



BD MIN 161013

CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 13 October 2016 at 13.00
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>	Terry Hill <i>Non-executive Director</i>
Pam Alexander <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	Mark Wild <i>Non-executive Director</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>	Will Parkes <i>External Affairs 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>	
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 160915	<p>Minutes of the Meeting of the Board held on 15 September 2016</p> <p>The Board APPROVED the minutes of the meeting held on 15 September 2016 for signature.</p>
BD AC 161013	<p>Actions and Matters Arising</p> <p>The Board NOTED the following status updates for those actions due that would not be covered elsewhere on the agenda:</p> <p>17.058 – 2017/18 Business Planning – a note had been sent round to the non-executive directors setting out the timetable and process for business planning.</p>
BD CBR 161013	<p>Crossrail Board Report Period 6</p> <p>Andrew Wolstenholme introduced the Board Report providing an overview of Period</p>

6 highlighting that:

- A number of key milestones had been achieved in the Period including at Liverpool Street where the team had completed the handover of the westbound platform to Systemwide;
- In the Period, the planned rotation of the concreting train had been completed ahead of time and without safety or quality issues, and work on the eastbound section to Pudding Mill Lane was now progressing;
- In the Period, the C828 Ilford Yard Supplemental Agreement and a number of emerging cost pressures had been re-assessed as part of the Quantitative Risk Assessment resulting in an increase of £42.1m to AFCDC. This, combined with a further adverse movement in the Intervention Points, had resulted in the headroom to IP1 now standing at £20m;
- In the Period, Crossrail had spent £7.4m below the 2016/17 Business Plan, predominantly due to a gain share adjustment for C305 Eastern Running Tunnels;
- The cumulative CPI had remained at 0.96 while the cumulative SPI had fallen from 0.97 to 0.96. In real terms the project had achieved 0.7% against a plan of 0.7% in the Period; and
- The C610 Systemwide contract had attracted some negative publicity for the project in parts of the construction trade press including criticisms of welfare provision and alleged underpayments of wages at the Fisher Street site. Implementation of a series of actions was currently underway to assist ATC in maximising access to welfare facilities in the tunnels and at the stations, and to improve time-and-attendance procedures on the Fisher Street site. CRL would be meeting UNITE and UCATT to discuss these issues in Period 7.

Are We Safe?

It was **NOTED** that:

- The Programme HSPI for Period 6 was 2.37 with 13 contracts out of 15 having scored 2.20 or above. Focus remained on the two contracts which had scored below 2.20 (C350 and C660); increasing the incident reporting rate across the programme; and increasing the number of high-risk activity observations;
- There had been six significant incidents during Period 6 including one seven day plus lost time injury at Liverpool Street for which an investigation was underway. Key actions had been identified and put in place to address the issues raised by the other five incidents; and
- 'Stepping Up Week' was due to take place from Monday 17 October and would focus on behavioural issues across the project.

Are We Within Funding?

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

It was **NOTED** that:

- The AFCDC had increased by £42.1m in the Period, to £11,878m. This was due

to the implementation of the [REDACTED] together with emerging cost pressures including for [REDACTED]

- The Intervention Points (IPs) had decreased by £8.4m, predominantly due to the impact of lower interest rates at SACR16. The P50 AFCDC was therefore now £20.2m below IP1 (Period 5 £71m). The P80 AFCDC was £187m above IP1 (Period 5 £140m) and there was a 47% chance of exceeding IP1; and
- For the year to date, spend was £22m below the 2016/17 Business Plan, predominantly driven by the extension of the Network Rail Interim Funding Agreement (£28m) offset by other net overspends (£6m).

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.

NR ONW Funding

The Board also **NOTED** the latest position regarding the NR ONW funding and the headroom to the DfT intervention amount. Efforts continued to address the risk of costs rising above the DfT intervention amount. CRL was continuing its detailed cost review and commercial assurance of the ONW in collaboration with NR.

The Sponsors had responded to CRL's adverse event notice regarding the impact of a funding limit lower than £2.3bn for the ONW. The Sponsors had sought to give greater funding certainty to facilitate approval of the initial variation notice in September for Western Stations while Sponsors consider various sources for the additional funding between £2.199bn and £2.3bn. At the subsequent Sponsor Board meeting in Period 7 CRL had raised its concerns that a "piece-meal approach" might not enable the most cost-effective decisions to be taken.

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:

- Track installation progress in the Period was reduced due in part to the scheduled rotation of the concreting train. Total track now stood at 54% complete and track completion using the concreting train - except for Whitechapel eastbound - was forecast for March 2017. Safety within all Systemwide operations remained a key focus;
- The works within the Ilford blockade were almost 50% complete, with all but one milestone achieved in line with plan. The handover of the paint shop to BT was now scheduled for end-October which should enable successful completion of the blockade works. Overall, the team had worked hard to overcome stakeholder and logistical challenges and was now focussed on implementing the revised terms of supplemental agreement;
- Revised plans for the delayed 'master plan shaft' at Bond Street reported in Period 3 had been received from CSJV. These showed an improvement from a 2019 delivery date but work continued to ensure that a MOHS compliant

	<p>schedule would be achieved; and</p> <ul style="list-style-type: none"> • Whilst working towards achieving acceptance by RfL of the shaft at Mile End on 31 October 2016, an issue has emerged with the use of the shaft as a means of emergency escape. This was being actively worked on by CRL and checks were being carried out on all other structures. <p>Operations</p> <p>Howard Smith provided an update on key operations issues NOTING some of the key issues for Stage One relating to: route gauge clearance; DOO CCTV infrastructure; Ilford Depot remodelling; and readiness of the Class 345s for Great Eastern compatibility tests.</p> <p>Are we world class?</p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • The planned demobilisation of staff in 2016-17 was continuing to run smoothly; • The London Mayor and Deputy Mayor for Transport had visited Custom House and Canary Wharf in Period 6, for which there was extensive media coverage; • The Integration Board had held its first meeting and good progress was being made generally with transition plans. <p>The Board NOTED the Board Report for Period 6.</p>
25/17	<p>CRLB 25/17 – Project Representative (PRep) Reports Periods 5 & 6 2016/17</p> <p>The PRep report for Period 5 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 6 Report. These included: increase in AFDCD; NR/ONW costs; issues relating to Stages 1, 2, 3, 4 and 5; C610 and the MOHS schedule; and Bond Street progress.</p> <p>The Board NOTED the PRep reports.</p>
26/17	<p>CRLB 26/17 – Pensions Update</p> <p>Valerie Todd presented a paper that updated the Board on the progress being made with transferring the Crossrail Pension Fund in the Railways Pension Scheme Omnibus Section to a new stand alone section, (the 'Transfer').</p> <p>The Board NOTED that:</p> <ul style="list-style-type: none"> • The estimated amount of 'residual debt' attributable to Crossrail which would become payable at the time of the Transfer had risen since October 2015 from £5.8m to £8m; • The employee consultation on the proposed Transfer had been completed satisfactorily; • The TfL covenant was in place; and • It was likely that additional deficit repair payments would be required by Crossrail following the upcoming triennial valuation.

	<p>After discussion, and having established that the proposed Transfer was in the best interests of Crossrail - on the basis that it would provide certainty as to the magnitude of the residual debt and allow Crossrail to have more control over the investment strategy of the Fund - the Board CONFIRMED its decision to proceed with the Transfer on 1 November 2016.</p>											
27/17	<p>CRLB 27/17 – Proposal to Allocate Board Contingency to Programme</p> <p>Mathew Duncan presented a proposal that sought approval from the Board to transfer a further £100m from board contingency to programme contingency. The paper presented set out the reasons for the proposal including costs set against programme contingency since October 2015 and requirements for the next six months.</p> <p>The Board APPROVED the transfer of £100m from Board contingency to Programme contingency.</p>											
	<p>Minutes of Board Committees for Reference The Board received the following minutes for reference:</p> <table border="1" data-bbox="290 804 1362 875"> <tr> <td>Executive and Investment Committee</td> <td>EIC MIN 160907 EIC MIN 160926</td> <td>Andrew Wolstenholme</td> </tr> </table> <p>Verbal Updates of Recent Board Committee meetings</p> <table border="1" data-bbox="290 938 1362 1615"> <tr> <td> <p>Executive and Investment Committee 6 October 2016 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> • Wayfinding Central Section • Update on CIF • Pensions Update • Proposal to allocate Board contingency to programme contingency </td> <td>EIC MIN 161006</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td> <p>Health and Safety Committee 13 October 2016 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> • Period 6 Health and Safety Report • Six monthly 'look ahead' </td> <td>HSC MIN 161013</td> <td>Andrew Wolstenholme</td> </tr> </table>			Executive and Investment Committee	EIC MIN 160907 EIC MIN 160926	Andrew Wolstenholme	<p>Executive and Investment Committee 6 October 2016 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> • Wayfinding Central Section • Update on CIF • Pensions Update • Proposal to allocate Board contingency to programme contingency 	EIC MIN 161006	Andrew Wolstenholme	<p>Health and Safety Committee 13 October 2016 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> • Period 6 Health and Safety Report • Six monthly 'look ahead' 	HSC MIN 161013	Andrew Wolstenholme
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AOB												
	<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 13 October 2016

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Siv Bhamra (part of meeting) <i>Commissioning and Handover Director</i>	Terry Hill <i>Non-executive Director</i>
Pam Alexander <i>Non-executive Director</i>	Victoria Burnett <i>Head of Secretariat</i>	Mark Wild <i>Non-executive Director</i>
Michael Cassidy <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	
Mathew Duncan <i>Finance Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Phil Gaffney <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</i>	
Robert Jennings <i>Non-executive Director</i>	Richard Palczynski (part of meeting) <i>Head of Controls</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Will Parkes <i>External Affairs Director</i>	
Simon Wright <i>Programme Director</i>	Julian Robinson (part of meeting) <i>Head of Architecture</i>	
	Howard Smith <i>Operations Director</i>	
	Valerie Todd <i>Talent and Resources Director</i>	

1. QRA Briefing

Richard Palczynski presented the results of the six-monthly QRA including movements in AFCDC and changes in programme risk for the period from SACR 14 to SACR16. The Board was also brought up to date on progress with cost savings initiatives.

The Board **REQUESTED** that it be provided with an explanation of the potential cost saving opportunity relating to the National Grid.

Action: Howard Smith/Mathew Duncan

The Board **NOTED** the presentation.

2. Crossrail Central Section Wayfinding

Howard Smith and Julian Robinson provided a presentation on wayfinding designs and plans for the central section which included an explanation of how, through appropriate signage and information provision, passengers would be able to navigate their way through stations with a particular focus on those with "double exits".

At the Board's **REQUEST**, Howard Smith undertook to explore whether the signposting at Farringdon should be changed to direct passengers to Barbican rather than Smithfield.

Action: Howard Smith

The Board **NOTED** the presentation.

3. Update on Crossrail Integration Facility (CIF)

Siv Bhamra updated the Board on progress with the CIF, reminding the Board of the benefits, explaining the software test process, providing an overview of progress and work planned for the next three months.

The Board **NOTED** the presentation **REQUESTING** that, at the next update, an explanation of the integrated governance and schedule is provided to give assurance on software version control and include the interface between the train software and signalling.

Action: Siv Bhamra