



BD MIN 180301

**CROSSRAIL BOARD**

**Minutes of the Meeting of the Board of Directors of Crossrail Limited  
Held on Thursday 1 March 2018 at 13:20  
28th Floor Boardroom, 25 Canada Square, Canary Wharf, London E14 5LQ**

**Members:**

**In Attendance:**

**Apologies:**

Terry Morgan <i>Chairman</i>	Sarah Allen <i>Head of External Affairs</i>	Phil Gaffney <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>	
Terry Hill <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</i>	
Robert Jennings <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Mark Wild <i>Non-executive Director</i>	Valerie Todd <i>Talent and Resources Director</i>	
Andrew Wolstenholme <i>Chief Executive</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>In relation to the informal session briefing on over-site development, Michael Cassidy reminded the Board that he held the following positions:</p> <ul style="list-style-type: none"> <li>• Director of HB Reavis; and</li> <li>• Member, Property Board – City of London Corporation.</li> </ul> <p>Otherwise there were no interests declared in relation to the business of the meeting.</p>
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	<p><b>Informal Session</b></p> <p>It was <b>NOTED</b> that at an informal session of the Board had been held earlier in the day.</p> <p>The Board had received detailed briefings on the following topics:</p> <ul style="list-style-type: none"> <li>• <b>Schedule Overview</b> – progress across the programme including an update on MOHS 2018; and</li> <li>• <b>Over-Site Development (OSD)</b> – including an update on Crossrail Land and Property; Capex ('cost to go' and risks); the OSD value; TfL's Crossrail OSD team; and updates on the urban realm (central and surface sections).</li> </ul>
BD MIN 180201	<p><b>Minutes of the Meeting of the Board held on 1 February 2018</b></p> <p>The Board <b>APPROVED</b> the minutes of the meeting held on 1 February 2018 for signature.</p>
BD AC 180301	<p><b>Actions and Matters Arising</b></p> <p><b>18.201 – MOHS High Level Plan</b> – Simon Wright had provided an update on progress and any changes at the informal session, as part of the schedule overview.</p> <p><b>18.202 – IP2 Timeline</b> – Mathew Duncan would provide an update as part of the financial performance overview.</p> <p><b>18.203 – IP2 Cost Increases</b> – Mathew Duncan would provide an update as part of the financial performance overview.</p> <p><b>18.204 – Land and Property</b> – an update on 'cost to go' and risks had been provided at the informal session, as part of the OSD briefing.</p> <p><b>18.206 – Health and Safety Video – rail operations</b> – the video was viewed at the start of the informal session.</p>
BD CBR 180301	<p><b>Crossrail Board Report Period 11</b></p> <p>Andrew Wolstenholme introduced the Board Report for Period 11 highlighting that:</p> <ul style="list-style-type: none"> <li>• Dynamic testing had started on 26 February 2018, with the first of the new class 345 trains taking its maiden journey into the new tunnels under its own power. This was in alignment with the revised MOHS; and</li> <li>• The P50 AFCDC remained unchanged at £12,464m since Period 9, with delivery cost increases funded by a £9m drawdown from risk;</li> </ul> <p><b>Are We Safe?</b></p> <p>It was <b>NOTED</b> that:</p> <ul style="list-style-type: none"> <li>• During Period 11, the RIDDOR AFR had increased by 0.01 to 0.08 and the LTC AFR also increased by 0.01 to 0.17. There were six significant incidents in the Period including two RIDDORS, two lost time cases and</li> </ul>

two high potential near misses;

- HSPI had increased to 2.60, with all 11 contracts scoring 8% or more above the target of 2.20; and
- To further align the current stage of the programme an approach was being developed to increase engagement by tier 2 and 3 contractors with CRL's target zero ethos.

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

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

- The P50 AFCDC of £12,464m was £48m below IP2. Cost increases for [REDACTED] had been funded by a £9.2m drawdown from risk;
- Of the £319m QRA total, £282m was currently programme risk not allocated to projects. If all £181m of URTs were approved, the QRA total would reduce to £138m;
- In the Period, CRL had spent £60.7m above the 2017/18 Business Plan. This was predominantly due to lower than planned productivity, access delays and prolongation at [REDACTED] [REDACTED] offset by apparent unspent Programme risk due to cost being reported in the Sectors (£10.8m); and
- The overall contingency budget of £189m was insufficient to cover the P50 risk exposure of £319m by £130m (a £2m deterioration from Period 10).

#### **AFCDC, IP2 and Funding**

Mathew Duncan also provided the Board with an update on discussions with Sponsors on funding, which was **NOTED** by the Board. Sponsors had been provided with funding 'bookends' which set out a range of scenarios to estimate cost parameters for final project costs together with cash flow projections. Sponsors had asked for further consideration to be given to any major risks that might emerge in the future not included in the 'bookend' scenarios. Sponsors had also indicated that Jacobs would be asked to carry out an independent review of the bookends analysis to provide assurance to Sponsors.

#### **Commercials Update**

The Board **NOTED** that:

- The total gap between CRL's and its contractors' views of target had

decreased by [REDACTED] and the total forecast gap in forecast defined cost increased by [REDACTED]. However, the gap between Programme AFC and CRL's view on forecast defined cost had increased by [REDACTED] since Period 10; and

- [REDACTED]

Paul Grammer provided an overview of the commercial negotiations with [REDACTED] which was **NOTED** by the Board.

The Board also **NOTED** the risk drawdown of [REDACTED]

### **NR ONW and Funding**

The forecast final outturn cost (FFOC) had reduced to £2,396m to reflect £22m funded via the additional funding agreement between CRL and NR in addition to the £28m and £84m cash funding NR secured via the DfT Grant Funded Agreement. Enhanced reporting and cost monitoring has been rolled out in the Period and CRL had initiated an interim final account for ONW with NR.

### ***Are We on Time?***

Simon Wright had presented an overview of delivery performance during the informal session held earlier in the day. The following current issues were **NOTED** by the Board:

- The programme was now 90.6% complete against a plan of 92.2%. 0.5% was achieved in the Period against a revised plan of 0.2%;
- The ONW were now 93% complete, including variation notices;
- Dynamic testing in Zones 3 & 4 was now scheduled to commence on 11 June 2018, then extended to Zones 1 – 4 and continue until 5 August 2018. The critical path for meeting this key date remained through the Systemwide infrastructure works and the availability of the HV traction and non-traction power supply, all of which were under constant scrutiny by the CRL Executive;
- There remained ongoing pressure on Siemens delivery of C660 communications which was essential to the testing of the SCADA network. The CRL team was working with Siemens to recover the schedule to avoid delays to Phase 3 testing in Zones 3 & 4;
- The overall production of installation release notes (as well as other key documents) to support handover of assets by the Tier 1 contractors was falling below the level required in both Stations and Systemwide. CRL's executive was engaged across the programme to bring urgent focus to this essential activity, which was now being monitored weekly. and
- The provision of asset data, O&M manuals and training materials by contractors in time to meet the infrastructure managers' needs remained

challenging, principally because the completed information would only become available after testing and commissioning. All parties were working to accelerate the production of asset data and to make best use of it progressively as it becomes available.

The Board **REQUESTED** that Simon Wright provide an update on progress with provision of asset data, O&M manuals and training manuals at the next meet of the Board.

**Action:** Simon Wright

The Board also **REQUESTED** that the Chair of RAB-C should be invited to the next Board meeting to report on progress with RAB-C approvals.

**Action:** Howard Smith

### **Operations**

Howard Smith provided an update on key operations matters, highlighting some of the issues relating to Stage 1 (current operations) and Stages 2, 3, 4 and 5 opening.

The Board **NOTED** that Stage 2 would be delivered in two phases. The first phase would commence on 20 May 2018 with two trains per hour running between Paddington and Heathrow using existing class 360 units (also providing the inter-terminal transfer) and two trains per hour reduced length class 345s running between Paddington and Hayes and Harlington. The second phase would follow later (subject to satisfactory progress on Stage 3), with the introduction of the class 345 full length units into passenger service replacing the class 360s.

### ***Are we world class?***

It was **NOTED** that:

- In the Period, the Chairman had hosted the Under Secretary of State for Transport, Nusrat Ghani MP, at Farringdon station where school children were visiting as part of the 'Year of Engineering' campaign;
- The CEO had hosted Jesse Norman MP, the Parliamentary Under Secretary of State for Transport on a site visit to Liverpool Street; and
- An open day event had been held at Canary Wharf station on 28 February which had been well attended. Requests had been received from some attendees for the train plans to be made available.

The Board **REQUESTED** that Sarah Allen look at whether train visuals and information could be shared at similar events in the future.

**Action:** Sarah Allen

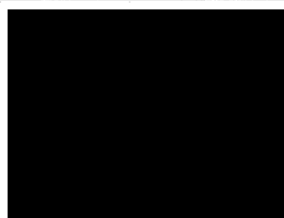
The Board also **NOTED** the headlines of the Gender Pay Gap Report 2017 which would be submitted for publication by the end of March.

The results showed a mean hourly gender pay gap of 31% and a mean bonus

	<p>gap of 76.7%. This reflected the fact that there were significantly more men in senior roles and significantly more women in lower grade roles.</p> <p>It was <b>NOTED</b> that CRL had made efforts to encourage women at school and graduate level to enter the engineering profession via a number of CRL initiatives and joint activities with other organisations.</p> <p>The Board <b>REQUESTED</b> that a piece of work be carried out to explore whether there was any learning that could be shared with future projects to promote gender pay equality going forward.</p> <p><b>Action:</b> Valerie Todd/Sarah Allen</p> <p>The Board <b>NOTED</b> the Board Report for Period 11.</p>				
<p>43/18</p>	<p><b>CRLB 43/18 – Crossrail’s 2018/19 Objectives and Performance Metrics – 1st Draft</b></p> <p>Mathew Duncan presented the draft 2018/19 objectives and performance metrics. It was proposed that the framework should be divided into quarters – to allow for review at the end of each quarter and to assess performance for individuals who may be demobilised before the year end.</p> <p>The Board agreed that the objectives were appropriate to incentivise performance to deliver the railway. However, it reserved its position on what that would mean in terms of bonus payment methodology and noted that the Remuneration Committee would pick up that discussion at its meeting later in the day.</p> <p>It was <b>NOTED</b> that the final version of the objectives would be presented for approval on 29 March.</p>				
<p>44/18</p>	<p><b>CRLB 44/18 – Proposal to Increase Contingency and Total Budget</b></p> <p>The Board <b>APPROVED</b> a proposal to increase the total financial budget by £151m to £12,507 (which was £5 below IP2), <b>NOTING</b> that the increase was to be allocated to Programme Contingency.</p>				
<p>45/18</p>	<p><b>CRLB 45/18 – [REDACTED]</b></p> <p>The Board <b>APPROVED</b> a proposal for the provision of additional funding to [REDACTED] in the following amounts:</p> <table border="1" data-bbox="408 1563 1321 1630"> <tr> <td>Current Control Budget</td> <td>[REDACTED]</td> </tr> <tr> <td>Investment Authority</td> <td>[REDACTED]</td> </tr> </table> <p>It was <b>NOTED</b> that provision for the increased amounts had already been made in the Programme AFCDC.</p>	Current Control Budget	[REDACTED]	Investment Authority	[REDACTED]
Current Control Budget	[REDACTED]				
Investment Authority	[REDACTED]				
<p>46/18</p>	<p><b>CRLB 43/18 – Project Representative Report (P-Rep) Period 10</b></p> <p>The Board reviewed and <b>NOTED</b> the P-Rep Report for Period 10.</p> <p>Andrew Wolstenholme provided a verbal summary of the issues that were expected to be raised in the Period 11 report which were <b>NOTED</b> by the Board. These included matters relating to: financials; schedule and progress; Stage 3 Opening; and handover documentation.</p>				

47/18	<p><b>CRLB 47/18 – Legal Report</b></p> <p>Mark Fell presented the Legal Report which was <b>NOTED</b> by the Board. The report included information about a land compensation claim by Greenland Hertsmere (London) Ltd in respect of the Spire London development.</p>				
<p><b>Minutes of Board Committees for Reference</b></p> <p>The Board received the following minutes for reference:</p>					
<table border="1"> <tr> <td data-bbox="379 465 850 566"><b>Executive and Investment Committee</b></td> <td data-bbox="850 465 1109 566"><b>EIC D 180124</b></td> <td data-bbox="1109 465 1367 566">Andrew Wolstenholme</td> </tr> </table>			<b>Executive and Investment Committee</b>	<b>EIC D 180124</b>	Andrew Wolstenholme
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<p><b>Verbal Updates of Recent Board Committee meetings</b></p>					
<table border="1"> <tr> <td data-bbox="379 629 850 1727"> <p><b>Executive and Investment Committee 21 February 2018</b></p> <p>Matters covered by the Committee were:</p> <p><b>Board agenda items:</b></p> <ul style="list-style-type: none"> <li>• IP2 Update</li> <li>• Corporate Objectives and Measures – 1<sup>st</sup> Draft</li> <li>• Over-Site Development</li> <li>• [REDACTED]</li> <li>• Increase in Budget and IA</li> <li>• Increase in Contingency and Total Budget</li> <li>• Gender Pay Gap Report</li> </ul> <p><b>Other items:</b></p> <ul style="list-style-type: none"> <li>• Whistleblowing</li> <li>• 2018/19 Integrated Audit Plan Fraud Risk Assurance Group</li> <li>• Process of certification of Final Completion</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> </ul> </td> <td data-bbox="850 629 1109 1727"> <p><b>EIC MIN 180221</b></p> </td> <td data-bbox="1109 629 1367 1727"> <p>Andrew Wolstenholme</p> </td> </tr> </table>			<p><b>Executive and Investment Committee 21 February 2018</b></p> <p>Matters covered by the Committee were:</p> <p><b>Board agenda items:</b></p> <ul style="list-style-type: none"> <li>• IP2 Update</li> <li>• Corporate Objectives and Measures – 1<sup>st</sup> Draft</li> <li>• Over-Site Development</li> <li>• [REDACTED]</li> <li>• Increase in Budget and IA</li> <li>• Increase in Contingency and Total Budget</li> <li>• Gender Pay Gap Report</li> </ul> <p><b>Other items:</b></p> <ul style="list-style-type: none"> <li>• Whistleblowing</li> <li>• 2018/19 Integrated Audit Plan Fraud Risk Assurance Group</li> <li>• Process of certification of Final Completion</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> </ul>	<p><b>EIC MIN 180221</b></p>	<p>Andrew Wolstenholme</p>
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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**