

## CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited  
held on Thursday 18 June 2015 at 13.00  
28th Floor Boardroom, 25 Canada Square, Canary Wharf, E14 5LQ**

**Members:**

**In Attendance:**

**Apologies:**

Terry Morgan (Chairman) <i>Chairman</i>	Victoria Burnett <i>Head of Secretariat</i>	Martin Buck <i>Transition &amp; Strategy Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Mark Fell <i>Legal Services Director &amp; Company Secretary</i>	Jayne McGivern <i>Non-executive Director</i>
David Allen <i>Finance Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Michael Cassidy <i>Non-executive Director</i>	Will Parkes <i>External Affairs 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>Apologies were received from Jayne McGivern and Martin Buck.</p> <p>The Board <b>NOTED</b> that David Allen had tendered his resignation as Finance Director and would be leaving CRL to take up a position with Wates Group at the beginning of 2016. The Nominations Committee would be asked to oversee a recruitment process to find a replacement as soon as possible. TfL and the DfT had already been advised of this change and asked whether they might have any internal candidates who would be suitable to be considered as part of the recruitment process.</p>
<p><b>BD MIN 150521 BD MIN 150527</b></p>	<p><b>Minutes of the Meeting of the Board held on 21 May and 27 May 2015</b></p> <p>The Board <b>APPROVED</b> the minutes of the meetings held on 21 May 2015 and 27 May 2015 for signature.</p>

<b>BD AC 150618</b>	<p><b>Actions and Matters Arising</b></p> <p>The Board <b>NOTED</b> the action sheet.</p> <p><b>16.010 Notification to Sponsors to commence Stage One</b>          Andrew Wolstenholme reported that he had spoken to the Sponsors who had confirmed that they wished to pursue the Project Delivery Agreement requirement for CRL to provide 24 months notice in advance of starting each Stage. The rationale was to give Sponsors comfort that CRL had robust plans in place to evidence that CRL would be commencing services in line with the affirmed opening strategy.</p> <p>All other actions were complete or not due for this meeting.</p>
<b>BD CBR 150618</b>	<p><b>Crossrail Board Report Period 2</b></p> <p>Andrew Wolstenholme introduced the Period 2 Board Report highlighting some of the positive performance aspects such as Health and Safety - with both RIDDOR AFR and HSPI indices improving since Period 1. Tunnelling had been completed in Period 2 and a high profile event had taken place since then to mark the occasion, attended by the Prime Minister and the Mayor of London. Crossrail had enjoyed positive media coverage from the event.</p> <p>Andrew Wolstenholme brought the Board's particular attention to the fact that, in Period 2, AFCDC had increased by £51m (0.4%), taking it to £44m above IP0 at P50. A significant factor was the results of recent Bottom Up Forecasts (BUF) received from contractors which had been much higher than expected, especially for Paddington but also for Whitechapel, Ilford, C610 and Liverpool Street.</p> <p>The Board <b>NOTED</b> that:</p> <ul style="list-style-type: none"> <li>• There was likely to be continued cost pressure during the remainder of the project, which would need to be managed carefully;</li> <li>• The Executive had agreed a number of measures to reduce the likelihood of unexpected cost growth, including: increasing the frequency of programme quantitative risk assessments so they would now be performed 4 times a year; continuing to check that organisational structures remain appropriate and that the right resources were in place on all our key projects; and directing the 2016/17 business planning process such that the organisation is decisively focused on the most important activities.</li> <li>• Commercial negotiations with contractors would continue for the next several months, after which the cost of the MOHS would start to crystallise.</li> <li>• It was Crossrail's usual practice to book the value of cost estimates from contractors only once they had been accepted as realistic by the relevant project team.</li> </ul> <p>It was <b>AGREED</b> that Paul Grammer would be invited to attend the informal section of the July Board meeting to talk through the commercial negotiations relating to the MOHS in more detail.</p> <p><b>Action:</b> Secretariat</p> <p><i>Are We Safe</i></p>

The Board **NOTED** that in Period 2 RIDDOR AFR reduced further to 0.15 (from 0.17 in Period 1). HSPI improved to 2.12 (from 1.96 in Period 1). Lost time case AFR remained at 0.29. There was 1 RIDDOR lost time, 3 lost time injuries (back strains and ankle twist) and 2 high potential near misses. 6 contracts had recorded over 18 months without incident.

*Are We on Time/Are we within Funding?*

Simon Wright and David Allen presented an overview of delivery and financial performance highlighting some of the key issues:

- At the end of Period 2 the programme was 65.6% complete, against a plan of 66.8%. 13.4km of SCL had been installed versus a plan of 14.3km. 43,398k of tunnelling had been completed (100%) with Victoria breaking through Farringdon reception chamber on 23 May 2015.
- Cumulative CPI remained at 0.94 with period CPI decreasing to 1.01 from 1.07 in Period 1. Periodic CPI and the levels of cumulative cost variance at six of the major stations continued to cause concern. Cumulative SPI remained at 0.98 while period SPI had increased from 0.97 in Period 1 to 1.10.

- [REDACTED]

- Whitechapel (C512) – An approach had been made to London Borough of Tower Hamlets for permission to take possession of an Astro turf pitch at the Whitechapel Sports Centre for two years. A positive outcome was expected. Discussions were continuing between CRL and BBMV to improve production and performance at the site.
- Wallasea – The sea wall would be breached on 11 July in order to create the wetland habitat. There would be a stakeholder event on 11 September, to which Board members would be invited.

**Action: Will Parkes**

- [REDACTED]
- Ilford Yard – A new BUF had been received from the contractor which was higher than expected. Commercial discussions were underway between the parties to get a better understanding in order to validate pricing. A Change proposal would be submitted during Period 3 for the Back-Up Control Facility to be located at TUCA.
- Tunnelling – There remained considerable work to be completed before the handover to the Systemwide contractors. In addition, some quality issues had been identified at Bond Street and Tottenham Court Road with some areas of delamination between the fire proof SCL layer and the remainder of the tunnel. Work was underway to diagnose the cause of the problem and to find and deliver a solution to rectify it as soon as possible.

- Train Protection – The ORR continued to review Network Rail's submission and had not yet given a date for industry-wide consultation. The intention was to continue with Plan B and report to the CRL Board and Sponsors during the summer before instructing Siemens to introduced Plan B into their designs. CRL would be asking Network Rail to pay for introduction of Plan B.
- Signalling – Siemens had indicated that they were now on target to meet the required October date for the 60% design gate.

Are we world class?

It was **NOTED** that:

- . Decisions would be made to ensure an appropriate balance was achieved between value for money and achieving BREEAM targets;
- The annual Sustainability Report was being prepared and would be circulated to Board members in advance of the 16 July meeting;
- Quality performance assurance assessment had been undertaken on C340, C350, C660, C520 and C620;
- External Affairs activity included media and stakeholder visits to the project and to the archaeology excavation at Broadgate;
- CRL was continuing to actively interact with the media and key stakeholders to keep them updated and engaged;
- A plan was in development to deliver the Learning Legacy Strategy which would be presented to the Board in September;
- Crossrail was working closely with the contractors to identify opportunities to provide more apprenticeships; and
- The programme of supplier performance assurance was continuing with good practice being shared across the contracts to improve performance.

The Board **NOTED** the Board Report for Period 2.

14/16

**CRLB 09/16 – Project Representative Report Period 01**

The Board received the Project Representative's (P-Rep) Project Status Report for Period 01.

The report **NOTED** that:

- Reviews of project cost and bottom up forecasts were being completed which should reduce the gap between the Contractors' estimates and CRL's assessment of total cost. It would also form the basis of commercial discussions regarding the costs of implementing the MOHS;
- The Crossrail programme was now more than 60% complete. However, inclusion

	<p>of completed projects in the overall SPI figure was distorting it. As the project was transitioning from civils to systems P-Rep would be making recommendations to CRL to not include completed projects in KPI reporting;</p> <ul style="list-style-type: none"> <li>• There were substantial costs associated with implementing MOHS. These potential costs were already included in the AFCDC as risk allowances, trends and forecast costs. If MOHS was not adopted the delay costs could be significantly higher than the cost of implementing the new schedule but at this stage P-Rep believed that implementation offered value for money; and</li> <li>• There were a number of commercial agreements which CRL should resolve with contractors to ensure the benefits of MOHS were realised.</li> </ul> <p>The Board referred to a discussion held at a previous Board meeting at which it had suggested that SPI and CPI indices be rebased to the beginning of the MOHS or to the end of 'civils'. It was <b>AGREED</b> that Richard Palczynski, the new Head of Controls, should be asked to give consideration to how best to present CPI and SPI going forward.</p> <p><b>Action:</b> David Allen</p> <p>The Board <b>NOTED</b> the Period 01 report.</p>						
15/16	<p><b>CRLB 10/16 – Legal Report</b></p> <p>The Board received the Legal Report which updated the Board on legal matters.</p> <p>The Board <b>NOTED</b> the report.</p>						
16/16	<p><b>CRLB 11/16 – Annual Report and Accounts</b></p> <p>The Board <b>REVIEWED</b> the Annual Report and Accounts for the year ended 31 March 2015 as presented to the meeting.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>APPROVED</b> the Annual Report and Financial Statements for the year ended 31 March 2015;</li> <li>• <b>AUTHORISED</b> the Finance Director to sign the 'Directors' Report and Business Review' and 'Statement of Financial Position';</li> <li>• <b>AUTHORISED</b> the Finance Director to sign the Representation Letter; and</li> <li>• <b>AUTHORISED</b> the Finance Director to make any necessary minor amendments to either document before signing them.</li> <li>• <b>NOTED</b> that Crossrail would be using Ernst &amp; Young as its Company Auditors for the 2016 audit.</li> </ul>						
17/16	<p><b>Minutes of Board Committees for Reference</b></p> <p>The Board received the following minutes for reference:</p> <table border="0"> <tr> <td>Executive and Investment Committee</td> <td>EIC MIN 150514</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health and Safety Committee</td> <td>HS MIN 150518</td> <td>Andrew Wolstenholme</td> </tr> </table> <p><b>Verbal Updates of Recent Board Committee meetings</b></p>	Executive and Investment Committee	EIC MIN 150514	Andrew Wolstenholme	Health and Safety Committee	HS MIN 150518	Andrew Wolstenholme
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Health and Safety Committee	HS MIN 150518	Andrew Wolstenholme					

	<p><b>Executive and Investment Committee 11 June 2015</b></p> <p>The following matters were covered by the Committee:</p> <ul style="list-style-type: none"> <li>• <b>Railway Integration Review Point 4</b> - which would be presented to the Board in July;</li> <li>• <b>Tottenham Court Road West</b> – a proposal for development of the OSD through variation of the C422 contract. The proposal was agreed in principle but would need to be approved by TfL. The OSD/UR strategy would be re-presented to the Board in July following its endorsement by the Transition Steering Group;</li> <li>• <b>Draft annual sustainability report</b> – a copy would be presented at the July Board meeting and launched on 29 July alongside the annual sustainability awards;</li> <li>• <b>Crossrail and HS2</b> interfaces at Old Oak Common. A Protective Provisions Agreement was in place and a Further Protection Undertaking was being finalised relating to the risks presented by HS2 works in the vicinity of the Crossrail depot.</li> </ul> <p><b>Health and Safety Committee 15 June 2015</b></p> <p>The Committee had received a presentation on Period 2 health and safety performance as well as the 'look ahead' report (as reported in the Board report). The Committee had also received an update from Colin Gainsford, ATC and Siemens on Systemwide health and safety processes and initiatives.</p> <p><b>Audit Committee 10 June 2015</b></p> <p>The main business of the meeting had been the annual report and accounts ended 31 March 2015. KPMG had signed off the accounts without comment and TfL had given them a very clean bill of health. The Committee had also looked at completeness of strategic risks and received an update on whistleblowing. The Chair of the Audit Committee from HS2 had made contact with CRL and discussions were underway about how to best share learning.</p> <p>The Board <b>NOTED</b> the Committee reports.</p>
AOB	It was reported that the funding and commission for artwork for Paddington was nearing completion.
NEDs ONLY	<p><b>Remuneration Committee Decisions</b></p> <p>The Chairman reported on the decisions made by the Remuneration Committee at its meeting held on 21 May 2015 regarding Executive pay and bonuses, and the subsequent discussions with the TfL Remuneration Committee held on 3 June 2015.</p> <p>Minutes of the Remuneration and Nominations Committee held on 21 May had been circulated to Board members in advance of the meeting.</p>

Signed by:



Terry Morgan  
Non-executive Chairman

**Pre-meeting Board Briefing – Thursday 18 June 2015****Members:****In Attendance:****Apologies:**

Terry Morgan (Chairman) <i>Chairman</i>	Martin Buck <i>Transition and Strategy Director</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Victoria Burnett <i>Head of Secretariat</i>	
David Allen <i>Finance Director</i>	Christina Butterworth (Part of meeting) <i>Health &amp; Safety Specialist – Occupational Health</i>	
Michael Cassidy <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director &amp; Company Secretary</i>	
Phil Gaffney <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Terry Hill <i>Non-executive Director</i>	Steve Hails (Part of meeting) <i>Health and Safety Director</i>	
Robert Jennings <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Jayne McGivern <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Daniel Moylan <i>Non-executive Director</i>	Valerie Todd <i>Talent and Resources Director</i>	
Simon Wright <i>Programme Director</i>		

**1. Board Away Day Notes and Actions**

The Board Away Day Notes and Actions had been circulated before the meeting. Board members were asked to feedback any comments during the following week. From thereon a timetable would be set against the actions which would be re-circulated to the Board.

**Action:** Secretariat

Since the Away Day, Mike Brown had sent an email, in which he proposed that issues relating to transition and opportunities for sharing and or transferring resources should be raised at the regular BMR meetings.

**2. Health and Well being**

Christina Butterworth and Steve Hails presented an overview of the work being carried out on health and wellbeing based on an identified need to prioritise good health as much as safety and with a tag line, "No more whispering health and shouting safety". The presentation covered: an overview of health problems in the construction industry and further research being carried out; and analysis of mental health issues and what could be done to address them.

The Board **NOTED** the presentation

### **3. Rolling Stock Design Update**

Howard Smith presented a model and slides showing the proposed designs for the new Rolling Stock. The Board maintained its view as previously expressed that it did not understand the practicality of the transverse seating which existed in six of the nine carriages. It was noted that the seat layout had been re-confirmed by Sponsors but the Board asked for it to be clarified whether it could be adjusted, if required, in the light of future operational experience. The Board also commented on the colour scheme and it was noted that Andrew Wolstenholme would be visiting Bombardier in Derby on 26<sup>th</sup> June, together with Howard Smith and Mike Brown.

**Action:** Andrew Wolstenholme