

## CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited  
Held on Thursday 16 July 2015 at 13.20  
28th Floor Boardroom, 25 Canada Square, Canary Wharf, E14 5LQ**

<b>Members:</b>	<b>In Attendance:</b>	<b>Apologies:</b>
Terry Morgan <i>Chairman</i>	Martin Buck <i>Transition &amp; Strategy Director</i>	Mark Fell <i>Legal Services Director &amp; Company Secretary</i>
Andrew Wolstenholme <i>Chief Executive</i>	Victoria Burnett <i>Head of Secretariat</i>	Jayne McGivern <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>	Chris Green (Part of meeting) <i>Chair Operations and Systems Expert Panel</i>	
Phil Gaffney <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>	
Daniel Moylan <i>Non-executive Director</i>	Matthew White (Part of meeting) <i>Surface Director</i>	
Simon Wright <i>Programme Director</i>		

The meeting was quorate.

	<p>The Chairman welcomed Board members and attendees.</p> <p>Apologies were received from Mark Fell and Jayne McGivern.</p> <p>The Chairman informed the Board that Jayne McGivern had tendered her resignation which would take effect from the end of September. The Nominations Committee, which was due to meet straight after the Board meeting, would start to oversee the process for recruiting a Non-executive Director to take the place vacated by Jayne.</p>
<b>BD MIN 150618</b>	<p><b>Minutes of the Meeting of the Board held on 18 June 2015</b></p> <p>The Board <b>APPROVED</b> the minutes of the meeting held on 18 June 2015 for signature.</p>
<b>BD AC 150716</b>	<p><b>Actions and Matters Arising</b></p> <p>The Board <b>NOTED</b> that all actions due were either complete or covered elsewhere on the agenda.</p>

**BD  
CBR  
150716**

### **Crossrail Board Report Period 3**

Andrew Wolstenholme introduced the Period 3 Board Report highlighting the following:

- The Leadership Conference had taken place on 23 June with key messages to focus on production, drive out cost and work collaboratively;
- Cumulative CPI and SPI remained stable but both in-period indices had decreased, (to 0.84 and 0.69 respectively). Overall project completion had reached 66.6% representing a variance to plan of 1.6%;
- There had been a reduction in AFCDC following the QRA quarterly review - £36m above IP0 at P50 as opposed to £44m in Period 2. AFCDC at P80 was £37m above IP1 meaning that there was a greater than 20% chance of needing to draw on TfL's contingency;
- Work was continuing to gain agreement with contractors in order to achieve MOHS. (The Board had been presented with a progress report on this piece of work at the informal session of the Board.); and
- Stage 0 opening had taken place as planned on 31 May with the first TfL rail service from Shenfield to Liverpool Street

The Board **NOTED** that there were a couple of factors that had affected the 'in Period' CPI and SPI results – revised, earlier completion date for Wallasea Island and a return of budget at Thames Tunnel C310. If these were excluded from the results, CPI and SPI would have risen in Period to 0.85 and 0.88 respectively. The Board **REQUESTED** that in future similar situations, explanatory notes should be provided in the CEO's summary section of the Board Report.

**Action:** Andrew Wolstenholme

Andrew Wolstenholme reminded the Board of the actions being carried out by the Executive to address the continuing cost challenges. They included:

- Continuing detailed reviews of Project AFCs (and contractor Bottom Up Forecasts (BUF));
- Improving commercial certainty on a number of key contracts whilst continuing to focus on closing out Compensation Events; and
- Seeking efficiency gains through Six Sigma interventions and the 2016/17 business planning process

The Board would be updated on progress its October meeting.

**Action:** Andrew Wolstenholme

*Are We Safe*

The Board **NOTED** that in Period 3:

- Safety performance improved with RIDDOR AFR reducing further to 0.14;

- HSPI remained at 2.12 with 14 out of 18 contracts achieving an HSPI score of 2.00 or above;
- Lost time cases reduced from 0.29 in Period 2 to 0.27; There were four significant injuries during the Period, of which one was a RIDDOR major incident with lost time;
- Six contracts had recorded over 18 months without incident;
- The new induction programme was continuing to be rolled out across the project; and
- Recent areas of focus included: fire safety; behaviour influencing; and health and wellbeing.

*Are We on Time/Are we within Funding?*

Simon Wright and David Allen presented an overview of delivery and financial performance highlighting some of the key issues:

- The project remained on schedule to achieve Stage 3 opening in December 2018 within the funding envelope;
- AFCDC at P50, although above IPO, remained well below IP1 with headroom of £204m. In Period 3 Crossrail spent £18m less than its business plan;
- Focus remained on the six major station contracts and cost variances. Bottom up Forecasts had been received from Paddington, SCL Tunnels, Bond Street, Tottenham Court Road, Whitechapel, Ilford and Liverpool Street. The commercial teams were supporting the project teams to validate the basis of the forecasts, which in some cases were higher than expected. CRL was working with its Tier 1 contractors to build a cost reduction plan;
- At the end of Period 3, 13.7km of sprayed concrete lining had been installed versus a plan of 14.9km with in Period progress of 0.3km being completed. During the period 276m of track had been installed against a plan of 150m and 1,142m<sup>3</sup> of platforms built against a plan of 2,275m<sup>3</sup>;
- The work to assess the areas of de-bonding at Tottenham Court Road and Bond Street continued. Areas of minor reworking had been identified and repairs scheduled;
- Work had started to remove the TBMs from Farringdon;
- At Paddington Station, work continued to address quality issues with poured concrete in the station's elliptical columns;
- The work to establish an access shaft to Whitechapel via the neighbouring Astro turf pitch was being progressed;
- The focus for Systemwide continued on the generation of MOHS compliant delivery schedules, together with ensuring coherence between engineering specifications delivered by the Civils Sector and the Plant and Machinery it supported;
- Train design and delivery was progressing to programme; and

	<ul style="list-style-type: none"> <li>• MTRC had made a good start with operation of TfL Rail Services achieving a PPM score of 94% in Period 3 compared to an average of 91.4% in the year prior to transfer.</li> </ul> <p>Are we world class?</p> <p>It was <b>NOTED</b> that:</p> <ul style="list-style-type: none"> <li>• The Annual Sustainability Report had been completed and would be launched at an event on 29 July;</li> <li>• Stakeholder events during Period 3 included an event to mark the end of tunnelling, attended by the Prime Minister, the Mayor of London and the Transport Secretary;</li> <li>• Crossrail's media article volume in Period 3 was the highest since reporting began. Of particular interest to the media was the completion of tunnelling, which generated extensive coverage;</li> <li>• The third Industrial Partnership meeting for the Employer Ownership of Skills pilot had been held on 16 June with attendees agreeing to drive forward higher-level Leadership and Management courses; and</li> <li>• The Learning Legacy Plan had been approved by the Executive and Investment Committee in July and would be presented to the Board at the September meeting.</li> </ul> <p>The Board <b>NOTED</b> the Board Report for Period 3.</p>
18/16	<p><b>CRLB 12/16 – Project Representative Report Period 02</b></p> <p>The Board received the Project Representative's (P-Rep) Project Status Report for Period 02 which noted that:</p> <ul style="list-style-type: none"> <li>• Cumulative overspend had stabilised since the large increase in Period 13. Overspend on preliminaries continued and costs increased due to progress issue at Tunnels West C300, Whitechapel C512, Paddington C405 and Farringdon C435;</li> <li>• With respect to Contingency, the average draw down per Period had reduced significantly over the last 6 months;</li> <li>• Risk exposure increased in Period 2 due to the Bottom Up Forecast at C405 Paddington but that CRL was challenging the forecast and hoped to see it come down to a more realistic level;</li> <li>• The gap between Business Plan vacancies and the ability to recruit continued to cause some concern;</li> <li>• Regarding Network Works/Network Rail, NR reporting of progress and forecast for future performance was of concern. CRL had given assurance that NR was producing an integrated delivery schedule that would properly reflect performance which should be in place by Period 6.</li> </ul> <p>The Board <b>NOTED</b> the Period 02 report.</p>

19/16	<p><b>CRLB 13/16 – Legal Report</b></p> <p>The Board received the Legal Report which updated the Board on legal matters.</p> <p>The Board <b>NOTED</b> the report.</p>
20/16	<p><b>CRLB 14/16 – OSD/ UR Strategy</b></p> <p>David Allen presented the Over Site Development/Urban Realm (OSD/UR) Strategy which, at the request of the Board in March, had been considered within the context of Transition. Discussions had taken place with TfL at the Transition Steering Group and the Joint Over Site Development Steering Group since March and an additional section covering Transition had been added to the Strategy.</p> <p>The Board <b>ENDORSED</b> the proposed approach as set out in the Strategy, the objectives of which were to:</p> <ul style="list-style-type: none"> <li>i. Minimise risks to the delivery of the railway;</li> <li>ii. Meet CRL's obligations to Sponsors for OSD and UR delivery at the earliest opportunity (wherever possible by December 2018) and thereby avoid any potential impression of not having completed the programme on time; and</li> <li>iii. Establish a collaborative approach to OSD and UR delivery, which recognised that approaches would vary according the needs of different sites and commercial arrangements, but providing the most appropriate delivery model to meet these needs, recognising the 'working area' control that CRL station Project Managers must hold.</li> </ul> <p>The Board re-iterated the importance of getting maximum value from the initiatives associated with the Strategy.</p> <p>The Board <b>NOTED</b> its appreciation of the work carried out by Ian Lindsay and his team in producing the Strategy and the ongoing work being carried out to deliver it.</p>
21/16	<p><b>CRLB 15/16 – Operations and Systems Expert Panel Update</b></p> <p>Chris Green, Chair of the Operations and Systems Expert Panel, presented the Panel's quarterly report. Overall the Panel had been encouraged by the progress of the Project but had identified a number of issues, recommending the following actions:</p> <ul style="list-style-type: none"> <li>1. Pressure should be maintained on Network Rail to: <ul style="list-style-type: none"> <li>a) instruct SSL to commence Grip 5 ETCS and TPWS west of Paddington;</li> <li>b) provide a detailed programme for ETCS delivery west of Paddington; and</li> <li>c) accelerate the procurement process for the Anglia DOO camera installations.</li> </ul> </li> <li>2. Final resolution of the interface issues was needed at Stratford and Westbourne Park to ensure that the CBTC signalling is delivered on schedule.</li> <li>3. The detailed interface requirements for Romford Control should be identified and passed to signalling and train providers urgently.</li> </ul>

	<p>4. CRL to appoint an EMC Engineer to support an independent review of EMC issues to be chaired by Professor Brian Mellitt by September.</p> <p>5. The remaining risks at Ilford Depot should be resolved with agreement on funding completion for November 2016, followed by higher access speeds by 2019.</p> <p>The Board <b>NOTED</b> the report.</p>						
22/16	<p><b>CRLB 16/16 – ETCS ‘Plan B’ Update</b></p> <p>Matthew White presented the ETCS ‘Plan B’ Update which provided an update on the plan for developing an alternative train protection system on the Great Western section of the Crossrail route, in parallel with the overlay of ETCS Level 2, (‘Plan A’). Following review at the Crossrail Board, this paper would be reviewed at the Crossrail Sponsor Board on 17 July.</p> <p>The Crossrail Board <b>NOTED</b> that:</p> <ul style="list-style-type: none"> <li>• Crossrail would progress, through Network Rail, the development and implementation of an alternative (Plan B) train protection as a contingency to ETCS Level 2 overlay on the Great Western.</li> <li>• Crossrail would progress the incorporation of Plan B as a parallel activity with Siemens (C620).</li> <li>• CRL was working on the assumption that Network Rail would cover the cost of the necessary changes but it was not yet known from which budget the payment would be made;</li> <li>• A decision would need to be made, probably at around April/May 2016, whether or not to continue with Plan A</li> </ul> <p>The Board <b>REQUESTED</b> that an update on progress, particularly with regards to commitments to funding, be presented at a Board meeting later on in the year.</p> <p><b>Action:</b> Matthew White/Secretariat</p>						
23/16	<p><b>Minutes of Board Committees for Reference</b></p> <p>The Board received the following minutes for reference:</p> <table border="0" data-bbox="308 1619 1417 1704"> <tr> <td>Executive and Investment Committee</td> <td>EIC MIN 150611</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health and Safety Committee</td> <td>HS MIN 150615</td> <td>Andrew Wolstenholme</td> </tr> </table> <p><b>Verbal Updates of Recent Board Committee meetings</b></p> <p><b>Executive and Investment Committee 9 July 2015</b></p> <p>The following matters were covered by the Committee:</p> <ul style="list-style-type: none"> <li>• OSD/UR Strategy;</li> <li>• ETCS Plan B;</li> <li>• Security Update – which would be presented at the informal Board session in</li> </ul>	Executive and Investment Committee	EIC MIN 150611	Andrew Wolstenholme	Health and Safety Committee	HS MIN 150615	Andrew Wolstenholme
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	<p>September;</p> <ul style="list-style-type: none"> <li>• Transition Strategy Update;</li> <li>• Evening Standard Power 1000 event being held at Canary Wharf Station; and</li> <li>• Scheduling and prioritisation of meetings- 2015-2017</li> </ul> <p><b>Health and Safety Committee 13 July 2015</b></p> <p>The following matters were covered by the Committee:</p> <ul style="list-style-type: none"> <li>• Period 3 Health and Safety Director's Report and Look Ahead Report;</li> <li>• An update on the Construction Design and Management (CDM) Action Plan; and</li> <li>• A presentation from contractors DSJV on C305 and their health and safety improvement plan.</li> </ul> <p>The Board <b>NOTED</b> the Committee reports.</p>
<b>AOB</b>	<p><b>Transition Working Group</b></p> <p>Martin Buck provided a verbal report on the activities of the Transition Working Group that had take place earlier in the day. The Group had reviewed and endorsed a remit to review governance arrangements during transition and handover. It had also discussed the possible implications for Transition in the light of various changes to key personnel at DfT and TfL. Lastly, the Group had considered an email from Mike Brown suggesting that CRL focus its Transition activities on the working level but bring any high level issues to the BMR meetings. It had been agreed that a response would be sent to Mike Brown confirming that Crossrail would use the BMR as an opportunity to raise high level Transition issues.</p> <p>It was <b>AGREED</b> that the governance review remit should be circulated to Board members that were not part of the Transition Working Group.</p> <p><b>Action:</b> Secretariat</p>
<b>NEDs ONLY</b>	<p>The Non-Executive Directors provided feedback on the meeting which would be passed on to Andrew Wolstenholme by Terry Morgan.</p>

Signed by:

**Terry Morgan**  
Non-executive Chairman

**Pre-meeting Board Briefing – Thursday 16 July 2015****Members:****In Attendance:****Apologies:**

Terry Morgan (Part of meeting) Chairman	Jeremy Bates (Part of meeting) <i>Head of Integration</i>	Mark Fell <i>Legal Services Director &amp; Company Secretary</i>
Andrew Wolstenholme <i>Chief Executive</i>	Martin Buck <i>Transition and Strategy Director</i>	Michael Cassidy <i>Non-executive Director</i>
David Allen <i>Finance Director</i>	Victoria Burnett <i>Head of Secretariat</i>	Jayne McGivern <i>Non-executive Director</i>
Phil Gaffney <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	Terry Morgan <i>Chairman</i>
Terry Hill (Part of meeting) <i>Non-executive Director</i>	Paul Grammer (Part of meeting) <i>Commercial Director</i>	
Robert Jennings <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Daniel Moylan <i>Non-executive Director</i>	Chris Sexton (Part of meeting) <i>Technical Director</i>	
Simon Wright <i>Programme Director</i>	Howard Smith <i>Operations Director</i>	
	Valerie Todd <i>Talent and Resources Director</i>	

**1. Railway Integration Review Point 4 (RIRP4)**

Chris Sexton and Jeremy Bates presented the results of the fourth Railway Integration Review. The purpose of the RIRP process was to provide a snapshot assessment across the entire programme to assess the degree of integration and to highlight key issues.

Overall RIRP4 had found that the integration progress was at the level required and expected for this stage of the programme. It did reveal a number of issues affecting expected progress. These had already been identified and action plans were in place, which were being tracked through the Railway Integration Authority.

The Board **NOTED** the report and looked forward to receiving the next one in the first quarter of 2016.

**2. Annual Sustainability Report**

Chris Sexton highlighted some key aspects of the Annual Sustainability Report, a digital copy of which had been circulated to the Board before the meeting. The Report would be launched officially at an event combined with Crossrail's annual sustainability awards to be held on 29 July, to which Board members had been invited.

It was **AGREED** that Chris Sexton and Will Parkes would look into possibilities to raise the profile of sustainability at Crossrail and whether the Annual Sustainability Report might be entered for any relevant award assessments.

**Action:** Chris Sexton/Will Parkes



The Board **REQUESTED** that hard copies of the Annual Sustainability Report be sent to them when ready.

**Action:** Will Parkes

### **3. Commercials**

Paul Grammer presented an update on the ongoing negotiations with contractors with regard to the Bottom Up Forecasts (BUF) and MOHS. He outlined the key challenges, the settlement agreements to date, the cost and target differences, and reported on individual contracts: C405 Paddington; C412 Bond Street; C422 Tottenham Court Road; C435 Farringdon; C502 Liverpool Street; C510/C512 Whitechapel; C300/C410 Tunnels West; C305 Tunnels East; C610 Systemwide; and C828 Ilford Depot. The target was to complete negotiations by the end of the year, covering most by the end of October. At the time of the report there was a gap between target costs of some [REDACTED] of which [REDACTED] related to five contractors: [REDACTED]  
[REDACTED]

The Board **REQUESTED**:

- a) a detailed chronology and break-down for each contract of cost forecasts by contractors and CRL, outcomes of negotiations and 'disallowables';
- b) an explanation of how decision making would be carried out with respect to finalising Commercial negotiations; and
- c) a scorecard to show that the aims of the MOHS were being met

**Action:** David Allen/Paul Grammer

