under-reported man hours during 2014/15 and this was being verified and examined for potential impact. Period 13 was, at this point, RIDDOR and LTC free.</p> <p><i>Are we within funding?</i></p> <p>The project remained within funding however for the first time on the programme Intervention Point (IP) 0 had been breached due to programme risk increasing in a number of areas including Whitechapel Station and the inclusion of an item of yellow plant as directed by the Sponsors. A thorough review of all risk and contingency allowances was being undertaken as part of the QRA process leading to the development of SACR 13. It was not clear at this point whether there would be a breach of IPO at the end of P13. The Board REQUESTED an update on the risk review at the next meeting as well as details on the contracts causing the most cost variance. The Board REQUESTED information on the potential impact on the Estimate at Completion (EAC) of settling compensation events.</p> <p>Action: David Allen</p> <p>The P50 AFDC had increased to £11,776 (from £11,728) with IPO breached by £32m at P50 and at P80 AFDC breached IP1 by £44m. The EAC low and EAC high had both increased by £62m and £92m respectively resulting in the P50 AFDC of £11,776m being £127m below EAC low (£113m in Period 11).</p> <p>The cumulative SPI had decreased to 0.98 from 0.99 and cumulative CPI remained at 0.94; in-period SPI decreased to 0.83 from 0.99 and in-period CPI increased to 1.00 from 0.95 in Period 11. The periodic CPI and cost variance at six stations continues to cause concern. Andrew Wolstenholme noted that the Sponsors had asked the Project Representative to undertake a deep dive review of Whitechapel Station works; its report was balanced and recognised the action CRL was taking. The Board REQUESTED a copy of the report.</p> <p>Action: Lucy Findlay</p> <p>Programme change increased in the Period by £14m mainly due to OSD change costs at Bond Street East for BT diversions, impact of ground conditions at Paddington New Yard, dewatering at Connaught Tunnel and additional archaeology</p>
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	<p>requirements at Liverpool Street.</p> <p>Direct costs (including risk) in Period 11 were £16m less than forecast, while indirect costs were £1.4m less than forecast in the business plan.</p> <p><i>Are we on time?</i> The Board received a presentation by Simon Wright which highlighted progress and challenges across the programme. He also updated the Board on progress towards the new Master Operational Handover Schedule which would be in place from 1 April 2015 and in response to questions noted that contractor acceptance including from C610 of this programme was not yet complete.</p> <p><i>Jayne McGivern left the meeting for the items relating to CSJV contracts at Paddington and Bond Street.</i></p> <p>The Board REQUESTED a presentation at an informal Board meeting from Jay Carver regarding the archaeological works at Liverpool Street.</p> <p>Action: Secretariat</p> <p>The Board REQUESTED clarification on the “unsatisfactory” rating of the maintenance agreement KPI.</p> <p>Action: Howard Smith</p> <p>Surface works were now 39% complete and further risk and assurance activity had been undertaken by NR in relation to their Easter 2015 works.</p> <p><i>Are we world class?</i> Executive Directors reported by exception on the “Are we world class” section of the Board report. Valerie Todd commented on a number of small trade union activities focussed on Crossrail that had taken place and noted that from 1 April CRL’s procurement team would transfer to TfL. She also noted recruitment of Crossrail’s new Chief Engineer.</p> <p>The Board NOTED the report.</p>
74/15	<p>CRLB PAPER 45/15 – Project Representative Report Period 11</p> <p>The Board received the Project Representative’s Project Status Report for Period 11. Jacobs had been re-appointed as the Project Representative for Crossrail following the recent tendering exercise.</p> <p>The Board NOTED the report.</p> <p>Andrew Wolstenholme highlighted two issues in the draft PRep Period 12 report namely:</p> <ul style="list-style-type: none"> • booking of the Old Dalby test track which he had raised with Mark Carne • First Great Western’s current objection to the proposed track layout for entry and exit into its depot in the Old Oak Common Paddington approaches areas which CRL had raised with DfT.
75/15	<p>CRLB PAPER 46/15 – Legal Report</p> <p>The Board received the Legal Report which updated the Board on legal matters.</p>

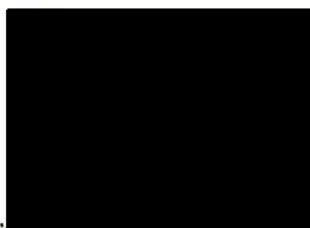
	The Board NOTED the report.
76/15	<p>CRLB PAPER 47/15 – Transition Strategy</p> <p>Martin Buck outlined the Crossrail Transition Strategy noting that it has been approved by the Executive and Investment Committee, endorsed by the joint TfL/RfL/CRL/JST Transition Steering Group and, subject to the Board's endorsement, would be discussed at the April Sponsor Board meeting. Martin noted that the actions flowing from the strategy would be focussed on demobilisation of CRL and assimilation of CRL into TfL.</p> <p>Martin noted that the next stage was to develop a plan for 2015/16 that focussed on three main issues that had been discussed at the CRL Board's transition working group namely:</p> <ol style="list-style-type: none"> 1. Demobilisation of project and industry partners 2. Future role and constitution of the CRL Board 3. Consideration of DfT's underwriting of IP2 overspend <p>In addition, a resourcing commitment for the CRL transition team from TfL would be sought.</p> <p>The Board REQUESTED that the plan be brought to the Board in a couple of months for discussion.</p> <p>Action: Martin Buck</p> <p>The Board ENDORSED the Crossrail Transition Strategy and NOTED that the:</p> <ul style="list-style-type: none"> • Transition Strategy was approved by the Executive and Investment Committee on 18 March 2015 • Transition Strategy was endorsed by the joint TfL/RfL/CRL/JST Transition Steering Group on 6 March 2015 • Crossrail's Sponsors have requested to see the Transition Strategy after it has been submitted to the CRL Board.
77/15	<p>CRLB PAPER 48/15 – Crossrail's 2015/16 Objectives and Performance Metrics</p> <p>The Board received a paper on Crossrail's 2015/16 Objectives and Performance Metrics. Board approval was sought for the final set of targets and milestones that will be used to guide and calibrate Crossrail's performance through the financial year 2015/16. David Allen noted that there had been no changes to the overall 2015/16 objectives and measures approved by the Board in November 2014. However, approval of those objectives and measures was subject to reverting to the Board with the detailed targets and milestones for some measures.</p> <p>The Board APPROVED the detailed targets and milestones for the baselines for RIDDOR and LTC rates (S3 and S4); local authority favourability rates (W7); and key milestones (overall (T3), operational maintenance & IM readiness (T6), design (T7) and RSD (T8)).</p>
78/15	<p>CRLB PAPER 49/15 - Over Site Development and Urban Realm Strategy</p> <p>The Board received a paper on the Over Site Development and Urban Realm Strategy. David Allen noted the requirements on CRL to bring forward a programme to deliver OSD and that this was done in close conjunction with TfL. Collaboration agreements were being advanced and significant work had been undertaken with the delivery team to ensure interfaces were understood and could be managed. On urban realm he noted that CRL had developed schemes, in conjunction with TfL and</p>

	<p>the local authorities.</p> <p>Members of the Board made a number of comments relating to the ability to “call the market” at an appropriate point, and expressed some concern that the scope of the OSD proposals would go beyond 2018. The Board suggested that the transition context should be taken into account and that the paper should include examination of which entity is best placed to take forward the OSD work. David Allen noted that the work had all been taken forward in conjunction with TfL and the benefits of establishing a new subsidiary to manage the development work was being examined.</p> <p>In the absence of an examination of the approach in the context of the transition strategy, the Board did not endorse the paper. The Chairman REQUESTED that such an examination take place before returning to the Board.</p> <p>Action: David Allen</p> <p>Martin Buck NOTED that the issue should be considered at the next joint Transition Steering Group meeting prior to returning to the Board.</p> <p>Action: Martin Buck</p>						
79/15	<p>CRLB PAPER 50/15 - Revision to Scheme of Authorities</p> <p>The Board received the proposed revisions to the Scheme of Authorities to reflect changes in the organisation since the last revision in May 2014.</p> <p>The Board APPROVED the paper.</p>						
80/15	<p>CRLB PAPER 51/15 - Increase in Registered Share Capital</p> <p>The Board received a paper to notify them of the changes authorised by Transport Trading Ltd (TTL) to CRL’s authorised share capital and CRL’s articles of association.</p> <p>The Board NOTED the shareholder resolution to:</p> <ul style="list-style-type: none"> • increase the authorised share capital for the Company to £5,410 million, divided into 2,705 million A shares of £1 each and 2,705 million B shares of £1 each • authorise the directors of the Company to issue and allot shares in the Company up to the newly increased amount provided that this authority shall, unless renewed, varied or revoked expire on the date five years from the date of this resolution • amend CRL’s articles of association to reflect the increase. <p>The Board RESOLVED to issue and allot to TTL 750 million ‘A’ Shares at £1 each and 750 million ‘B’ Shares at £1 each.</p>						
81/15	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p> <table border="0"> <tr> <td>Executive and Investment Committee</td> <td>EIC MIN 180215</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health and Safety Committee</td> <td>HS MIN 160215</td> <td>Andrew Wolstenholme</td> </tr> </table> <p>Verbal Updates of Recent Board Committee meetings</p>	Executive and Investment Committee	EIC MIN 180215	Andrew Wolstenholme	Health and Safety Committee	HS MIN 160215	Andrew Wolstenholme
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Health and Safety Committee	HS MIN 160215	Andrew Wolstenholme					

	Executive and Investment Committee	18 March 2015	Andrew Wolstenholme
	Audit Committee	16 March 2015	Robert Jennings
	Health and Safety Committee	16 March 2015	Andrew Wolstenholme
82/15	AOB There was no other business.		

Signed by:

Terry Morgan
Non-executive Chairman



Pre-meeting Board Briefing – Thursday 26 February 2015**Members:****In Attendance:****Apologies:**

Terry Morgan (Chairman) <i>Chairman</i>	Martin Buck <i>Transition and Strategy Director</i>	Daniel Moylan <i>Non-executive Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Mark Fell <i>Legal Services Director & Company Secretary</i>	Phil Gaffney <i>Non-executive Director</i>
David Allen <i>Finance Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Michael Cassidy <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Terry Hill <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Robert Jennings <i>Non-executive Director</i>	Valerie Todd <i>Talent and Resources Director</i>	
Jayne McGivern <i>Non-executive Director</i>	Steve Murphy <i>CEO, MTR Crossrail (part of meeting)</i>	
Simon Wright <i>Programme Director</i>	Chris Sexton <i>Technical Director (part of meeting)</i>	
	Richard Ellis <i>Lead Agreements Manager (part of meeting)</i>	

1. Crossrail customer service and readiness for May 2015

The Board received a presentation from Howard Smith and Steve Murphy outlining the approach to customer service, introduction of TfL Rail at Stage, the key changes from 31 May 2015 and actions to mobilise for TfL Rail service on 31 May.

Steve Murphy invited Board members to visit the MTR Crossrail HQ at St Mary's Axe. The Board welcomed the presentation and requested further details to understand MTR's contractual commitments on reliability and customer satisfaction.

Action: Howard Smith

The Chairman requested that Valerie Todd speak to Steve Murphy regarding pre-employment training.

Action: Valerie Todd

The Board **NOTED** the presentation.

2. External affairs strategy

The Board received a presentation from Will Parkes on the communications and external affairs strategy for 2015/16.

The Chairman noted that "within the funding envelope" should be used rather than "on budget" and the Board recommended that further work should be undertaken on messaging of the "10% increase in rail capacity".

The Board **NOTED** the presentation.

3. Undertakings & Assurances and Agreements

The Board received a presentation from Chris Sexton on the nature of Crossrail's undertaking and assurances and how CRL fulfils its obligations. It was confirmed that management of CDT obligations was reported to the Audit Committee.

Richard Ellis outlined the scope and number of third party agreements that CRL manages through its agreements system. Andrew Wolstenholme requested greater visibility and early warning of agreement obligations not being fulfilled in order that, when appropriate, these could be escalated with third parties.

Action: Lucy Findlay/Richard Ellis

The Board **NOTED** the presentation.