



BD MIN 240414

CROSSRAIL BOARD

Minutes of the Meeting of the Board of Directors of Crossrail Limited
held on Thursday 24 April 2014 at 13.30
28th Floor Boardroom, 25 Canada Square, Canary Wharf, E14 5LQ

<u>Members:</u>	<u>In Attendance:</u>	<u>Apologies:</u>
Terry Morgan (Chairman) <i>Chairman</i>	Funmi Amusu <i>Company Secretarial Assistant</i>	Heather Rabbatts <i>Non-executive Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Martin Buck (part) <i>Commercial Director</i>	
David Allen <i>Finance Director</i>	Mark Fell <i>Legal Services Director & Company Secretary</i>	
Ian Brown <i>Non-executive Director</i>	Chris Green (part) <i>Chair of the Operations and Systems Expert Panel</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 & Resources Director</i>	
Robert Jennings <i>Non-executive Director</i>		
Daniel Moylan <i>Non-executive Director</i>		
Andy Mitchell <i>Programme Director</i>		

The meeting was quorate, and no directors declared conflicts of interest in relation to any matters discussed.

01/15	The Chairman welcomed Board members and attendees.
BD MIN 270314	<p>Minutes of the Meeting of the Board held on 27 March 2014</p> <p>The Chairman signed the minutes of the meeting as a correct record subject to the following amendment.</p> <p>In relation to Paper 39/14 (C610 schedule opportunities), the Board had noted that the risk reduction arising from the targeted schedule improvements provided the business justification for incurring the estimated overall additional cost of £35 million and would be reflected in a reduction of £35 million in the QRA.</p>
BD AC 240414	<p>Actions and Matters Arising</p> <p>Action 08/14: The Board requested a close-out date for this action and confirmation as to when the External Affairs Director would return to the Board with an action plan.</p>

	<p>The Board also requested that the External Affairs Director investigate the possibility of publicly displaying archaeological finds at Crossrail stations in addition to making such artefacts available to the Museum of London.</p> <p>Action: Will Parkes</p>
<p>BD CBR 240414</p>	<p>Crossrail Board Report</p> <p>Period 13 performance had been slightly below plan.</p> <p>The overall safety performance decreased in Period 13 with the RIDDOR AFR increasing to 0.33 (P12: 0.30), with one RIDDOR fatality (Fisher Street incident which occurred in Period 13 but was reported in Period 12), one RIDDOR Major, three RIDDOR 7+Days Lost Time and one 3+ Days Lost Time cases. HSPI had decreased to 2.09 (P12: 2.11). All 16 contracts scored 2.00 or above which exceeded the corporate objective for 2013/14. The end-of-year result indicated a final reduction in RIDDOR Rate from 0.36 in Period 13 (2012/13) to 0.33 in Period 13 (2013/14) – a reduction of 8%. The Lost Time Case ratio also reduced from 0.70 to 0.48 – a reduction of 31%.</p> <p>The Health and Safety Executive (HSE) investigation into the Fisher Street fatality continued. CRL had facilitated unplanned visits by the HSE to a number of Crossrail sites to observe Sprayed Concrete Lining (SCL) works. The HSE had not so far expressed any concerns or significant observations relating to the specific incident or the SCL works generally. A trial of CCTV cameras had proved to be effective and it was agreed at the last meeting of the SCL Working Group that CCTV to monitor the exclusion zone would be implemented across all SCL works.</p> <p>The Health and Safety ‘Stepping Up Week’ was scheduled for 28 April – 2 May 2014. All Crossrail sites would hold a week of events aimed at driving forward ‘Target Zero’.</p> <p>CRL ended the Financial Year to 31 March 2014 having spent £39m (2.4%) less than forecast (£46m Direct Costs; £30m Indirect Costs; -£36m Property). Total costs in the Period were £21m or 17% below the Business Plan. Indirect costs were £2m below plan in the Period and for Year to Date (YTD) were £30m (or 12%) below plan. The cumulative Schedule Performance Index (SPI) was 0.98 and Cost Performance Index (CPI) held at 0.95. The P50 Anticipated Final Crossrail Direct Cost (AFCDC) increased by £15m in the Period to £11,669m, which reduced the headroom below IP0 to £76m. IP0 decreased by £15m in the Period, predominantly due to a decrease in Sponsor Funding Account interest following the signing of the Network Rail Interim Financing Agreement. At P80, the AFCDC of £11,991m was £6m above IP1.</p> <p>A noticeable increase in the level of change had been experienced in the last 3 Periods. An analysis of change-to-date was underway and the Executive would re-focus its efforts to identify the causes of and reduce change. Total change increased by £81m in the Period.</p> <p>A detailed review of progress to date of contractor design performance and remaining work plans had been undertaken. Revised plans to complete had been incorporated into MCS06.</p> <p>At the end of Period 13, works were 50.7% complete, against a plan of 51.6%, with a variance of 0.9%. A total of 0.4km of SCL was installed versus a plan of 0.5km. There had not been a significant shortfall despite the safety stand-down after the fatality. The overall schedule status at Period end had been held at 6 weeks. The</p>

Board was briefed on progress to date. In particular:

- the achievement of 33.5km of TBM tunnelling was almost exactly in line with the forecast prepared last September
- the works at Durward Street shaft were going well
- agreement had been reached regarding trigger points and the use of the observational method for measuring deflection which would inform a decision on the omission of the temporary props at Moorgate.

In response to a question from the Board, the Executive confirmed that expert advice would be obtained and a proper risk assessment would be undertaken before any decision to remove the temporary props is taken. The Board would be informed in due course of the decision taken and the assurance provided.

Action: Andy Mitchell

The Board was also briefed on a discrepancy in the alignment of the Eastbound tunnel between Paddington and Farringdon. A full investigation is underway and a more detailed report would be provided to the Board at the next meeting.

Action: Andy Mitchell /Chris Sexton

The scheduled date for Stage 3 completion remained at December 2018. All key milestones for 2013/14 had been completed. The Board noted that the Programme Director would update the May 2014 Board meeting on Systemwide Main Works (C610) and a future Board meeting in 2014 on Paddington Station (Main Station Works, Fit Out and M&E) (C405).

Action: Andy Mitchell

The on-network works over Easter had gone very well. Network Rail have to double the rate of expenditure on their works in order to perform the volume of work programmed for the coming year.

NR had completed the initial TRAIL modelling of the Iteration 5 timetable. The Board commented on the significant shortfall between the score of 91.5% and the PPM target of 95%. The Executive acknowledged that the results had revealed certain important issues. A programme of 14 further iterations was planned to work towards demonstrating an acceptable performance baseline by the end of 2014.

The Executive was currently seeking assurances from NR that they have the resources in place to support the work programme. The Chief Executive had in particular conveyed to the new NR chief executive a concern regarding the imminent departure of Rob McIntosh, the Crossrail Programme Director at NR.

The final KPI performance score for 2013/14 was 80% reflecting the significant achievements of the past year. The KPIs for 2014/15 had been finalised and would be implemented in Period 1. The Board commented that it would be useful to consider how CRL measures up against other businesses with regard to innovation.

The media tonality score was 75% positive and 20% negative, reflecting media reporting of the fatality at Fisher Street.

The Board requested a paper setting out the strategy for oversight development.

Action: David Allen

	<p>The Executive continued to monitor the impact of legislative changes in PAYE and National Insurance Contributions. A Material Event notice will be served on the Sponsors in accordance with the Project Development Agreement.</p> <p>The consultation process regarding the proposal to close the defined benefits pensions scheme to new employees was underway. The consultation period of 60 days would expire in mid June.</p> <p>The Board NOTED the report.</p>
02/15	<p>CRLB PAPER 01/15 – Project Representative Report</p> <p>The Board received the Project Representative’s Project Status Report for Period 12.</p> <p>The report had commented positively on the continuing improvement of the Health and Safety KPIs and noted the ongoing investigations into the fatality. The report noted that cumulative overspend had stabilised and that the average rate of Board and Programme contingency drawdown had reduced significantly over the last few periods, indicating a rate of drawdown closer to the IPO trajectory. It also noted that CRL’s cost performance had been improving since SACR09 and remained on schedule to deliver the works below IPO.</p> <p>The Board NOTED the report.</p>
03/15	<p>CRLB PAPER 02/15 – Operations and Systems Expert Panel Update</p> <p>The Board received a paper from Chris Green, Chair of the Operations and Systems Expert Panel, who reported as follows:</p> <p>The 9 new Crossrail central section stations were complex involving intricate interfaces with other existing users. The stations teams were able to demonstrate to the Panel clarity of ownership and responsibilities on the key issues. The design of the new stations was to a high standard and would become impressive icons for London. The Panel was impressed with the calibre and professionalism of the project management teams. Its only concerns were:</p> <ul style="list-style-type: none"> • the cramped single-entrance design at Whitechapel and the risk that it would quickly become overcrowded • the tortuous interchange with the Hammersmith & City line at Paddington which would require passengers to walk a long way. <p>A range of operational and retail station issues were yet to be resolved at Heathrow. The Panel thought that these issues should be addressed after December 2014 when Heathrow Airport Ltd (HAL) would be re-structured as an impartial provider of tunnel/ station facilities to the three future operators (HEX, LUL and Crossrail). The Panel recommended that CRL should organise a conference with HAL in 2015 to resolve the outstanding issues.</p> <p>The approach to the 9 central stations contrasted with the minimalist approach currently taken to the 29 NR surface stations. The Panel was concerned that the result would be a disappointment and that more needed to be done if a consistent outcome is to be achieved. The Panel was aware that RfL had provided funding for a design review and that this subject would be reconsidered later in the year when the results of that review are available.</p> <p>The Board discussed the likelihood that CRL would come under pressure to address</p>

	<p>these concerns in addition to the need to improve accessibility. It was noted that none of the concerns raised by the Panel were Day 1 capacity issues but were likely determinants of the public reaction when Crossrail opened. CRL may have to make it clear that addressing these concerns is beyond its scope. It was agreed that this subject should be brought back before the Board later in the year when the TfL design review had been concluded and TfL has developed its position.</p> <p>The Panel thought that, while the quality communications at stations would set new standards, it recommended that further consideration be given to including Wi-Fi on stations and trains, in line with developments on the rest of the rail network. The Board discussed this suggestion and the steps currently being taken by TfL to prove the technology. CRL is about to affirm its proposed approach to this subject which will afford Sponsors the opportunity to reach a decision. The Chief Executive will also raise this issue with Peter Hendy.</p> <p>Action: Andrew Wolstenholme</p> <p>The Panel had concluded that operational interfaces with Network Rail were now on the critical path for the delivery of a growing number of activities including signalling, operations procedures and timetabling. A specific concern was that major changes were programmed to affect signalling centres at or about the time of Crossrail starting operations.</p> <p>The Board thanked Chris Green and NOTED the paper.</p>												
04/15	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p> <table data-bbox="395 1176 1430 1395"> <tr> <td>- Executive and Investment Committee</td> <td>EIC MIN190314 EIC MIN 310314 EIC MIN 070414</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>- Health and Safety Committee</td> <td>HS MIN 170314</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>- Audit Committee</td> <td>AUC MIN 170314</td> <td>Robert Jennings</td> </tr> <tr> <td>- Sustainability Committee</td> <td>SUS MIN 050214</td> <td>Andrew Wolstenholme</td> </tr> </table>	- Executive and Investment Committee	EIC MIN190314 EIC MIN 310314 EIC MIN 070414	Andrew Wolstenholme	- Health and Safety Committee	HS MIN 170314	Andrew Wolstenholme	- Audit Committee	AUC MIN 170314	Robert Jennings	- Sustainability Committee	SUS MIN 050214	Andrew Wolstenholme
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05/15	<p>Verbal Updates of Recent Board Committee Meetings</p> <p>The Board received verbal updates on recent meetings of Board Committees:</p> <table data-bbox="395 1541 1430 1675"> <tr> <td>Executive and Investment Committee</td> <td>EIC 160414</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health & Safety Committee</td> <td>HS 140414</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Sustainability Committee</td> <td>SUS 020414</td> <td>Andrew Wolstenholme</td> </tr> </table>	Executive and Investment Committee	EIC 160414	Andrew Wolstenholme	Health & Safety Committee	HS 140414	Andrew Wolstenholme	Sustainability Committee	SUS 020414	Andrew Wolstenholme			
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06/15	<p>AOB</p> <p>The Board noted that the National Audit Office Report had been concluded and the contribution made by CRL was outstanding.</p> <p>There was no other business.</p>												

Signed by:



Terry Morgan
Non-executive Chairman

Pre-meeting Board Briefing – Thursday 24 April 2014

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Andrew Wolstenholme <i>Chief Executive</i>	Martin Buck <i>Commercial Director</i>	Heather Rabbatts <i>Non-executive Director</i>
David Allen <i>Finance Director</i>	Matiur Choudhury (part) <i>RSD Team</i>	
Ian Brown <i>Non-executive Director</i>	Graham Clench (part) <i>RSD Team</i>	
Phil Gaffney <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director & Company Secretary</i>	
Terry Hill <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Robert Jennings <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Daniel Moylan <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Andy Mitchell <i>Programme Director</i>	Valerie Todd <i>Talent & Resources Director</i>	

Winning the RSD Challenge

The Board received a presentation from Martin Buck, Commercial Director.

The Board asked to be provided with a list of 'risks going forward', highlighting those risks that will be handed over to the Operations Director.

Action: Martin Buck

The Board noted that it would also be helpful to document the lessons learnt during the RSD procurement as a case study for the industry.

The Board NOTED the presentation.

SACR11 Risk Briefing

The Board received a presentation from Rob Halstead, Head of Risk Management.

The Board requested to be informed of the outstanding balance of the allowance for ground conditions risk.

Action: David Allen

The Board requested an informal briefing on the £35 m provision for risk relating to Wallasea and other logistical issues.

Action: David Allen

The Board considered that the frequency of its risk briefings should be increased as the pressure on contingency became tighter and noted that the Chairman would confirm how often.

Action: David Allen

The Board NOTED the presentation.

Progress Update

The Board received a presentation from Andy Mitchell, Programme Director.

The Board NOTED the presentation.