



CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 21 July 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>	Victoria Burnett <i>Head of Secretariat</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>
Pam Alexander <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	Simon Wright <i>Programme Director</i>
Michael Cassidy <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</i>	
Mathew Duncan <i>Finance Director</i>	Chris Green <i>Chair Operations & Systems Expert Panel (part of the meeting)</i>	
Phil Gaffney <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Terry Hill <i>Non-executive Director</i>	Chris Sexton <i>Technical Director</i>	
Robert Jennings <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Valerie Todd <i>Talent and Resources Director</i>	

The meeting was quorate.

	<p>The Chairman welcomed Board members and attendees.</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.</p>
BD MIN 160623 BD RES 160629	<p>Minutes of the Meeting of the Board held on 23 June 2016 and the Board Resolution passed 29 June 2016</p> <p>The Board APPROVED the minutes of the meeting held on 23 June 2016 for signature and NOTED the resolution passed on 29 June 2016.</p>
BD AC 160721	<p>Actions and Matters Arising</p> <p>The Board NOTED the following action status update:</p> <p>17.012 – [REDACTED] – Paul Grammer informed the Board that he expected to be in a position to report on final prices in September.</p> <p>Action: Paul Grammer</p>

17.036 – **NR Funding Issues** – Robert Jennings reported that he had alerted the DfT to the possibility of cost escalation beyond the £2.3bn limit.

The Board **REQUESTED** that:

- Crossrail should do all it could to ensure that NR carried out an audit of its costs;
- the Executive explore any opportunities for de-scoping, whilst acknowledging that these were limited; and
- the Executive should consider whether there were any opportunities to help NR with its funding challenges at the same time as reducing Crossrail's AFCDC.

Action: Simon Wright/Paul Grammer/Mathew Duncan

The Board also **REQUESTED** that Andrew Wolstenholme continue to hold regular discussions with Bernadette Kelly and keep the Board informed of any developments.

Action: Andrew Wolstenholme

17.037 – **Plumstead Maintenance Facility** – The cost of the Facility had not been included in the £2.3bn DfT funding target. NR had originally planned to use an existing facility or facilities to supply maintenance for the central operating section.

BAD02 – **Stage Confidence Levels** – After consideration it had been concluded that it would not be beneficial to undertake the QRSA more frequently than twice yearly. Focus would shift to use of milestones and dashboards as monitoring tools as staged opening approaches.

BAD08 – **Funding of Artwork at Whitechapel** - Will Parkes reported that it would not be possible to carry out a 'crowd funding' exercise before the Whitechapel Station opened. The Board **NOTED** that efforts were continuing to fund the artwork at Whitechapel through matched funding for money committed by the City of London Corporation.

BD
CBR
160721

Crossrail Board Report Period 3

Andrew Wolstenholme introduced the Board Report providing an overview of Period 3 highlighting that:

- The countdown to dynamic testing had started during the Period and it was now less than 500 days until 1 November when the testing of trains in the tunnels between Canary Wharf and Abbey Wood would begin;
- The AFCDC had increased by £23.9m in the Period against intervention points that had remained stable - resulting in headroom to IP1 of £68m;
- Full and final settlement had been reached for the [REDACTED] contracts - achieving a significant reduction of commercial risk to the project;
- CRL had issued an Adverse Event Notice to Sponsors regarding NR's internal borrowing authority limit being lower than the £2.3bn intervention price;
- Productivity with the concreting train was still behind plan and concerted efforts were being made to address performance with some significant success. Overall, construction progress in the Period had matched targets;

- Type testing of Train 1 had now started at the new Derby test shop and production was on plan to start Train 2 testing on 24 July;
- KPIs had remained stable since Period 2 except for: an improvement in RIDDOR (0.18 from 0.19); an increase in the Lost Time Case rate up to 0.29; a reduction in IP1 headroom; and an increase in ONW headroom.

Are We Safe?

It was **NOTED** that:

- Health and Safety RIDDOR performance in the Period had improved. Although there were two major incidents under investigation. The HSPI score had fallen from 2.28 to 2.27 and there were seven lost time incidents resulting in a worsening of the lost time case rate to 0.29;
- Andrew Wolstenholme, together with Mike Brown, had met with Leo Quinn, Balfour Beatty to discuss recent incidents for LU and Crossrail at Whitechapel;
- Senior representatives from Ilford and Whitechapel had also attended the Health and Safety Committee in July to talk about their health and safety performance;

The Board **REQUESTED** that more information be provided at the next meeting about the process and time taken to respond to major incidents.

Action: Andrew Wolstenholme

Are We Within Funding?

Mathew Duncan presented an overview of the Period's financial position.

It was **NOTED** that:

- AFCDC headroom to IP1 had decreased since Period 1 by £25m [REDACTED]
- The overall contingency budget of £592m remained sufficient to cover the P50 risk exposure of £529m, but would be inadequate at P95 (by £336m, which was a £72m deterioration on Period 2);
- Of the £529m QRA, £327m was risk representing 14% of the £2,349m Cost to Go including Unresolved Trends;
- In the Period, Crossrail had spent £5.7m above the 2016/17 Business Plan, driven by an increase in the forecast gain share for Eastern Running Tunnels as the contract neared completion.

Commercials Update

Paul Grammer provided an update on progress with the following contracts: C405 Paddington; C412 Bond Street; C422 Tottenham Court Road; C535 Farringdon; C502 Liverpool Street; C510/512 Whitechapel; C300/410 Tunnels West; C305 Tunnels East; C610 Systemwide; C828 Ilford Yard; C530 Woolwich; C620 Signalling; and C660 Communications.

It was **NOTED** that the commercial team was continuing to work with the delivery team to review each contract on a case by case basis. Revised positions, (as incorporated in the Period 3 AF CDC), had been taken on [REDACTED]

[REDACTED] There remained a level of commercial uncertainty on [REDACTED] which the CRL teams were continuing to assess.

Action: Paul Grammer

Are We on Time?

Chris Sexton presented an overview of delivery performance highlighting some of the key issues for the Period. It was **NOTED** that:

- The main blockade programme at Ilford Yard had been approved by NR and was scheduled to begin on 6 August running through to 5 December. Detailed planning was continuing to ensure that the best use was made of the blockade. Access to the site during the blockade was likely to be a significant challenge. The Paint Shop sectional completion had been delayed due to the discovery of further snag items. Overall completion of Workshop A had been delayed by 32 days. The Crossrail team was working collaboratively with the contractor and stakeholders to address these slippages and bring the assets into use with Bombardier. However there remained significant logistical challenges that needed to be overcome.
- AP9 mining work was now complete, and drilling equipment was now being recovered prior to handover to C502. The remaining sections of the Moorgate escalator barrel would now be mined bottom-up.
- The Bond Street 'master plan shaft' had been identified as a critical issue by the contractor after revised planning still showed significant slippage in the completion of the works. Following immediate intervention by the CRL team, CSJV was working to prepare and submit a revised plan based on clarified design assumptions. However, this would remain a significant concern until the revised plans were received, reviewed and approved - due in early August.
- Since the Period 3 Report had been published, C610 had managed some improved performance with track installation in recent days. However, it would still be a challenge to meet the MOHS timetable.

Operations

Howard Smith provided an update on key operations issues providing status updates on the milestones marked in red on the Operational Readiness Stage 1 Schedule:

- **Route Gauge Clearance and Platform Stepping Works** - Work was now underway. RSSB had now granted permission to proceed with the test train. A follow up deviation submission to RSSB for full gauge clearance was being submitted in July and NR was confident that permission would be granted;
- **DOO CCTV Infrastructure** - The first station, (Harold Wood), had been

	<p>completed. An improved programme had been established by NR which involved more work but would reduced risk;</p> <ul style="list-style-type: none"> • Wire height alignment at Ilford Depot – NR would deliver the work within the Depot; dependent on the Ilford blockade – now due to start in August 2016. NR was looking at short, middle and long term options for the arrival of 345 services trains; and • Ilford Depot remodelling – Planning meetings had been arranged to examine the integration risks and establish actions to mitigate them. <p>Are we world class?</p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • The consultation exercise with employees had begun with respect to the proposed transfer of the Crossrail Pension Fund from the Omnibus section of the Railway Pensions Scheme. A valuation of the Fund would take place around the end of August; • Andrew Wolstenholme was due to meet Mike Brown on 4 August to discuss any opportunities for the future transfer of Crossrail staff to roles at TfL; and • 15,000 people had visited the Platform for Design Exhibition at RIBA which had closed on 15 June. <p>The Board NOTED the Board Report for Period 3.</p>
15/17	<p>CRLB 15/17 – Project Representative (PRep) Reports Period 2 and 3 2016/17</p> <p>The PRep report for Period 2 had been included in the Board Pack and was taken as read.</p> <p>Andrew Wolstenholme provided a verbal summary of the Period 3 Report which</p>
	<p>NOTED issues relating to: progress; ONW costs; stepping and gauging works; Ilford main blockade; Ilford wire height; train software; tunnels and stations; and technical assurance.</p> <p>The Board NOTED the PRep reports.</p>
16/17	<p>CRLB 16/17 – Operations and Systems Expert Panel Update</p> <p>Chris Green presented the Operations and Systems Expert Panel Update which focused on train-track signalling interfaces following a visit to Bombardier and a review by Dr Alan Rumsey. The Panel had concluded that:</p> <ul style="list-style-type: none"> • Physical train building was proceeding well at Derby and there were no major impediment to trains being available for Stage One; • Train-borne signalling interfaces remained the main area of risk. Whilst good progress was being made in both design and static testing, the Panel emphasised the importance of thorough testing and de-bugging of integrated systems on a live railway; • Good progress had been made on the technical and operational interface designs between CBTC and TPWS/ETCS systems at Westbourne Park and Pudding Mill Lane;

	<ul style="list-style-type: none"> • The final safety approvals process represented a continuing risk. A detailed programme needed to be agreed with the approving bodies to agree the level of detail required together with a realistic schedule of dates; • NR was now set to complete the installation of ETCS on the Heathrow spur by February 2017. However the subsequent testing time for a CI 345 on the route was inadequate and a joint working group was needed to identify ways of creating more access; • CRL had developed a quality Handover process for the Central Section, but the Panel would strongly support a review to ensure that resource levels matched expectations for delivering this specialist and time-critical workload; and • The Panel commended the new 'Scope Gap' review, which provided an important snagging list of issues. <p>The Board NOTED the report and REQUESTED that more information about the governance of signalling integration and the CIF plan and value for money relating to the cost of the CIF be presented at a future meeting.</p> <p>Action: Chris Sexton</p>
17/17	<p>CRLB 17/17 – Crossrail Service Frequency – Sponsor Change Notice</p> <p>Howard Smith presented a paper that set out the response to the Sponsor Change Notice (SCN) 0022 issued on 18 February 2016 relating to service frequency.</p> <p>It was NOTED that the response in the form of an Initial Change Appraisal (ICA) assumed that:</p> <ul style="list-style-type: none"> • CRL would be held cost neutral on this change and there would be no requirement for CRL to provide a funding contribution to implement the proposed service revisions; • there would be no additional Crossrail or Network Rail (On Network Works) infrastructure required; and • the business case for the proposed timetable revision was strongly positive as was the impact on passengers from more regular and frequent services. <p>After asking questions for clarification, the Board APPROVED the ICA as presented which would be submitted to Sponsors at its Board meeting on 28 July.</p>
18/17	<p>CRLB 18/17 – Modern Slavery Act - Statement and Responsible Procurement Policy</p> <p>Will Parkes presented a paper that set out Crossrail's approach towards compliance with the requirements of the Modern Slavery Act 2015. The draft Statement from Crossrail to be published alongside the GLA Group Responsible Procurement Policy was presented with the paper.</p> <p>The Board APPROVED the Statement for publication.</p>
	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p>

Executive and Investment Committee	EIC MIN 160615	Andrew Wolstenholme
Health and Safety Committee	HS MIN 160613	Andrew Wolstenholme
Verbal Updates of Recent Board Committee meetings		
Health and Safety Committee 11 July 2016 Matters covered by the Committee were: <ul style="list-style-type: none"> • Period 3 Health and Safety Director's Report • Health and Safety six-period look ahead • C828 Ilford Yard – readiness to start possession from health and safety perspective • C512 Whitechapel – follow up after recent incidents 	HS MIN 160711	Andrew Wolstenholme
Executive and Investment Committee 13 July 2016 Matters covered by the Committee were: <ul style="list-style-type: none"> • Commercial Assurance of the On Network Works (Informal) • Crossrail Service Frequency – Sponsor Change Notice • Modern Slavery Act – Statement and Responsible Procurement Policy • Crossrail Sustainability Report (Informal) • Security – six-monthly update 	EIC MIN 160713	Andrew Wolstenholme
AOB		
NED Only Session Non-executive Directors provided feedback on the day's meeting.		

Signed by:



Terry Morgan
Non-executive Chairman

Pre-meeting Board Briefing – Thursday 21 July 2016

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Victoria Burnett <i>Head of Secretariat</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>
Pam Alexander <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	Simon Wright <i>Programme Director</i>
Michael Cassidy <i>Non-executive Director</i>	James Gray <i>Head of Public Affairs (part of meeting)</i>	
Mathew Duncan <i>Finance Director</i>	Paul Grammer <i>Commercial Director</i>	
Phil Gaffney <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Terry Hill <i>Non-executive Director</i>	Chris Sexton <i>Technical Director</i>	
Robert Jennings <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Valerie Todd <i>Talent and Resources Director</i>	
	Matt White <i>Surface Director (part of meeting)</i>	

1. NR Funding Issues – Update

Matt White presented an update on ONW NR funding issues providing a progress report on the Anglia milestone, achievements in the West, and key challenges relating to ETCS and Anglia. The Board was also brought up to date with the latest situation regarding the work being carried out to provide cost and commercial assurance.

The Board **NOTED** the presentation.

2. Public Affairs Update – Post ‘Brexit’

James Gray presented an overview of the political landscape following Brexit including recent appointments and changes to the structure of government departments and implications for Crossrail.

The Board **NOTED** the presentation and **REQUESTED** that a future presentation be provided focusing on the relationship between London and the rest of the UK.

Action: Will Parkes

3. Sustainability Report

Chris Sexton presented the Sustainability Annual Report highlighting some of the key features.

The Board **NOTED** the presentation and commended the quality of the Annual Report.