

CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 3 December 2015 at 13.00
Crossrail Limited, 28th Floor Boardroom, 25 Canada Square,
Canary Wharf, London E14 5LQ**

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Martin Buck <i>Transition & Strategy Director</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Victoria Burnett <i>Head of Secretariat</i>	
Pam Alexander <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director & Company Secretary</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>	
Terry Hill <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Robert Jennings <i>Non-executive Director</i>	Valerie Todd <i>Talent and Resources Director</i>	
Daniel Moylan <i>Non-executive Director</i>		
Simon Wright <i>Programme Director</i>		

The meeting was quorate.

	The Chairman welcomed Board members and attendees, particularly Pam Alexander, who was attending her first Board meeting as a Non-executive director.
BD MIN 151105	Minutes of the Meeting of the Board held on 5 November 2015 The Board APPROVED the minutes of the meeting held on 5 November 2015 for signature.
BD AC 151203	Actions and Matters Arising The Board RECORDED a correction to a paper previously submitted to the Board on Whitechapel costs (CRL 25/16) – to reduce the agreed amount of Current Control Cost by £30m and to increase the agreed amount of Investment Authority by £30m. The Board NOTED the following status updates for actions due for this meeting that were not already covered elsewhere on the agenda:

	<p>B16.033 – Security Arrangements – It was NOTED that the topic of security bollards had been added to the schedule for the Property Sub Committee as requested by the Board.</p> <p>B16.039 – Business Plan 2016/17 – It was NOTED that Mathew Duncan had carried out individual briefing meetings with the Non-executive Directors in advance of the Board meeting.</p>
<p>BD CBR 151203</p>	<p>Crossrail Board Report Period 8</p> <p>Andrew Wolstenholme introduced the Period 8 Board Report providing an overview and highlighting key 'Are We Within Funding?' performance results. It was NOTED that:</p> <ul style="list-style-type: none"> • Period 8 had seen 2.5% completion against a plan of 2.5%. Track laying had tripled production compared to Period 7 although production, (metres per day), needed to increase to 160-200m a shift; • Handovers to ATC had continued as planned and ATC was now the principal contractor at Canary Wharf, Fisher Street Shaft, Victoria Dock Portal, and areas between Bond Street and Tottenham Court Road and Plumstead to Victoria Dock Portal; • Cumulative SPI had decreased to 0.96 (from 0.97) and cumulative CPI remained at 0.92; • In period SPI had increased to 0.93 (from 0.85) and In period CPI had increased to 1.03 from 0.8; • The breach of IP0 remained the same as at P7 i.e. £99m. The AFCDC remained the same and still within the IP1 compliant budget at P50. The P80 AFCDC remained at £12,056m (£121m above IP1) and indicated that there remained a greater than 30% chance of drawing on some of TfL's contingency; • Further to the notification of the breach of IP0 to Sponsors in SACR14, CRL had now received a response from Sponsors noting actions that CRL had been undertaking to reduce cost and, on that basis, Sponsors had decided not to request a formal Remedial Action Plan but had asked CRL to present a detailed update on the forecast cost position including the emerging results from CRL's cost management initiatives at the Sponsor Board meeting in January; • Crossrail costs were £12m above the business plan in the period primarily relating to the overspend following [REDACTED]; and • Strategic risks and significant risks remained stable. <p><i>Are We Safe</i></p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • Period 8 safety performance had declined with 12 significant incidents recorded: four RIDDOR lost time injuries; two three-day lost time injuries; three lost time injuries and three high potential near misses; • The RIDDOR AFR had increased to 0.16 (from 0.14) and lost time case AFR increased to 0.25;

- HSPI had decreased slightly to 2.24 with 13 out of the 16 contracts reporting scores of over 2.00. The reporting rate of near misses and observations also declined;
- C340 recorded over 1000 days without a lost time case; three further contracts achieved over two years without a lost time injury – Custom House, Bond Street and Mile End; and
- In Period 9 there had been an incident involving the concreting train coming into contact with an operative and a wheelbarrow at Plumstead Depot. Contractors, ATC had been called in to attend the Health and Safety Committee on 2 December and had presented their improvement plan.

Are We on Time?

Simon Wright presented an overview of delivery performance highlighting some of the key issues:

- The periodic CPI and cost variance at several of the major stations continued to be the focus of attention with cost challenges continuing in respect of establishing the integrity of contractor forecasts and efforts to track costs against BUFs (including C828 Ilford Yard, C510/C512 Whitechapel and C530 Woolwich Station). The "glide path" cost reduction initiative had begun;
- Quality issues within the SCL tunnels at Tottenham Court Road and Bond Street (fireproofing thickness and de-bonding) had been quantified and repair plans were under development by C300;
- Permeation grouting at AP9 was continuing intermittently with close monitoring of movements at Electra House. Pipe arch installation was expected to start on 28 November following confirmation earlier in the month to proceed with the grouting and pipe arch methodology rather than a ground freezing option;
- At Tottenham Court Road rectification work to the Platform Edge Screen support brackets continued during the period. The need for this work had negatively impacted the programme. The sectional completion date of the western platform tunnel was now forecast for 1 December and the eastbound platform tunnel was forecast for 15 December. Both revised dates would support the C610 MOHS programme;
- Agreements had been reached with LU and LO for the opening of the Temporary Ticket Hall to the public at Whitechapel - now planned for 18 January 2016 - with the beginning of testing and commissioning completed by early December 2015. The teams were finalising the possession strategy for additional possessions in 2016 prior to presentation to LU and LO for final approval;
- [REDACTED]. This cost had been included in the Period 8 AFCDC;
- CSJV's design contractor at Bond Street (Arup) had improved its performance, and was now working in a more collaborative way. Progress was being carefully monitored to ensure the gate milestones were achieved;
- A MOHS compliant schedule for Ilford Yard was still awaited. A plan had been developed to ratify this schedule and its associated cost forecast. The current

blockade work was being delivered in accordance with the plan;

- Work to agree a MOHS compliant schedule for Signalling continued. Systemwide contractors were collaborating to produce integrated programmes and significant progress had been achieved in the period through harmonising the C620 programme with that of the C610 Contractor. CRL was working collaboratively with the contractor to better constrain cost;
- The ORR consultation on the NR exemption submission for Plan B had now closed with a decision expected in mid-December 2015. Siemens would be instructed to undertake work to deliver Plan B as a parallel workstream to avoid disruption to the CBTC signalling design work;
- Efforts had been focussed on the commencement of Standard Track Slab (STS) installation from Plumstead. Production rates for STS utilising the concreting train had not been as planned and Crossrail was working with the ATC contractor to improve production to achieve completion of previously planned works prior to the Christmas holiday; and
- Preparations for the substantial Network Rail Christmas blockade works were proceeding well with preparatory work being undertaken each week. These included important works on the East, some of which were necessary in progressing key integration issues regarding DOO CCTV and stepping distances.

Commercials Update

Paul Grammer provided an update on progress with commercial negotiations on 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 Depot; C530 Woolwich.

Are we world class?

It was **NOTED** that:

- Joint CRL/TfL working groups were planning Finance and IT transitions and further work continued on bringing the organisations closer together;
- The Board's Transition Working Group had met earlier in the day to discuss CRL Board governance and a proposal would be presented to the Board in January;
- The second series of Learning Legacy Steering Groups had begun and the website development procured;
- The results of the annual stakeholder surveys for the KPI scorecard had been published and were favourable; and
- World Quality Week had taken place during the week commencing 9 November with 137 well attended events..

The Board **NOTED** the Board Report for Period 8.

The Board **REQUESTED** that a summary of the results of the annual stakeholder surveys be circulated to Board members by the time of the next Board meeting.

	Action: Will Parkes
48/16	<p>CRLB 38/16 – Project Representative Report Period 07</p> <p>The Board received the Project Representative's (P-Rep) Project Status Report for Period 07 which noted the following:</p> <ul style="list-style-type: none"> • The risk that the IPO breach would increase further during future periods due to uncertainty regarding the conclusion of commercial negotiations; • The large fall in risk exposure (by £319m in Period 7) as a result of trends being resolved and moved from risk exposure to the point estimate; • Ilford Yard continuing to cause concern in respect of the operation of the site and progress made to address the issues. • The anticipated contractor's re-sequencing of the works, to mitigate delays at Woolwich, has not materialised and sub-contractors had failed to start on site despite availability of workfronts; • The completion of the 60% design gate review at C620 with several clear conditions that needed to be satisfactorily addressed by the end of January 2016; and • CRL's pressure on NR to resolve slow agreement of Variation Notices. <p>The Board NOTED the Period 07 report.</p>
49/16	<p>CRLB 39/16 – Legal Report</p> <p>The Board received the Legal Report which updated the Board on legal matters.</p> <p>The Board NOTED the Legal Report including that Mr Pritchett had applied to the Court of Appeal with respect to the recent decision on the Tottenham Court Road West site but that, having taken advice from Legal Counsel, CRL was continuing with its plans for the site.</p>
50/16	<p>CRLB 40/16 – Business Plan 2016/17</p> <p>Mathew Duncan presented a paper setting out the main features of the 2016/17 Business Plan. It was NOTED that individual briefing meetings with Non-executive Directors had taken place in advance of the Board meeting.</p> <p>Overall the 2016/17 Business Plan included Direct Costs of £8,892m which together with Indirect Costs of £1,850m, Land & Property CAPEX and NR Financing Charge of £1,047m resulted in a forecasted P50 AFCDC of £11,789m which represented a £94m breach of IPO.</p> <p>The staffing structure reflected a rapid demobilisation that would begin in March 2016 and it was NOTED that this would be challenging to achieve and presented a risk to the Indirect cost forecast and a possible impact to the Crossrail AFCDC if not achieved as planned.</p> <p>The Board APPROVED the Business Plan for 2016/17 and AGREED that it should be submitted to TfL.</p>
51/16	<p>CRLB 41/16 – Register of Directors' Interests</p> <p>The Board NOTED the Register of Directors' Interests as presented to the meeting.</p>

52/16	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p> <table data-bbox="279 257 1386 324"> <tr> <td>Executive and Investment Committee</td> <td>EIC MIN 151029</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health and Safety Committee</td> <td>HS MIN 151103</td> <td>Andrew Wolstenholme</td> </tr> </table> <p>Verbal Updates of Recent Board Committee meetings</p> <p>Executive and Investment Committee 26 November 2015</p> <p>The following matters had been covered by the Committee:</p> <ul data-bbox="279 526 1386 772" style="list-style-type: none"> • Legal Report • Business Plan 16/17 • Changes to the PDP Incentive Scheme (to be presented to the Board in January) • Crossrail Integration Facility Update (to be presented to the Board in January) • Update on Whistleblowing (to be presented to the Audit Committee in December) • Bi-annual Gift and Hospitality Expenses Report • Six Sigma Update <p>Health and Safety Committee 2 December 2015</p> <p>The following matters had been covered by the Committee:</p> <ul data-bbox="279 896 1386 1030" style="list-style-type: none"> • Period 8 Health and Safety Director's Report • Health and Safety 6 month's period look ahead • C610 – presentation by senior executives from ATC on its health and safety record and improvement plan. <p>The Board NOTED the Committee reports.</p>	Executive and Investment Committee	EIC MIN 151029	Andrew Wolstenholme	Health and Safety Committee	HS MIN 151103	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 3 December 2015

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Camilla Barrow <i>KPI & Stakeholder Delivery Manager</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Victoria Burnett <i>Head of Secretariat</i>	
Pam Alexander <i>Non-Executive Director</i>	Martin Buck <i>Transition & Strategy Director</i>	
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1. Six Sigma update

Camilla Barrow provided a presentation on Six Sigma, giving an overview of the strategy and highlighting some current initiatives. Next steps include a concerted effort to achieve cost savings in addition to cost avoidance.

The Board **NOTED** the presentation.

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