

BD MIN 190110

CROSSRAIL BOARD

Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 10 January 2019 at 11:00
Room 7BMR01, 5 Endeavour Square, Stratford, London E20 1JN

Members:	In Attendance:	Apologies:
Phil Gaffney <i>Non-executive Director (Chair)</i>	Funmi Amusu <i>Assistant Company Secretary</i>	
David Hendry <i>Chief Finance Officer</i>	Susan Beadles <i>Head of Legal Services & Company Secretary</i>	
Robert Jennings <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Anne McMeel <i>Non-executive Director</i>	Peter Henderson <i>Programme Director</i>	
Nelson Ogunshakin – via conference call (part of the meeting) <i>Non-executive Director</i>	Tony Meggs <i>Incoming CRL Chair</i>	
Andy Pitt <i>Non-executive Director</i>	Nick Raynsford <i>Incoming Deputy CRL Chair</i>	
Chris Sexton <i>Deputy CEO</i>	Howard Smith <i>Chief Operations Officer</i>	
Mark Wild <i>Chief Executive</i>		

The meeting was quorate.

	<p>Phil Gaffney chaired the meeting in his capacity as the Senior Independent Director.</p> <p>The Chair welcomed Board members and attendees.</p> <p>Directors' Interests</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>There were no interests declared in relation to the business of the meeting.</p> <p>It was NOTED that Tony Meggs and Nick Raynsford were attending the Board meeting as observers, prior to their appointment as CRL Chair and Deputy CRL Chair respectively from 14 January 2019.</p>
BD MIN 181205	<p>Minutes of the Meeting of the Board held on 5 December 2018</p> <p>The Board APPROVED the minutes of the meeting held on 5 December 2018 for signature.</p>

BD AC 190110	<p>Actions and Matters Arising</p> <p>The Board NOTED that all 'due' actions had either been completed or were covered by the agenda for the day's meeting.</p>
Verbal	<p>Briefing by KPMG on Governance Report</p> <p>The Board NOTED that KPMG would not be attending to provide a briefing on the governance report produced by them for Sponsors. The CRL Executive were still pushing for a briefing to be provided to the Board before publication of the report.</p> <p>The Board expressed their frustration with the fact that the CRL Executive had been provided with a draft of the report for fact checking but because of an instruction from the Sponsors, the Executive had been asked not to share this with the Board. The Board considered that this undermined their position.</p> <p>It was NOTED that at the Sponsor De-brief call later that afternoon after the Board meeting, Phil Gaffney and Mark Wild would raise this matter with the Sponsors.</p>
BD CBR 190110	<p>Crossrail Board Report Period 9</p> <p>The Board NOTED the Board Report for Period 9.</p> <p>The Board discussed the following:</p> <ul style="list-style-type: none"> • The Board expressed concern that the performance information provided in the Board Report was not adequate to provide a clear understanding of overall project performance; • It was NOTED that the Board Report was being revamped, the aim being to have a revised Report in time for the March 2019 Board meeting, to coincide with the revised schedule for the programme; • The expectation of the Board was that as part of the re-baselining of the programme, the Board would be provided with information on how the project would be completed within the funding envelope including the drive to achieve Tier One Substantial Demobilisation (TOSD) dates, as this would have a significant impact on costs. It was NOTED that at the Board meeting on 31 January 2019, the plan was to demonstrate how cash flow was being reduced and going forward, to update the Board on the forecast for the TOSD dates at future Board meetings; • At future Board meetings, the Board should be updated on the Miles per Technical Incident Number (MTIN); • A timetable should be developed highlighting those critical items that require the Board's attention/ approval. The Board fortnightly telephone call briefings should be used as an opportunity to keep the Board updated on these critical matters including seeking approval of items that are time sensitive and cannot wait until the next formal Board meeting. This would stand the Board in good stead to approve the revised schedule in March 2019; • With respect to safety, most of the High Potential Near Misses had been electrical incidents, highlighting the need for increased focus on safety measures around electrical works and the need to maintain CRL's commitment to health and safety. Slips, trips and falls continued to be one of the most common incidents on sites as well. A health and safety

	<p>briefing to the Board was scheduled for 31 January 2019 which would cover the plan for managing health and safety until the end of the project including the possibility of recalibrating the Health and Safety Performance Index. The Board NOTED that some thought would be given to how the Board could get more involved in health and safety management;</p> <ul style="list-style-type: none"> • It was necessary to ensure that there were sufficient resources on sites to keep the contracts on track and drive performance including the possibility of making changes to leadership in the Project Manager teams at the stations. The support of the Board was needed to allow the recruitment of globally experienced resources at a cost; • Formal entry and exit criteria for dynamic testing were being finalised; • An outline of the approach to developing a plan for the [REDACTED] Earliest Opening Programme (EOP) was NOTED by the Board. The Board would be presented with a high-level plan at the Board meeting on 31 January 2019 for approval, prior to sharing this with the Sponsors; • Surface Christmas works had gone very well and the Board NOTED that a message would be sent to Network Rail (NR) congratulating them on a job well done. The Board considered that an outline of the whole programme showing how NR works had progressed against the rest of the programme would be helpful. The Board AGREED that NR should be invited to attend a CRL Board meeting in the near future; <p>Action: Peter Henderson</p> <ul style="list-style-type: none"> • The Board would be kept updated on dynamic testing especially on the tracking of multi-train testing as this was critical. The Board stressed that there was no longer any margin for error on dynamic testing and AGREED that the sustainability of dynamic testing and the ability for multi-train testing including a diagram of the dates for dynamic testing critical dependencies, particularly regarding access, should be confirmed to the Board at the meeting on 31 January 2019; <p>Action: Howard Smith</p> <ul style="list-style-type: none"> • As part of the Finance Update at the next Board meeting, the Board would be briefed on change requests and how they are prioritised. The Board considered that the cost estimates, which were still based on the current programme, needed to be aligned to the revised programme. The Board NOTED that it was necessary to work out the rules for release of Board contingency; and • The Board considered that after the programme and aligned costs had been re-baselined, it would be preferable to report on the AFCDC using actual figures instead of P50. It was NOTED that as it was at the request of the Sponsors that P50 reporting was used, it was necessary to agree the change with them. The Board also considered that it would be helpful to view the current run-rate against the future forecast to give the Board a better understanding of the rationale behind the figures.
46/19	<p>Quarter 3 2018/19 Re-Forecast and Draft Business Plan 2019/20</p> <p>The Board received a paper summarising the output of the Quarter 3 2018/19 Re-Forecast of Anticipated Forecast Crossrail Direct Cost (AFCDC) for the programme, which would also inform preparation of the 2019/20 Business Plan when further information regarding schedule and phasing was prepared and agreed.</p> <p>The meeting NOTED:</p>

	<ul style="list-style-type: none"> • the Q3 forecast AFCDC of £14,270m which represented an increase against RAP2 [REDACTED] • the underlying assumptions; and • the further information required to address the limitations in arriving at a more definitive AFCDC and 2019/20 Business Plan and the timeline to affect this. <p>The Board considered that it was necessary for the Business Plan to cover the full schedule and cost until the end of the programme and NOTED that this would be included in the Plan.</p>			
47/19	<p>CRLB 47/19 – Audit Governance Arrangements</p> <p>The Board received a paper about reconsideration of the decision to disband the Audit Committee, considering the extension of life of the project.</p> <p>The Board NOTED that the governance of risk and how this might link with the Audit Committee was being thought through. The need for the Board to have oversight of key risks was also NOTED.</p> <p>It was NOTED that the Terms of Reference for the Audit Committee would be drafted and presented to the Board for approval, with the intention of having the first Audit Committee meeting before the end of the financial year 2018/19.</p> <p>The Board NOTED that membership of the Audit Committee would be decided by the CRL Chair. It was also NOTED that the establishment of external assurance would be considered as part of an Integrated Assurance and Approvals Plan</p> <p>The Board:</p> <ul style="list-style-type: none"> • APPROVED the reinstatement of the Audit Committee; and • NOTED that the Audit Committee's Terms of Reference would include assurance regarding enterprise risk. 			
48/19	<p>CRLB 48/19 – Senior Leadership Team</p> <p>The Board NOTED the paper informing them of changes to the senior leadership team and the organisational chart setting out these roles.</p> <p>The Board NOTED the plan to relocate CRL staff on dedicated floors within 5 Endeavour Square – this was likely to be on the whole of floor 9 and half of floor 8.</p>			
49/19	<p>CRLB 49/19 – Project Representative Report (P-Rep) Period 8</p> <p>The Board considered the relevance of the P-Rep and their engagement with CRL.</p> <p>The Board reviewed and NOTED the P-Rep Report for Period 8.</p> <p>Mark Wild provided a verbal summary of the issues that were expected to be raised in the Period 9 report which were NOTED by the Board. These included matters relating to: health and safety; financials; and schedule.</p>			
	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Executive and Investment Committee</td> <td style="padding: 5px;">EIC D 181128 EIC D 181217</td> <td style="padding: 5px;">Mark Wild</td> </tr> </table>	Executive and Investment Committee	EIC D 181128 EIC D 181217	Mark Wild
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	Verbal Updates of Recent Board Committee meetings		
	<p>Executive and Investment Committee 3 January 2019 Matters covered by the Committee were:</p> <p>Board agenda items:</p> <ul style="list-style-type: none"> • Draft Board Report Period 9 • Audit Governance Arrangements • Quarter 3 2018/19 Re-Forecast and Draft Business Plan 2019/20 <p>Other items:</p> <p>None</p>		Mark Wild
AOB	<p>The Board discussed the establishment of an Investment Committee with Non-executive Director membership in addition to senior management and REQUESTED that a paper setting out options/ recommendations for Board Committees should be prepared for the Board meeting on 31 January 2019.</p> <p>Action: Lucy Findlay/ David Hendry/ Chris Sexton</p> <p>There was no other business.</p>		
NEDs Only Session	Non-executive Directors discussed the day's meeting.		
Conference Call	<p>De-brief Call to the Sponsors</p> <p>Participants were: for CRL – Phil Gaffney, Tony Meggs, Mark Wild, David Hendry and Lucy Findlay; and for the Sponsors – David Hughes (TfL) and Matt Lodge (DfT).</p>		

Signed by: _____

Phil Gaffney
Chair