



BD MIN 041214

CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
held on Thursday 04 December 2014 at 15.30
Crossrail Site Office, Pudding Mill Lane, Cooks Road, London, E15 2PE**

Members:

In Attendance:

Terry Morgan (Chairman) <i>Chairman</i>	Mark Fell <i>Legal Services Director & Company Secretary</i>
Andrew Wolstenholme <i>Chief Executive</i>	Howard Smith <i>Operations Director</i>
David Allen <i>Finance Director</i>	Victoria Finney <i>Head of Secretariat</i>
Michael Cassidy <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>
Phil Gaffney <i>Non-executive Director</i>	
Terry Hill <i>Non-executive Director</i>	
Robert Jennings <i>Non-executive Director</i>	
Jayne McGivern <i>Non-executive Director</i>	
Daniel Moylan <i>Non-executive Director</i>	<u>Apologies:</u> None
Simon Wright <i>Programme Director</i>	

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

	The Chairman welcomed Board members and attendees.
BD MIN 061114	Minutes of the Meeting of the Board held on 6 November 2014 The Board approved the minutes of the meeting held on 6 November 2014 for signature.
BD AC 041214	Actions and Matters Arising The Board noted the updates provided on the outstanding actions. In respect of action 44/15 regarding Paddington Bomb Gap, the Chief Executive reported that he had written to the Chief Executive of Network Rail setting out CRL's position, with the letter copied to Sponsors. The Chairman of the Nominations Committee reported further discussions regarding

	<p>the letter received from Sponsors about the Chairman's reappointment, and that both he and the Chairman were writing to Sponsors to confirm the reappointment and to acknowledge the specified areas of focus.</p>
<p>BD CBR 041214</p>	<p>Crossrail Board Report</p> <p>The Board considered the Crossrail Board Report for Period 8, noting that performance during the period had again generally been satisfactory.</p> <p><i>Are we safe?</i></p> <p>Overall safety performance had been maintained, with the RIDDOR AFR (including 3 day+ lost time cases) remaining at 0.20 for a third successive period. HSPI had increased slightly again to 2.26, from 2.19 in Period 7; 18 of the 19 contracts had registered HSPI scores of 2.00 or above.</p> <p>There had been six lost time cases during Period 8, including three 7+day lost time cases. Nine contracts had achieved more than one year without lost-time injury, of which three had exceeded 1.5 years. A verbal update was provided on the investigation into the electric shock incident at C300.</p> <p>There had also been four high potential near misses during the Period. The Board was briefed on the headline results of the health and safety survey, Have Your Say, undertaken during August 2014. Overall, performance had improved but there was still considerable scope for improvement and increasing survey scores in certain areas such as the number of respondents believing that near misses were always reported (only 65%, though up from 59% in the previous year).</p> <p>A serious accident had occurred after the reporting period on the C310 contract (Thames Tunnel). A steel road plate had fallen on an operative's foot causing serious crush injuries. The HSE had been notified.</p> <p><i>Are we within funding?</i></p> <p>The Project remained within funding. The P50 AFDC had remained static at £11,705m, with the headroom to Intervention Point (IP) 0 increasing slightly to £37m (from £35m). The headroom to IP1 had also increased slightly, with the P80 AFDC now £13m below IP1, compared to £12m at the end of Period 7. The quarterly risk review would be undertaken at the end of Period 9, and it was anticipated that the AFCs of Paddington and Whitechapel Stations and Ilford Yard were likely to increase. Both the EAC (Estimate at Completion) Low and the EAC High had increased during the Period, by £46m and £27m respectively. As a result, the P50 AFDC at £11,705m was now sitting outside the EAC range, at £9m below EAC Low. The chance of drawing on some of TfL's contingency funding was still estimated at approximately 20%.</p> <p>The cumulative SPI had improved marginally to 0.99 from 0.98, despite the Period SPI having fallen to 1.11 from 1.19 in Period 7. The cumulative CPI was stable at 0.95, but the period CPI had decreased to 0.74 from 1.06 in Period 7. CPI continued to be negatively impacted, in particular, by performance on C512 Whitechapel Station, C405 Paddington Station and C435 Farringdon Station. The Board discussed the causes of the deteriorating CPI, noting both programme challenges in the central section and commercial issues, both of which were being addressed with contractors. The Board would be given an update on progress on C610 (Systemwide) in January.</p> <p>Action: Simon Wright</p>

Programme Change increased in the Period by £14m, largely due to design development. The Board noted the inclusion of information on opportunity management in the Report for the first time.

Direct costs in Period 7 were 13% (£15.4m) less than forecast in the Business Plan, whilst indirect costs were 9% (£1.6m) below the Business Plan.

Are we on time?

At the end of Period 8, 59.4% of works were complete, against the early plan of 60.2% (a variance of 0.8%). Forecast completion of Stage 3 remained at December 2018.

Tunnelling remained ahead of plan at a cumulative total of 37.9km, with both Victoria and Elizabeth active. Although good progress had been made with SCL during the period, it remained considerably behind schedule with 10.9km achieved against the plan of 12.7km. The risk of this delay impacting on the sequencing of the follow-on contracts was recognised and was being managed.

The Board was briefed on an issue which had recently emerged regarding the quality of the plunge piles at Paddington. An update was provided on the progress of works at Farringdon, including on the TBM removal plan which was receiving senior management attention. Action was being taken to address some complex issues which had emerged at Ilford Yard. Discussions with London Underground and London Overground were underway to seek support for an extended blockade at Whitechapel which would result in the station opening a year earlier.

Surface works were now 33% complete, with the Network Rail (NR) AFC now £2,006m, £6m lower than Period 7. Headroom to the funding limit was £179m, up from £173m in Period 7. Key achievements included completion of the launch of the Thorney Lane Bridge and the track lowering at Wexham Road in the West. Construction had also started at four stations in the West. C610 mobilisation at Plumstead was also going well. Preparation was in place for the Christmas possessions which represented the biggest programme of Crossrail work so far undertaken by NR. NR was expected to make its submission to the Office of the Rail Regulator regarding the implementation of Enhanced TPWS on the Great Western as the fall-back option on 16 December; CRL had provided a letter of support.

Progress on Operations workstreams was continuing in line with the agreed schedule. Piling for the depot at Old Oak Common would commence on 16 December. The Board was advised that Sponsors had rejected its suggested seat layout modification.

Work was continuing on Over Site Development (OSD). Verbal updates were provided to the Board on the status of development plans at Paddington and Hanover Square. The Executive was considering options for bringing forward OSD at Tottenham Court Road West to help mitigate the risk of the OSD not completing in time for Phase 3 Opening. Work was being undertaken to understand better the schedule and design risks, as well as the likely nature of the contractual and commercial arrangements.

Are we world class?

CRL remained on track to achieve its targets on construction energy, waste, excavated material and emissions control. There had been one level 2 incident during the Period, down from three incidents in Period 7.

	<p>The number of apprentices engaged on Crossrail remained at 379 at the end of Period 8, against the target of 363. The aim was to achieve 400 apprentices by the end of the Programme. The cumulative number of local and/or unemployed job starts on the project had reached 3,772. Crossrail's skills agenda had been recognised in the Government's recently launched National Infrastructure Plan. Ongoing innovation activity had also been recognised with a best example of innovation award to Crossrail from the Innovation Institute.</p> <p>Over 80 events had been held across the programme to mark World Quality Week during 10-14 November. A one day pilot of a root cause analysis course had been held at TUCA, with a view to a general launch in early 2015. In view of the quality issues with the piling at Paddington, the quality metrics had been reviewed, and were considered still appropriate.</p> <p>The Board noted the wide-ranging external affairs activity undertaken during the Period which had included a special joint broadcast by BBC Berkshire and Essex, and a number of visiting delegations to Crossrail sites. The results of the latest local authority opinion research had shown a 13 percentage point improvement in the favourability score.</p> <p>Opportunity to capture how CRL and its partners had successfully managed potentially difficult construction tensions along the route to benefit future projects was highlighted; it was suggested that this could include before and after opinion survey findings, photos and construction site approaches. As a first step, it was agreed that an informal board session should look at how the Crossrail story was being documented as part of the wider session on legacy strategy.</p> <p>Action: Will Parkes/Martin Buck</p> <p>745 people had now completed some diversity training, up from 646 people in Period 7; the KPI had been revised to more accurately reflect performance. Further work was being undertaken to consider pension options, with a view to a further paper being provided to the Board in January.</p> <p>The Board NOTED the report.</p>
53/14	<p>CRLB PAPER 32/15 – Legal Report</p> <p>The Board received the Legal Report which updated the Board on legal matters.</p> <p>The Board NOTED the report</p>
54/15	<p>CRLB PAPER 33/15 – Project Representative Report</p> <p>The Board received the Project Representative's (PRep's) Project Status Report for Period 7.</p> <p>The Report had noted the increase, the first since P5 13/14, in the Lost Time Case Accident Frequency Rate, and welcomed the continued focus on safety initiatives to keep safety in the spotlight. The reversal of the cumulative trend of delivery overspend over the last six periods was welcomed, although the likelihood of breaching IPO was highlighted.</p> <p>In terms of the schedule, the report had highlighted continuing schedule issues at</p>

	<p>Custom House which it believed CRL was addressing, and with Systemwide where the SPI had deteriorated. Continued difficulties continued to be experienced with SCL productivity rates with an approximately seven week slippage against the current MCS06 baseline. There had also been slippage in design development and Gate 3 design reviews, although PRep had noted that the rate of slippage had slowed. It also considered that NR reporting had improved, and noted that NR progress against key dates and anchor milestones in MCS06 was marginally above the late date baseline which indicated that float was being used and critical events were being delivered just in time.</p> <p>The Board NOTED the report.</p>												
55/15	<p>CRLB PAPER 34/15 – 2015/16 Business Plan</p> <p>The Board received a paper from the Finance Director which presented the 2015/16 Business Plan.</p> <p>The Business Plan reflected for the first time a detailed review of CRL's Operating Model and set up for all the remaining phases of the programme, including testing, commissioning and handover. The Direct costs were based on the P7 2014/15 Crossrail Investment Model, with the Indirect Costs based on plans that had been agreed with each of the Crossrail Directors.</p> <p>The Anticipated Final CRL Direct Cost (AFCDC) summarised in the 2015/16 Plan was £36m within IP0, with the P80 forecast now £7.9m below IP1. Total costs were £75m higher than the 2014/15 Plan, driven by both an increase in direct and indirect costs, although a decrease in Network Rail financing costs. The total average number of Full Time Equivalent (FTE) staff would increase by 120 over 2014/15 Business Plan levels to reflect resourcing needs for the final years of the project.</p> <p>The Board APPROVED the 2015/16 Business Plan.</p>												
56/15	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p> <table border="0"> <tr> <td>Executive and Investment Committee</td> <td>EIC MIN 291014</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health and Safety Committee</td> <td>HS MIN 271014</td> <td>Andrew Wolstenholme</td> </tr> </table> <p>Verbal Updates of Recent Board Committee meetings</p> <table border="0"> <tr> <td>Executive and Investment Committee</td> <td>EIC 261114</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health and Safety Committee</td> <td>HS 241114</td> <td>Andrew Wolstenholme</td> </tr> </table>	Executive and Investment Committee	EIC MIN 291014	Andrew Wolstenholme	Health and Safety Committee	HS MIN 271014	Andrew Wolstenholme	Executive and Investment Committee	EIC 261114	Andrew Wolstenholme	Health and Safety Committee	HS 241114	Andrew Wolstenholme
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46/15	<p>AOB</p> <p>The Board was updated on the decision to grant investment authority of £60.03m and instruction to London Underground (LU) to award the main works for the Bakerloo Line Link, subject to LU's acceptance of a number of conditions relating to the award to be set out in the letter of instruction.</p>												

Signed by:

Terry Morgan
Non-executive Chairman



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Pre-meeting Board Briefing – Thursday 4 December 2014

<u>Members:</u>	<u>In Attendance:</u>
Terry Morgan (Chairman) <i>Chairman</i>	Mark Fell <i>Legal Services Director & Company Secretary</i>
Andrew Wolstenholme <i>Chief Executive</i>	Howard Smith <i>Operations Director</i>
David Allen <i>Finance Director</i>	Victoria Finney <i>Head of Secretariat</i>
Michael Cassidy <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>
Phil Gaffney <i>Non-executive Director</i>	Steve Hails (<i>part of meeting</i>) <i>Health & Safety Director</i>
Terry Hill <i>Non-executive Director</i>	Rob Halstead (<i>part of meeting</i>) <i>Head of Risk Management</i>
Robert Jennings <i>Non-executive Director</i>	
Jayne McGivern <i>Non-executive Director</i>	
Daniel Moylan <i>Non-executive Director</i>	
Simon Wright <i>Programme Director</i>	

1. Have Your Say Survey Results

The Board received a presentation from Steve Hails, Health & Safety Director, regarding the results of the Have Your Say survey completed in August 2014.

The Board NOTED the presentation. It was suggested that further thought be given to how the survey could be used to identify the key levers to achieve a further step change in performance.

2. Risk Briefing

The Board received a presentation from Rob Halstead, Head of Risk Management, which briefed the Board on two new strategic risks, and a review of the strategic risk relating to testing, commissioning and handover.

The Board NOTED the presentation.

