

CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 31 March 2016 at 13.00
Crossrail Limited, 28th Floor Boardroom, 25 Canada Square,
Canary Wharf, London E14 5LQ**

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Martin Buck <i>Transition & Strategy Director</i>	Mathew Duncan <i>Finance Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Victoria Burnett <i>Head of Secretariat</i>	Lucy Findlay <i>Chief of Staff</i>
Pam Alexander <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	Phil Gaffney <i>Non-executive Director</i>
Michael Cassidy <i>Non-executive Director</i>	Elizabeth Gillbe <i>Head of Finance</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>	
Daniel Moylan <i>Non-executive Director</i>	Valerie Todd <i>Talent and Resources Director</i>	
Simon Wright <i>Programme Director</i>		

The meeting was quorate.

69/16	<p>The Chairman welcomed Board members and attendees including Elizabeth Gillbe, Head of Finance, who was deputising for Mathew Duncan.</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 but the current Register of Directors' Interests, as appended to these minutes, was NOTED by the Board.</p>
BD MIN 160303	<p>Minutes of the Meeting of the Board held on 3 March 2016</p> <p>The Board APPROVED the minutes of the meeting held on 3 March 2016 for signature.</p>
BD AC 160331	<p>Actions and Matters Arising</p> <p>The Board NOTED that there were no outstanding actions 'due' for this meeting that were not completed or covered elsewhere on the agenda.</p> <p>At the Board meeting on 3 March, the Board had approved the 2016-17 KPIs. The Board now AGREED to amend target F1, 'Manage the level of change and our risks to maintain affordability (IPO-AFCDC)' to the following:</p> <p>AFCDC is lower than IPO + £40m = 100%</p>

	<p>AFDCD is between IP0 + £40m and IP0 + £80m = 75%</p> <p>AFDCD is between IP0 + £80m and IP0 + £160m = 50%</p> <p>AFDCD is between IP0 + £160m and IP0 + £200m = 25%</p> <p>AFDCD is between IP0 + £200m and IP1 = 12.5%</p> <p>AFDCD is greater than IP1 = 0%</p>
<p>BD CBR 160331</p>	<p>Crossrail Board Report Period 12</p> <p>Andrew Wolstenholme introduced the Board Report providing an overview of Period 12 highlighting that:</p> <ul style="list-style-type: none"> • It had been a positive production period and, although the percentage complete remained behind the plan, Crossrail remained on course to deliver on time and within the agreed funding envelope; • The Queen's visit to Bond Street on 23 February had been very successful. At the event it had been announced that Crossrail would be renamed the Elizabeth line when Stage 3 services started in December 2018; • Track concreting had reached Victoria Dock Portal for both eastbound and westbound and critical access handover of tunnel sections to C610 had been achieved from Limmo to Stepney Green; • Cumulative SPI had remained at 0.96 and cumulative CPI remained at 0.92. In Period CPI had increased to 0.77 (from 0.68 in Period 11) and in Period SPI had increased to 0.78 (from 0.70 in Period 11). Increases had been predominately driven by improved progress on platform works at C405 Paddington, together with works on the first stage concrete and cross passages being lower than had been budgeted at C305 Eastern Running Tunnels; • The AFDCD had increased by £2m in the Period, [REDACTED] [REDACTED] This was offset by a small increase to the intervention points which resulted in the headroom to IP1 at P50 decreasing by £1.6m to circa £133m (from circa £135m in Period 11); • The P80 AFDCD had increased to £12,074m, (£138m above IP1) and indicated that there remained a greater than 30% chance of drawing on some of TfL's contingency; • Crossrail's costs were £9.9m below the amount forecast in the 15/16 business plan. Year to date costs were £52.5m below budget representing a balance between overspend on stations and civils and underspend on systemwide due to delayed progress; • Sponsors had approved the extension to the NR interim financing deal and the revised PDP incentive scheme; and • The KPIs had remained stable as had the strategic and significant risks. <p>Network Rail (NR) On Network Works (ONW) – Costs and reporting</p> <p>Andrew Wolstenholme also reported that the planned ONW Easter works had been carried out successfully. Work was continuing with members of Crossrail's Commercial Team providing support to NR to verify and, if appropriate, challenge</p>

bottom up forecasts for the ONW programme. In addition a report by an independent assessor, John Boss, had been commissioned to identify cost and schedule issues. An update on these pieces of work would be provided at the meeting in April with revised figures for NR's AFC expected to be included for the first time in the Period 1 Board Report for the coming financial year.

Following on from the Sponsors' request for more assurance by Crossrail on NR's costs, and at the request of the Board, a briefing note on Crossrail's contractual obligations had been included in the Board pack for this meeting. Under the terms of the PDA, Crossrail was accountable for the whole Crossrail project including ONW and was required to deliver it for the best possible value. However, there was no explicit obligation for Crossrail to assure the cost of the works. The Regulatory Protocol contained a number of relevant provisions relating to NR's performance, cost management and reporting and audit rights.

It was **NOTED** that the Board would have a fuller discussion on ONW costs and reporting to Sponsors at its meeting on 28 April.

Are We Safe?

It was **NOTED** that:

- In Period 12 RIDDOR AFR had remained at 0.15, Lost Time Case AFR had remained at 0.23 and HSPI had increased slightly to 2.35. C610 remained the only contract to be below the 2.0 benchmark for HSPI;
- There had been 13 significant incidents in the Period, all of which were being investigated. The maintenance in the AFRs referred to above was because of comparison with performance last year; and
- In Period 13 projections were that Crossrail would meet the corporate target for HSPI and Lost Time Case AFR reduction but miss the RIDDOR 20% reduction target. The results of the year-end performance against these objectives and the other corporate targets would be presented to the Board on 28 April.

Are We Within Funding?

Elizabeth Gillbe presented an overview of the Period's financial position.

It was **NOTED** that:

- During the past year, the P50 AFCDC had increased by £103m of which [REDACTED]
- Of the £781m P50 QRA total, £136m currently represented unallocated risk;
- The overall contingency budget of £1,088m remained sufficient to cover the QRA risk exposure at P50 of £781m but not at P95;
- £321m of the P50 QRA total represented unresolved trends which had increased by £73m in the Period [REDACTED]
- There had been a net drawdown from programme contingency of £122m in

the Period driven [REDACTED]

The Board **REQUESTED** that more information be provided at the next meeting to explain how "unallocated programme risk" reported at SACR14 (Period 6) would relate to the figure to be reported for "unallocated delivery risk" for Period 13.

Action: Mathew Duncan

Commercials Update

Simon Wright provided a summary of developments since the last Board meeting. He reported that there had been a reduction in open NCEs – a position that was expected to improve again in Period 13. The main risk areas to Crossrail's AFDCD remained Farringdon, Woolwich and Bond Street. The C610 Supplemental Agreement had now been signed and the agreement for Ilford was at the final draft stage. 73% of the total value of interim settlements had been agreed.

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:

- The C300/410/610 Bond Street and Tottenham Court Road station teams were continuing to work with the Chief Engineer and C121 Mott Macdonald to close out sprayed concrete lining quality issues. A third round of testing had been undertaken in Period 12, with repairs being carried out as required.
- At Ilford Yard SC1 and SC2 pressure on the schedule had continued. The team was continuing to work with senior subcontractor representatives in addition to closely-managing contractors' daily progress to drive performance and accountability, with priority on completion of Workshop A by 31 March in time to start the main blockade; and
- AP9 readiness to mine was now in place. However, following the discovery of asbestos in the London Wall building, additional work was now required. This discovery was contrary to the information held within the City of London asbestos register. A review was underway and a mitigation plan was being developed.

Operations

Howard Smith provided an update on key operations issues. Signalling integration remained the principal technical risk with Bombardier claiming a 'change of law' delay due to ETCS version 3.4. This delay would use up most of the float within the programme to Stage 2 operation. Work was continuing with Bombardier on a revised programme for release and approval of ETCS on- train software. The TfL Commissioner and CRL CEO had visited Derby on 11 March to have a discussion with Bombardier and the Operations and Systems Expert Panel was aware of the issue.

	<p>Are we world class?</p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • The Quality Performance Index (QPI), which had been introduced in Period 11, was being shared with all Tier 1 Contractors and was showing signs of influencing some, but not all, contractors' performance. • The KPI target for 476 apprentices had been exceeded. A total of 543 apprentices have worked on the project by the end of Period 12. Crossrail's Annual Apprentices Awards were now in progress and the winners would be announced in Period 13. • CRL was continuing to actively interact with the media and key stakeholders to update and engage with them on the project including demonstrating the effectiveness of the Crossrail team to manage and deliver the programme, delivering value for money, maintaining the schedule and a wide range of sustainability initiatives. <p>The Board NOTED the Board Report for Period 12.</p>									
<p>70/16</p>	<p>CRLB 55/16 – Project Representative (PRep) Reports Periods 11 & 12</p> <p>The PRep report for Period 11 had been included in the Board Pack. Andrew Wolstenholme provided a verbal update on the PRep's draft report for Period 12 which noted issues relating to: cost pressures and the continuing reduction in headroom to IP1; Rolling stock and depot; ONW costs; Bakerloo Line Link cost pressures; Tottenham Court Road station progress; Woolwich station measures to recover the plan; and the downward trend in the Quality Performance Index.</p> <p>The Board NOTED the P-Rep report for Periods 11 and 12</p>									
<p>71/16</p>	<p>CRLB 56/16 – [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <table border="1" data-bbox="279 1780 1348 1892"> <thead> <tr> <th>WBS code</th> <th>Current Control Budget £</th> <th>Investment Authority £</th> </tr> </thead> <tbody> <tr> <td>[REDACTED]</td> <td>[REDACTED]</td> <td>[REDACTED]</td> </tr> <tr> <td>[REDACTED]</td> <td>[REDACTED]</td> <td>[REDACTED]</td> </tr> </tbody> </table>	WBS code	Current Control Budget £	Investment Authority £	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	[REDACTED]								
[REDACTED]	[REDACTED]	[REDACTED]								

72/16	<p>CRLB 57/16 – Increase in Share Capital for Crossrail Ltd (“the Company”)</p> <p>Mark Fell presented a paper that notified the CRL Board of the changes authorised by Transport Trading Limited (TTL), sole shareholder of Crossrail Ltd and wholly owned subsidiary of TfL.</p> <p>The Board NOTED the shareholder resolution by TTL as presented to the meeting to:</p> <ul style="list-style-type: none"> • increase the authorised share capital for the Company to £7,240 million, divided into 3,620 million A shares of £1 each and 3,620 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; and • amend CRL's articles of association to reflect the increase. <p>The Board RESOLVED to issue and allot to TTL 915 million 'A' Shares at £1 each and 915 million 'B' Shares at £1 each.</p>
73/16	<p>CRLB 58/16 – Scheme of Authorities</p> <p>In October 2015 the Board had approved various amendments to the Scheme of Authorities relating to the grant of Investment Authority, the approval of commercial settlement agreements and the approval of offers of financial incentives. Mark Fell provided the Board with a schedule of decisions taken under the revised regime.</p> <p>The Board NOTED the paper and AGREED to maintain the amendments to the Scheme of Authorities made in October 2015.</p>
74/16	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p> <p>Executive and Investment Committee EIC MIN 160224</p> <p>Verbal Updates of Recent Board Committee meetings</p> <p>Executive and Investment Committee 23 March 2016</p> <p>The following matters had been covered by the Committee:</p> <ul style="list-style-type: none"> • Whitechapel close out report • C405 Paddington Supplemental Agreement No 1 • Canary Wharf 30th floor exit plan • TUCA training contract extension • Increase in share capital • Scheme of Authorities <p>Health & Safety Committee 21 March 2016</p> <p>The following matters had been covered by the Committee:</p> <ul style="list-style-type: none"> • Period 12 Health and Safety Director's Report • Health and Safety six-monthly look ahead • Frontline Leadership Programme benefits and value

	The Board NOTED the Committee reports.
75/16	<p>CRLB 59/16 – Potential Implications of Brexit to Crossrail</p> <p>A briefing paper on the possible implications for Crossrail if the UK voted to leave the European Union in June was included in the pack for information. It was NOTED that the impact to Crossrail was expected to be minimal given that, in the event that the UK did leave, it would take at least two years to exit.</p> <p>The Board NOTED the briefing paper.</p>
AOB	<p>Graphical Wayfinding Proposal</p> <p>It was NOTED that the Executive and Investment Committee had considered, but not approved, a circa £3m proposal to develop and install graphical wayfinding at central Crossrail stations – on the basis that no provision had been made for its funding and, at this stage, efforts were being focussed on reducing the headroom to IP1.</p> <p>Michael Cassidy proposed that it might be possible to carry out a fundraising exercise to meet around £2m of the funds required. The Executive and Investment Committee was asked to CONSIDER whether that would enable the proposal to be accepted.</p> <p>Action: Andrew Wolstenholme</p>
	<p>NED Only Session</p> <p>Non-executive Directors provided feedback on the day's meeting.</p>

Signed by:



Terry Morgan
Non-executive Chairman

Pre-meeting Board Briefing – Thursday 31 March 2016

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Martin Buck <i>Transition & Strategy Director</i>	Mathew Duncan <i>Finance Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Victoria Burnett <i>Head of Secretariat</i>	Lucy Findlay <i>Chief of Staff</i>
Pam Alexander <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	Phil Gaffney <i>Non-executive Director</i>
Michael Cassidy <i>Non-executive Director</i>	Elizabeth Gillbe <i>Head of Finance</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>	John Pelton (Part of meeting) <i>Strategic Projects Director</i>	
Daniel Moylan <i>Non-executive Director</i>	Matt Randerson (Part of meeting) <i>Project Manager - Whitechapel</i>	
Simon Wright <i>Programme Director</i>	Howard Smith <i>Operations Director</i>	
	Valerie Todd <i>Talent and Resources Director</i>	

1. Track laying video

Simon Wright presented a recently made video about track installation throughout the Crossrail tunnels.

The Board **NOTED** the presentation.

2. Spotlight on Whitechapel

Matt Randerson and John Pelton presented an overview of progress at Whitechapel, in particular, focussing on how performance had been improved during the past year with the implementation of improvement plans and changes in job roles and key personnel.

The Board **NOTED** the presentation and congratulated Matt Randerson and his team for the part they had played in achieving the significant improvement in contract performance.

CRL Register of Directors' Interests as at 31 March 2016

Pam Alexander	<ul style="list-style-type: none"> - Chair, Covent Garden Market Authority - Non-executive Director, Crest Nicholson Plc - Husband is an employee of University College London - Trustee, Design Council - Director (to 31.12.15), Academy of Urbanism - Non-executive Director, Future Cities Catapult - Owner Director, Booker Alexander Ltd - Trustee, Brighton Dome and Festival Limited - Member, Mayor's Design Advisory group - Member, London Open Workspaces Group - Member, New London Architecture's Sounding Board
Michael Cassidy	<ul style="list-style-type: none"> - Chair, Ebbsfleet Urban Development Corporation - Director, Askonas Holt Limited - Non-executive Director, P2P Global Investments Plc - Chair - Property Board, City of London Corporation - Consultant, H B Reavis
Phil Gaffney	<ul style="list-style-type: none"> - Managing Director, Phil Gaffney Consulting - Chair, Iarnód Eireann (Irish Rail) - Non-executive Director, Coras Iompair Éireann (CIE)
Terry Hill	<ul style="list-style-type: none"> - Trustee, Arup Group Trusts (Owner of Arup Group Ltd) - Chair, Ove Arup Foundation - Council Member, Railway Industry Association - Chair, European Construction Technology Platform/ ReFine - Commissioner, Independent Transport Commission - Independent Member, Office of Rail and Road - Independent Member, ORR Highways Committee - Non-executive Chair, Transport Systems Catapult
Robert Jennings	<ul style="list-style-type: none"> - Director, Friends of Brook Green - Director, Safeguard Finance - Chair, Southern Water - Chair, Sequoia Economic Infrastructure Income Fund Limited - Chair, Greensands Holdings Limited
Daniel Moylan	<ul style="list-style-type: none"> - Councillor, Royal Borough of Kensington and Chelsea Council - Chair and Board member, Urban Design London - Chair, Mayor's Design Advisory Group - Board member, Transport for London - Non-executive Director, The Glanmore Property Fund Ltd

	<ul style="list-style-type: none"> – Non-executive Director, Glanmore Investments Ltd – Non-executive Director, Glanmore Property Company Ltd – Chair and Director, Kensington and Chelsea Environmental Limited – Member, Court of the Royal College of Art – Trustee, Kensington, Chelsea and Fulham Conservative Association – Member, Museum of London Cultural Hub Advisory Board – Honorary Fellow, Royal Institute of British Architects – Fellow, Chartered Institute of Logistics and Transport – Mayor’s Adviser on Aviation, Aviation Policy – Mayor’s Crossrail 2 Adviser, Crossrail 2 (Interim Chair)
Andrew Wolstenholme	<ul style="list-style-type: none"> – Non-executive Director, MOD’s DE&S Board
Mathew Duncan	<ul style="list-style-type: none"> – Commercial Advisor NHS NECS
Simon Wright	<ul style="list-style-type: none"> – Advisor (un-paid), Swansea Bay Tidal Lagoon Power – Fellow, Institution of Civil Engineers