



CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 2 February 2017 at 11.30
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>	
Pam Alexander <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	
Michael Cassidy <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Mathew Duncan <i>Finance Director</i>	Paul Grammer <i>Commercial Director</i>	
Phil Gaffney <i>Non-executive Director</i>	James Gray (Part of meeting) <i>Head of Public Affairs</i>	
Terry Hill <i>Non-executive Director</i>	Chris Green (Part of meeting) <i>Chair Operations and Systems Expert Panel</i>	
Robert Jennings <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Mark Wild <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>	
Simon Wright <i>Programme 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 170112	<p>Minutes of the Meeting of the Board held on 12 January 2017</p> <p>The Board APPROVED the minutes of the meeting held on 12 January 2017 for signature.</p>
BD AC 170202	<p>Actions and Matters Arising</p> <p>The Board NOTED the completed actions. There were no other actions due that would not be covered on the meeting's agenda.</p>

**BD CBR
170202**

Crossrail Board Report Period 10

Andrew Wolstenholme introduced the Board Report providing an overview of Period 10 highlighting that:

- A number of important project milestones had been achieved in the period, including further handover of rooms to the Systemwide contractors, completion of construction of the Crossrail Integration Facility and NR's successful completion of its Christmas works. The overall programme was 80.8% complete against a revised plan of 83.8%;
- Further commercial pressures had been recognised in the AFCDC during the period. The effect of these pressures was broadly in line with expectations and AFCDC was now £27m in excess of IP1 at £11,925m. The Executive was continuing to identify and realise savings opportunities to mitigate the effect of commercial cost pressures which were set to continue over the coming periods. There was now a 55% chance that AFCDC would exceed IP1 at the completion of the Programme in 2019;
- Strategic risks had remained stable in the Period. KPIs had seen three changes to the scorecard results with HSPI improved to 'excellent' and Milestones down from 'excellent' to 'good'. SPI had also dropped from 'excellent' to 'good'; and
- UNITE's campaign for additional wages and/or incentives on the programme had been less intensive in the period. CRL remained committed to working with the Tier 1 contractors to avoid or mitigate further IR issues.

The Board **NOTED** that revised legislation relating to trade unions was expected in March. [REDACTED]

Action: Mark Fell

Are We Safe?

It was **NOTED** that:

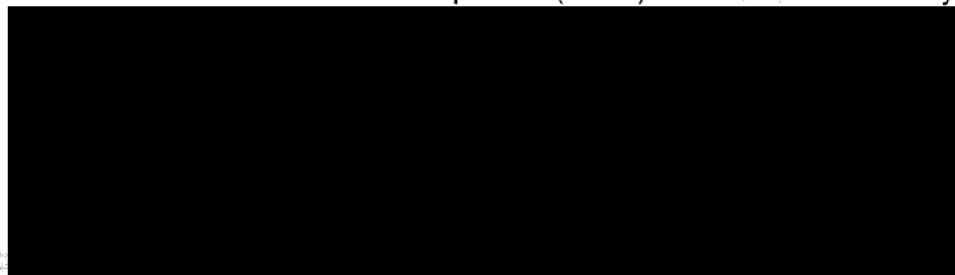
- Health and Safety Performance had improved in the period with two out of three KPI targets at 'excellent';
- HSPI had remained at 2.35 with 11 contracts out of 13 achieving 2.20 or above. Focus was being maintained on the two contracts that scored below 2.20 on HSPI – C422 TCR, and C660 Signals and Systems;
- The RIDDOR AFR had decreased to 0.14. Lost time AFR remained at 0.27. The report noted one lost time injury reported at C422. Subsequently the incident had been downgraded as there had been no lost time; and
- C435 Farringdon had achieved over one million hours without lost time.

Are We Within Funding?

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

It was **NOTED** that:

- The AFCDC increase in the period (£23m) had been driven by

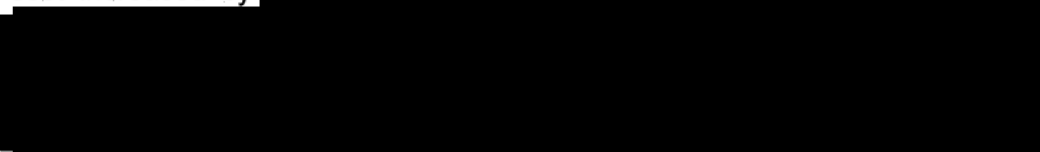


- In the period, Crossrail had spent £1.3m above the 2016/17 business plan. For the year to date, spend was in line with the business plan;
- Of the QRA total of £365m, £115m was currently programme risk not allocated to projects; and
- The overall contingency budget of £385m was adequate to cover the P50 risk exposure of £365m by £19m, but inadequate at P95 (by £282m, which was a £13m deterioration on P9). The P50 AFCDC remained within the financial budget.

Commercials Update

Paul Grammer provided an update on progress with the following contracts: C405 Paddington; C412 Bond Street; C422 Tottenham Court Road; C435 Farringdon; C502 Liverpool Street; C510/512 Whitechapel; C300/410 Tunnels West; C305 Tunnels East; C610 Systemwide; C828 Ilford Yard; C530 Woolwich; C620 Signalling; C660 Communications; and C360 Portals and Shafts.

It was **NOTED** that the total gap between CRL's and its contractors' views of target had increased by [REDACTED] and the total forecast gap in defined cost increased by [REDACTED]

**NR ONW Funding**

Paul Grammer also presented an update on NR AFC and funding. CRL was continuing to work closely with Network Rail to reach a shared view on cost and risk exposure relating to the £2.3bn intervention price. The opportunity relating to re-profiling of the repayment schedule of the NR CRL Interim Funding Agreement continued to be progressed.

It was **NOTED** that DfT was holding its Portfolio Board meeting on 2 February at which a request would be made by Network Rail for additional funding for the ONW.

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:

- Progress of the Bond Street Station Masterplan civils works continued to be good in Period 10 and was keeping to the recovery programme. Crossrail was working with CSJV on a schedule to mitigate current C412 forecast delays to the completion of the Eastern and Western Ticket Halls;
- A number of quality issues at Paddington had led the Project Manager to stop some of the M&E works. The root cause of these defects had been investigated and remedial measures had been agreed with the Contractor;
- The current low levels of contractor productivity continued to cause concern at Woolwich that substantial completion would not be delivered to plan in October 2017;
- Productivity issues, specifically around cable pulling, continued to affect the C610 programme. The delivery team was working with the contractor to address performance; and
- The Chief Engineer's Group, the Infrastructure Manager and London Fire Brigade had continued their dialogue to resolve the evacuation strategy at Mile End Shaft.

Operations

Howard Smith provided an update on key operations matters **NOTING** some of the key issues for Stage One and Stage Two.

At the **REQUEST** of the Board, Howard Smith undertook to provide details of the proposed changes to Crossrail services and timetable which would be taken to Sponsors for agreement during March.

Action: Howard Smith

Are we world class?

It was **NOTED** that:

- Government had announced in December changes to the law relating to the enforcement of the IR35 Regulations in the public sector which were due to come into effect in April 2017. Initial soundings indicated that these changes could have a significant impact on the project. About 260 agency workers were engaged by CRL of which 50 – 80 would probably leave. Some of these workers were in project critical positions. The executive was not sighted on the likely impact on Network Rail, RfL and LUL.

A Material Event Notice had been served on the Sponsors and the Chief Executive would be writing to the DfT to seek a 'period of grace' to mitigate the impact of the new legislation. The executive was carrying out a number of actions to assess and address the implications of the changes to the law;

	<p>At the Board's REQUEST, Valerie Todd undertook to circulate a briefing note on changes to IR 35 Regulations, their implications for Crossrail and a summary of the executive action plan underway.</p> <p>Action: Valerie Todd</p> <ul style="list-style-type: none"> • DfT had promoted a recent visit by the Crossrail Minister, Lord Ahmad, to Bombardier's factory in Derby to view a new Elizabeth line train; • TUCA services contract and lease had been successfully handed over to TfL in the Period; and • Learning Legacy tranche three production continued alongside planning for a one day event for all involved in major project delivery to meet and hear from Crossrail's Learning Legacy ambassadors. <p>The Board NOTED the Board Report for Period 10.</p>			
38/17	<p>CRLB 38/17 - Systems and Operations Expert Panel Report</p> <p>Chris Green presented the conclusions from the Panel held in January which had focussed on the readiness of the various surface railway works being carried out for the staged opening of Crossrail.</p> <p>It was NOTED that Romford and Ilford Stations had planned completion dates after December 2017 and Ealing after May 2018. The Board REQUESTED that a schedule of station enhancement and rebuild dates for all surface stations be provided at the next meeting.</p> <p>Action: Howard Smith</p> <p>It was NOTED that the Panel's Report had referred to the Unified Control Strategy. At the REQUEST of the Board, Chris Green undertook to provide more information about the sufficient availability of hardware and software needed to execute the Strategy as part of the Panel's next report in April 2017.</p> <p>Action: Chris Green</p> <p>The Board NOTED the report</p>			
39/17	<p>CRLB 39/17 – Project Representative (PRep) Reports Periods 9 & 10 2016/17</p> <p>The PRep report for Period 9 had been included in the Board Pack and was taken as read.</p> <p>Andrew Wolstenholme outlined the issues that would be raised in the Period 10 Report. These related to: AFCDC and continuing cost pressures; schedule and progress; rolling stock; NR/ONW costs; and specific issues relating to each of the stages.</p> <p>The Board NOTED the PRep reports.</p>			
	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p> <table border="1" data-bbox="352 2029 1390 2094"> <tr> <td data-bbox="352 2029 847 2094">Executive and Investment Committee</td> <td data-bbox="847 2029 1098 2094">EIC MIN 170104 HS MIN 161128</td> <td data-bbox="1098 2029 1390 2094">Andrew Wolstenholme</td> </tr> </table>	Executive and Investment Committee	EIC MIN 170104 HS MIN 161128	Andrew Wolstenholme
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Verbal Updates of Recent Board Committee meetings		
<p>Executive and Investment Committee 25 January 2017 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> • Corporate Objectives and KPIs – 17-18 (initial discussion) • Corporate Policies - annual review 	<p>EIC MIN 170125</p>	<p>Andrew Wolstenholme</p>
<p>Health and Safety Committee 23 January 2017</p> <ul style="list-style-type: none"> • Period 10 Health and Safety Update • CRL's diversity and inclusion work • Health and Safety update from Siemens for C620 and C660 • Presentation by B&CE who run 'Constructing Better Health' 	<p>HS MIN 170123</p>	<p>Andrew Wolstenholme</p>
<p>AOB</p>	<p><i>(Mark Wild left the meeting)</i></p> <p>Noting initial discussions held by Non-executive Directors at the Board meeting on 12 January, the Board AGREED, in principle to commission an independent cost assurance exercise, the full scope of which would be discussed at the next Board meeting in March.</p> <p><i>(James Gray joined the meeting)</i></p> <p>It was NOTED that the Secretary of State for Transport had asked Terry Morgan to explore possibilities to leverage the Crossrail brand internationally building on existing activities carried out during the past few years whereby Crossrail has acted as a shop window for the infrastructure sector and UK PLC. Some initial discussions and work had been carried out to look into setting up a stand alone business. It was NOTED that any proposal to move forward should not distract the Executive within Crossrail Ltd from delivering the Crossrail Project. Terry Morgan undertook to keep the Board informed of progress.</p> <p>There was no NED only session.</p>	

Signed by:

Terry Morgan
Non-executive Chairman

Pre-meeting Board Briefing – Thursday 2 February 2017

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1. Stakeholder Survey Results

Will Parkes and Ben White presented the results of the stakeholder surveys for 2016 covering local authorities, local businesses and residents, transport journalists and MPs.

Overall, the results were positive, although there had been some dips in performance compared to 2015 which the Board **REQUESTED** be investigated further.

Action: Will Parkes

The Board **NOTED** the presentation.