

**CROSSRAIL BOARD**

**Minutes of the Meeting of the Board of Directors of Crossrail Limited  
Held on Thursday 3 March 2016 at 13.30  
Crossrail Limited, 28th Floor Boardroom, 25 Canada Square,  
Canary Wharf, London 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>	Will Parkes <i>External Affairs Director</i>
Andrew Wolstenholme <i>Chief Executive</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>	Howard Smith <i>Operations Director</i>	
Terry Hill <i>Non-executive Director</i>	Valerie Todd <i>Talent and Resources Director</i>	
Robert Jennings <i>Non-executive Director</i>		
Daniel Moylan <i>Non-executive Director</i>		
Simon Wright <i>Programme Director</i>		

The meeting was quorate.

	<p>The Chairman welcomed Board members and attendees.</p> <p>It was <b>NOTED</b> that it had been announced that Martin Buck would be leaving Crossrail at the end of June 2016.</p>
<b>BD MIN 160204</b>	<p><b>Minutes of the Meeting of the Board held on 4 February 2016</b></p> <p>The Board <b>APPROVED</b> the minutes of the meeting held on 4 February 2016 for signature.</p>
<b>BD AC 160303</b>	<p><b>Actions and Matters Arising</b></p> <p>The Board <b>NOTED</b> that there were no outstanding actions 'due' for this meeting that were not completed or covered elsewhere on the agenda.</p>
<b>BD CBR 160303</b>	<p><b>Crossrail Board Report Period 11</b></p> <p>Andrew Wolstenholme introduced the Board Report providing an overview of Period 11 and highlighting that:</p>



- Good progress had been made with track, platforms, first stage concrete and PES construction; key handover dates were being met;
- The percentage complete during the Period was behind the plan. Although in real terms, the programme had achieved 0.73% against a plan of 1.04% when taking out the effect of the timing of drawdown of contingency on the performance measurement baseline;
- Cumulative SPI had remained at 0.96 and cumulative CPI at 0.92. In Period 11 both CPI and SPI had decreased from Period 10 with CPI at 0.68 from 0.87 and SPI at 0.70 from 0.86. [REDACTED]
- The Period 11 P50 AFCDC had decreased by £0.4m due to the net effect of a number of small decreases across the programme. The intervention points had increased slightly which had resulted in corresponding improvement in the headroom to IP1 at P50 to £135m. The P80 AFCDC had decreased to £136m above IP1 which indicated that there remained a greater than 30% chance of drawing on some of TfL's contingency;
- Crossrail costs were £1.5m above the amount forecast in the 2015/16 business plan. Year to date costs were £43m below budget;
- Strategic risks and significant risks remained stable. The KPIs remained unchanged except for the 'Quality' ones - certification had fallen by 1% from excellent to good and 'Corrective Action Requests (CARs)' had increased by 1% from good to excellent.

#### **Letter from Crossrail Sponsor Board**

Andrew Wolstenholme presented a copy of a letter that had been issued on 29 February by the Sponsor Board following submission of SACR 14 in November 2015 and the subsequent presentation by Crossrail to the Sponsor Board in January. The Sponsor Board had acknowledged the work that Crossrail was doing to manage costs. Crossrail was asked to continue with the existing reporting structure but to provide more emphasis on any risk of breaching IP1 at P50 as opposed to IP0 in future reporting.

The Sponsor Board had also requested that Crossrail provide more assurance regarding the cost of the On Network Works. It was **NOTED** that some actions were already in place to enable Crossrail to do that: an independent report had been commissioned to accurately assess the issues; assistance was being provided to Network Rail from Crossrail's commercial team to help validate contractor cost proposals and provide challenge; and the executive was considering what other options were available to provide further assurance.

The Board **REQUESTED** that it be briefed on the cost assurance activities currently being undertaken and on Crossrail's contractual obligations in this regard.

**Action:** Matt White/Mark Fell

The Board **NOTED** the letter from the Sponsor Board.

#### **Are We Safe?**

It was **NOTED** that:

- In Period 11 two contracts had achieved one million hours without a lost time



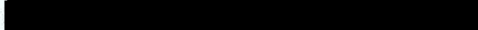
incident – C305 Eastern Running tunnels and C435 Farringdon;

- The overall indicators all improved in Period. RIDDOR AFR fell to 0.15, LTC AFR fell to 0.23 and HSPI increased to 2.34. C610 remained the only contract to be below the 2.0 benchmark for HSPI. However there were eleven significant incidents during the Period and the improvement in AFRs was because of the comparison to poorer performance last year.

### ***Are We Within Funding?***

Mathew Duncan presented an overview of the Period's financial position covering AF CDC; risk; a summary of programme change; and a forecast for the movement in AF CDC against IPO at P50 to SACR15.

It was **NOTED** that:

- During the past year, the P50 AF CDC had increased by £25m of which £24m had resulted from additional scope instructed by Sponsors;
- Of the £771m P50 QRA total, £198m currently represented unallocated risk;
- The overall contingency budget of £1,114m remained sufficient to cover the QRA risk exposure at P50 but not at P95;
- £248m of the P50 QRA total represented unresolved trends which had decreased by £49m in the Period because of drawdown following CRL Board approved changes for cost increases for Farringdon; and
- There had been a net drawdown from programme contingency of £20m in the Period driven by approved changes for: 

The Board **REQUESTED** that more information be provided to show what proportion of the overall amount of programme change costs were attributable to the establishment of the Master Operational Handover Schedule and those related to commercial settlements.

**Action:** Mathew Duncan/Simon Wright

### **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 Depot; C530 Woolwich; C620 Signalling; and C660 Communications.

### ***Are We on Time?***

Simon Wright presented an overview of delivery performance highlighting some of the key issues for the Period:

- The C300/410/610, Bond Street and Tottenham Court Road station teams



continued to work with the Chief Engineer and C121 Mott Macdonald to close out SCL quality issues. A third round of testing was due to begin in Period 12;

- Ilford Yard SC1 and SC2 dates were under pressure. The team had started to manage contractors' daily progress to drive performance improvement.
- Poor quality performance from the tier 2 supply chain (specifically Lakesmere delivering the PES) combined with cost increases from Laing O'Rourke had raised significant concerns within the CRL programme management team. Performance reviews and dialogue around the commercial approach had begun.
- Thames Water had not yet provided consents for track drainage discharge into their sewers. The executive was exploring options to address this issue.

It was **AGREED** that a recently produced video about track laying would be presented at the next informal session of the Board.

**Action:** Simon Wright

### **Operations**

Howard Smith asked the Board to **NOTE** that signalling integration remained the principal technical risk with Bombardier claiming 'change of law' delay due to the requirements of ETCS version 3.4 which would use up most of the float to Stage 2 operation. This was being challenged and a visit to Derby was scheduled for 11 March. The Board **REQUESTED** that consideration be given as to whether any assistance could be provided by the Operations and Systems Expert Panel.

**Action:** Howard Smith

### **On Network Works – Network Rail (NR)**

It was **NOTED** that a range of issues relating to On Network Works had been discussed at the informal Board session. The Period 11 Report had highlighted concerns raised over the visibility of NR's AFC and recent schedule slippages at Old Oak Common.

The decision by Network Rail to defer track slew and lowering works at the Old Oak Common and Paddington Approach to Easter 2017 was impacting the C610/644 works. The team was reviewing the schedule impact and was working with NR to resolve the issue.

### **Are we world class?**

It was **NOTED** that:

- The Quality Performance Index for Period 11 showed that the top four performing contracts were C510 Liverpool Street/Whitechapel SCL, C305 Eastern Tunnels, C535 Farringdon Station and C340 Victoria Dock Portal. The poorest performers were C422 Tottenham Court Road, C610 Systemwide Main Works, C530 Woolwich Station and C828 Ilford Yard;
- Focus continued on the effective and properly managed demobilisation of roles as set out in the Business Plan;



	<ul style="list-style-type: none"> <li>• The Queen's visit to Bond Street on 23 February had been very successful and the Board extended their thanks and congratulations to the organisers and all those that had participated; and</li> <li>• The Learning Legacy website had been launched on 25 February and had been well attended.</li> </ul> <p><b>Over Site Development and Urban Realm</b></p> <p>The Board <b>REQUESTED</b> that a discussion take place at a future meeting to explore opportunities for Crossrail in the context of the development work planned and progress of the urban realm surrounding Crossrail stations.</p> <p><b>Action:</b> Mathew Duncan/Ian Lindsay</p> <p>The Board <b>NOTED</b> the Board Report for Period 11.</p>
65/16	<p><b>CRLB 52/16 – Project Representative Reports Periods 10 &amp; 11</b></p> <p>The P-Rep report for Period 10 had been included in the Board Pack. Andrew Wolstenholme provided a verbal update on the Project Representative's (P-Rep) Draft Project Status Report for Period 11 which noted issues relating to: cost and the risk that the headroom to IP1 would decrease; schedule and performance; rolling stock and depot and possible delays to starting unit testing; ONW costs; CRL's Business Plan and resourcing requirements; upward cost pressures for the Bakerloo Line link; and ongoing difficulties around obtaining the assurance evidence and documentation for handover to the IM for Canary Wharf.</p>
66/16	<p><b>CRLB 53/16 – 16/17 KPIs</b></p> <p>Mathew Duncan provided a paper that set out the performance targets, (16/17 KPIs) to underpin the corporate objectives agreed by the Board in October 2015.</p> <p>The Board, after some discussion to satisfy itself that the performance targets were both challenging but achievable, and subject to minor changes to the safety measures and a change to target F4 to reflect the ONW cost parameters as stated by the Hendy review of CP5, <b>APPROVED</b> the 16/17 KPIs as presented to the meeting.</p>
67/16	<p><b>CRLB 54/16 – Pensions Update</b></p> <p>Valerie Todd provided an update on pension arrangements; in particular progress being made with the transfer of CRL's assets and liabilities from the Omnibus Section to a new stand-alone section of the Railways Pension Scheme (RPS).</p> <p>It was <b>NOTED</b> that the RPS Trustee had, at its meeting on 25 February 2016, approved the proposal from Crossrail to transfer from the Omnibus section to a stand-alone section of the RPS. Consequently, Crossrail would now proceed with the required notifications and consultations with employees; procure the drafting of the deed of establishment and participation with the Trustee; agree a transfer date with TfL; and review and establish the amount of the transfer payment to be made in respect of the liabilities arising from the transfer.</p> <p>It was further <b>NOTED</b> that a paper on the cost implications for the transfer would be presented to the Board in June.</p> <p><b>Action:</b> Valerie Todd</p> <p>The Board <b>NOTED</b> the Pensions Update.</p>

68/16	<p><b>Minutes of Board Committees for Reference</b></p> <p>The Board received the following minutes for reference</p> <p>Executive and Investment Committee      EIC MIN      Andrew Wolstenholme 160127</p> <p><b>Verbal Updates of Recent Board Committee meetings</b></p> <p><b>Executive and Investment Committee 24 February 2016</b></p> <p>The following matters had been covered by the Committee:</p> <ul style="list-style-type: none"> <li>• Network Rail – On Network Works issues</li> <li>• Railway Integration Review Point 5</li> <li>• 2016-17 KPIs</li> <li>• Pensions Update</li> <li>• Wayfinding Proposal Update</li> <li>• Audit Committee Plan for 2016-17</li> </ul> <p><b>Health &amp; Safety Committee 22 February 2016</b></p> <p>The following matters had been covered by the Committee:</p> <ul style="list-style-type: none"> <li>• Period 11 Health and Safety Director's Report</li> <li>• Health and Safety six-monthly look ahead</li> <li>• Frontline Leadership Programme benefits and value</li> </ul> <p>The Board <b>NOTED</b> the Committee reports.</p>
AOB	<p><b>NED Only Session</b></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 3 March 2016**

<b>Members:</b>	<b>In Attendance:</b>	<b>Apologies:</b>
Terry Morgan <i>Chairman</i>	Victoria Burnett <i>Head of Secretariat</i>	Will Parkes External Affairs Director
Andrew Wolstenholme <i>Chief Executive</i>	Martin Buck <i>Transition &amp; Strategy Director</i>	
Pam Alexander <i>Non-Executive Director</i>	Mark Fell <i>Legal Services Director &amp; 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>	Chris Sexton <i>Technical Director</i>	
Terry Hill <i>Non-executive Director</i>	Matt Steele (Part of meeting) Network Rail	
Robert Jennings <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Daniel Moylan <i>Non-executive Director</i>	Matt White (Part of meeting) <i>Surface Director</i>	
Simon Wright <i>Programme Director</i>	Valerie Todd <i>Talent and Resources Director</i>	

**1. On Network Works**

Matt Steele from Network Rail (NR) gave a presentation on the On Network Works (ONW) Crossrail Programme. (Matt White attended the meeting for this item). The presentation covered: Safety performance; Key progress since September 2015; Christmas Works; Key issues; Easter delivery plans; and the Programme Cost and Risk.

The Board **NOTED** that:

- NR was continuing to work to improve its Health and Safety performance on the Programme;
- Progress since September 2015 had been positive overall with the Christmas works delivered in full without overrun;
- The Programme remained on schedule, but Costain's performance on Crossrail Anglia remained an area for monitoring;
- The Programme was working hard to better integrate and improve the relationship with Anglia Route;
- West Outer Electrification remained a challenge. The Programme was focussed on delivery of the accelerated schedule and the critical delivery of the Iver diversion;
- ETCS was progressing to schedule and the exception had been approved in principle by the ORR and draft certification issued.
- A significant programme of works was planned for the Easter period;
- A Programme AFC/risk review was underway with input from Crossrail's Commercial Team. However, as currently forecast it was possible that the 2014-19 Hendy review of Control Point 5 limit of £2.159m would be breached

The Board **NOTED** the presentation.

## 2. Railway Integration Review Point 5

Chris Sexton presented the results of the Railway Integration Review Point 5 which covered: a reminder of the RIRP process; the approach taken for RIRP5; key issues from RIRP4; progress since RIRP4; a summary of outputs; main issues from RIRP5; achievements; and a look forward to RIRP6 and next steps.

The main themes to emerge from the review were:

1. Design gates taking place later than planned and the impact on technical assurance;
2. The need for test and commissioning to be embedded within stations;
3. The need for the "End Game" strategy to be turned into detailed plans;
4. The rolling stock software and ETCS for Sage 2
5. The interface with NR – Stage 1 critical works and ETCS for Stage 2; and
6. The spotlight was turning to operations and maintenance and the conversion of strategies to deliverables.

The Board **NOTED** the presentation.