



**CROSSRAIL BOARD**

**Minutes of the Meeting of the Board of Directors of Crossrail Limited  
Held on Thursday 14 September 2017 at 13.45  
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>	Jeremy Bates <i>(Part of the meeting)</i> <i>Head of Integration</i>	Mark Wild <i>Non-executive Director</i>
Pam Alexander <i>Non-executive Director</i>	Victoria Burnett <i>Head of Secretariat</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>	
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>	
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><b>Directors' Interests</b></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>The Board <b>NOTED</b> Terry Morgan's recent appointment as director of Crossrail International Ltd.</p> <p>There were no interests declared in relation to the business of the meeting.</p> <p>It was <b>NOTED</b> that DfT had made a number of requests for information which would be addressed via the established reporting mechanisms and forums. These related to performance statistics for the train, more detail on Stage 2 delivery risks, and the latest position regarding Ilford.</p> <p><b>Informal Session of the Board 14 September 2017</b></p> <p>It was <b>NOTED</b> that an informal session of the Board had been held earlier in the day covering: the draft of the latest GVA report on the impact of Crossrail</p>
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	<p>on the property market and regeneration of areas along the Elizabeth Line; Lessons learnt from Stage 1; an update on the Crossrail Art Programme; and the results from the Railway Integration Review Point 7.</p> <p>The Board had <b>REQUESTED</b> that:</p> <ul style="list-style-type: none"> <li>• the statement on Crossrail's website relating to the estimated £42bn impact on the economy of the UK be revisited in the context of the information provided in the GVA report; and</li> <li>• The GLA be briefed on the findings of the GVA report before its publication.</li> </ul> <p><b>Action:</b> Mathew Duncan/Will Parkes</p> <p>The Board had also <b>REQUESTED</b> that progress against the Stage 1 Lessons Learnt action grid be provided at the end of the year as part of an update on readiness for Stage 2.</p> <p><b>Action:</b> Simon Wright/Howard Smith</p> <p>Furthermore, the Board had <b>REQUESTED</b> that a check be carried out on the Broadgate glass canopy to ensure there were no issues that could cause problems in the future.</p> <p><b>Action:</b> Simon Wright</p>
BD MIN 170720	<p><b>Minutes of the Meetings of the Board held on 20 July</b></p> <p>The Board <b>APPROVED</b> the minutes of the meeting held on 20 July for signature.</p>
BD AC 170914	<p><b>Actions and Matters Arising</b></p> <p>The Board <b>NOTED</b> the completed actions due.</p> <p><b>18.059 – Coping with increased passenger numbers at uncompleted Stations</b> – It was <b>NOTED</b> that Howard Smith was aiming to work with NR to ensure that, as part of the stations procurement process, passenger comfort as well as passenger safety would be incorporated in the brief. An update would be provided to the Board once the procurement exercise was underway.</p> <p><b>18.056 – Priority Seating - Exploring with Bombardier</b> – It was <b>NOTED</b> that the existing layout for priority seating was not uniform across LU. Howard Smith was investigating if there were any notable costs or disadvantages to making a change that could result in an increase to priority seats if required in the future.</p> <p>Otherwise, there were no other actions due that were not closed or not covered by the agenda for the meeting.</p>
BD CBR 170914	<p><b>Crossrail Board Report Period 5</b></p> <p>Andrew Wolstenholme introduced the Board Report for Period 5 highlighting that:</p> <ul style="list-style-type: none"> <li>• In the Period, Crossrail had completed two significant milestones – the completion of the sprayed concrete lining and delivery of the first</li> </ul>

overhead line equipment indoor switch panels;

- An event to mark the completion of track had taken place on the morning of 14 September attended by the Secretary of State for Transport and Deputy Mayor of London for Transport;
- The overall programme was approaching 87% completion;
- The organisation was focussed on managing the integration of critical work to deliver a successful start to energisation and testing;
- Health and safety performance had continued to be positive, with HSPI having increased for the fourth period in a row – now at 2.49 (from 2.47 in Period 4);
- Period 5 had seen no change to AFCDC at both P50 and P80 at £12,288m and £12,315 respectively; and
- The Executive was doing everything possible to manage the risks associated with TCMS software in respect of Stages 2 and 3.

#### **Meeting with Sponsors to discuss cost issues**

Andrew Wolstenholme also reported on the recent meeting held with Sponsors to discuss a number of issues including: cost pressures and the AFCDC position at SACR17; issues relating to Stage 1 opening; funding for Ilford depot London end track upgrades; and ONW cost pressures.

In relation to the proposed CRL contribution towards the required additional funding for the On Network Works, the Executive undertook to ensure that clear and proper directions were obtained from the Sponsors before entering into any commitments to provide funding.

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

It was **NOTED** that:

- In Period 5, 12 out of 12 contracts had achieved an HSPI score of 2.2 or above;
- There had been four incidents reported in the Period, one lost time incident, two high potential near misses and one fire incident. RIDDOR AFR had remained at 0.08 and lost time case AFR had decreased to 0.15; and
- There had been significant focus on the health and safety regime for energisation and dynamic testing.

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

Mathew Duncan presented a summary of financial performance for the Period **NOTING** that:

- In line with expectations, there had been drawdowns on the risk provisions – a £25m drawdown on Programme Risk and a £28m drawdown on Delivery Risk. However, there remained no risk allowance specifically allocated to Ilford Depot London end exit speeds, Dynamic Testing Plan

A\*, [REDACTED]

Stabling, external legal cost liability for RfL operational agreements, ETCS Migration (Stage 5) and interface risks with LU and NR;

- QRA total was £382m, (against a cost to go of £985m) of which £156m was Programme risk not allocated to projects; and
- The overall contingency budget of £319m was inadequate to cover the P50 risk exposure of £382m by £64m although this was an improved position from Period 4, (shortfall of £117m);

### Commercials Update

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

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; C610 Systemwide; C828 Ilford Yard; C530 Woolwich; C620 Signalling; C660 Communications; and C360 Portals and Shafts.

Paul Grammer also provided the Board with a progress update on working with [REDACTED]

[REDACTED] The Board **APPROVED** the revised terms.

Paul Grammer also provided an update on [REDACTED] commercial issues advising that further cost pressures were likely which could emerge in Period 7 or Period 8.

### NR Funding

It was **NOTED** that the estimated Forecast Final Outturn Cost of all scope using NR's current AFC remained unchanged in the Period at £2,450m. The FFOC exceeded the DfT Intervention Amount by £150m. The total funding being requested by NR to DfT was £154m (£139m for CP5, £15m for CP6). The Sponsors had met on 1 August to discuss the additional funds to deliver the whole ONW scope including variations.

Additional information was being sought from Network Rail to substantiate the reported commercial position, in light of the concerns CRL had over how NR was dealing with cost increases in the overall ONW programme. Currently, there was no resolution of the NR funding gap.

### 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:

- Continuing discussions with CSJV on the programme had focused on a number of areas including, fibre back bone availability at C405; the cladding programme at C412; and progress of work on the MEP recovery plan at Paddington;

- Works towards completion of critical activities that would lead to the commencement of dynamic testing in Zones 1 and 2 had remained on target in the Period. Progress towards completion of essential linear works such as OHLE and cable pulling had been maintained through the Period;
- Work continued in relation to regulatory approvals for Stage 3 which required CRL to demonstrate that the infrastructure and systems were safe and compliant through submission of the Technical file to the ORR in July 2018. A successful submission would lead to Authorisation for Placing Into Service (APIS); and
- SLD progress in Period 5 continued with a trajectory of progress that was slower than planned, (66.5% as opposed to 87.9%). Plans were in place to bring the programme back on plan by the summer of 2018.

### Operations

Howard Smith provided an update on key operations matters highlighting some of the issues relating to Stages One, Two and Three opening.

It was **NOTED** that the development of the TCMS R.6.0 (Core ETCS functions) software remained a major issue with Bombardier Transport. Progress had been steady in the Period with R6.1.1 due to be released in early September. Weekly progress reviews in Derby were ongoing and the full R6/R7 TCMS programme was holding to the revised P80 dates.

### *Are we world class?*

It was **NOTED** that:

- The first meeting of the Elizabeth Line Communication Board had taken place in the Period;
- The CRL Chairman had met the London Assembly Member of Ealing and Hillingdon, Onkar Sahota, for a project update; and
- Work continued to design 'Org 5' a new organisational structure to be put in place after handover of the central section in 2018. The Board **AGREED** that the process to appoint a 'Close Out' director should commence.

The Board **REQUESTED** an update on the Org 5 preparatory work at the next informal session of the Board in October.

**Action:** Valerie Todd

The Board **NOTED** the Board Report for Period 5.

19/18

### **CRLB 19/18 – Project Representative (P-Rep) Reports**

The Board reviewed and **NOTED** the P-Rep Report for Period 4.

20/18

### **CRLB 2018 – Legal Report**

Mark Fell presented the Legal Report which was **NOTED** by the Board.

Matters highlighted at the meeting included the proceedings started by Mr

	Charlesworth seeking a judicial review of the decision by CRL to dispose of a site at Woolwich on the open market.						
21/18	<p><b>CRLB 21/18 – Plan A/Plan B Decision – Dynamic Testing</b></p> <p>Jeremy Bates presented an overview of the work carried out to decide whether to proceed with the existing Dynamic Test plan (“plan A”), or to switch to an alternative plan (“Plan B”) which would provide:</p> <ul style="list-style-type: none"> <li>• additional construction time for completion of works in Dec 2017 and Jan 2018; and</li> <li>• additional time for the train software to mature before commencing signalling testing.</li> </ul> <p>The conclusion was that CRL should continue with Plan A, with some modifications, it having been established that the case to move to a Plan B was not compelling. The Board <b>ENDORSED</b> the decision taken.</p> <p>The Board <b>REQUESTED</b> that the detailed test plan chart presented at the meeting should be included in the Board report in future.</p> <p><b>Action:</b> Mathew Duncan</p>						
22/18	<p><b>CRLB 22/18 – [REDACTED]</b></p> <p>Mathew Duncan presented a request for increased Investment Authority for [REDACTED] with a recommendation from the Executive and Investment Committee that it be approved.</p> <p>It was <b>NOTED</b> that while there was allowance in the Programme AFCDC to cover the increase in investment authority, it was likely that more cost increases would occur in the future which could result in an increase to Programme AFCDC.</p> <p>The CRL Board <b>APPROVED</b> the provision of additional funding to [REDACTED] in the following amounts:</p> <table border="1"> <thead> <tr> <th></th> <th>£</th> </tr> </thead> <tbody> <tr> <td>Current Control Budget</td> <td>[REDACTED]</td> </tr> <tr> <td>Investment Authority</td> <td>[REDACTED]</td> </tr> </tbody> </table>		£	Current Control Budget	[REDACTED]	Investment Authority	[REDACTED]
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23/18	<p><b>CRLB 23/18 – Scheme of Authorities and Financial Controls</b></p> <p>Mathew Duncan presented a paper setting out the additional measures proposed by the Executive to strengthen financial controls and increase the CRL Board’s role in the management of cost and risk across the programme.</p> <p>The CRL Board <b>APPROVED</b> the additional measures proposed with an additional request that significant utilisation of risk be advised to the Board by email outside periodic meetings, as appropriate. The CRL Board also <b>APPROVED</b> the amendment the Scheme of Authorities in respect of the change to the control over contractor incentive agreements detailed in the appendix to the paper presented at the meeting.</p>						
24/18	<p><b>CRLB 24/18 – Modern Slavery Statement 2017</b></p> <p>The Committee <b>REVIEWED</b> and <b>NOTED</b> the arrangements for compliance with the requirements of the Modern Slavery Act 2015 and <b>APPROVED</b> the</p>						

	annual statement for publication.										
	<p><b>Minutes of Board Committees for Reference</b> The Board received the following minutes for reference:</p> <table border="1"> <tr> <td> <b>Executive and Investment Committee</b>  <b>Health and Safety Committee</b> </td> <td> <b>EIC MIN 170809</b>  <b>EIC MIN 170731</b>  <b>EIC MIN 170724</b>  <b>EIC MIN 170717</b>  <b>EIC MIN 170712</b>  <b>HS MIN 170710</b> </td> <td>           Andrew            Wolstenholme         </td> </tr> </table> <p><b>Verbal Updates of Recent Board Committee meetings</b></p> <table border="1"> <tr> <td> <b>Executive and Investment Committee 6 September 2017</b>            Matters covered by the Committee were:           <ul style="list-style-type: none"> <li>• IA Request for Whitechapel</li> <li>• Plan A/Plan B – Dynamic Testing</li> <li>• Stage 1 – Lessons Learnt</li> <li>• Scheme of Authorities – Financial Controls</li> <li>• GVA Property Impact Report</li> <li>• Contract management – extra measures to curb cost increases</li> </ul> </td> <td> <b>EIC MIN 170906</b> </td> <td>           Andrew            Wolstenholme         </td> </tr> <tr> <td> <b>Health and Safety Committee 4 September 2017</b>            Matters covered by the Committee were:           <ul style="list-style-type: none"> <li>• Period 5 Health and Safety Report</li> <li>• Preparations for Energisation</li> </ul> </td> <td> <b>HS MIN 170904</b> </td> <td></td> </tr> </table>		<b>Executive and Investment Committee</b> <b>Health and Safety Committee</b>	<b>EIC MIN 170809</b> <b>EIC MIN 170731</b> <b>EIC MIN 170724</b> <b>EIC MIN 170717</b> <b>EIC MIN 170712</b> <b>HS MIN 170710</b>	Andrew Wolstenholme	<b>Executive and Investment Committee 6 September 2017</b> Matters covered by the Committee were: <ul style="list-style-type: none"> <li>• IA Request for Whitechapel</li> <li>• Plan A/Plan B – Dynamic Testing</li> <li>• Stage 1 – Lessons Learnt</li> <li>• Scheme of Authorities – Financial Controls</li> <li>• GVA Property Impact Report</li> <li>• Contract management – extra measures to curb cost increases</li> </ul>	<b>EIC MIN 170906</b>	Andrew Wolstenholme	<b>Health and Safety Committee 4 September 2017</b> Matters covered by the Committee were: <ul style="list-style-type: none"> <li>• Period 5 Health and Safety Report</li> <li>• Preparations for Energisation</li> </ul>	<b>HS MIN 170904</b>	
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<b>AOB</b>	There was no other business.										
<b>NEDs Only Session</b>	Non-executive Directors provided feedback on the day's meeting.										

Signed by:


  
Terry Morgan  
Non-executive Chairman