CROSSRAIL BOARD

Minutes of the Meeting of the Board of Directors of Crossrail Limited
held on Thursday 08 January 2015 at 15.30
28th Floor Boardroom, 25 Canada Square, Canary Wharf, E14 5LQ

Members: In Attendance: Apologies:

Terry Morgan (Chairman) Funmi Amusu
Chairman Company Secretarial Assistant
Andrew Wolstenholme Martin Buck
Chief Executive Transition and Strategy Director
David Allen Mark Fell
Finance Director Legal Services Director &
Company Secretary
Michael Cassidy Lucy Findlay
Non-executive Director Chief of Staff
Phil Gaffney Will Parkes
Non-executive Director External Affairs Director
Terry Hill Howard Smith
Non-executive Director Operations Director
Robert Jennings Valerie Todd
Non-executive Director Talent and Resources Director
Jayne McGivern Andy Kieran (agenda item 6 only)
Non-executive Director Consultant, AON Hewitt
Daniel Moylan
Non-executive Director
Simon Wright
Programme Director

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

<table>
<thead>
<tr>
<th>BD MIN 041214</th>
<th>Minutes of the Meeting of the Board held on 04 December 2014</th>
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<tbody>
<tr>
<td></td>
<td>The Board approved the minutes of the meeting held on 04 December 2014 for signature.</td>
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<table>
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<tr>
<th>BD AC 080115</th>
<th>Actions and Matters Arising</th>
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<td>The Board noted the updates provided on the outstanding actions.</td>
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<tr>
<th>BD CBR 080115</th>
<th>Crossrail Board Report</th>
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<td>The Board considered the Crossrail Board Report for Period 9, noting that performance during the period had been similar to that of Period 8, which had generally been satisfactory.</td>
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Are we safe?
Overall safety performance had been maintained, with the RIDDOR AFR rate remaining at 0.20 for a fourth consecutive period. HSPI also remained at 2.26, the same as Period 8; 15 out of 17 contracts had achieved HSPI scores of 2.00 or above (equivalent to 88% of the contracts). Key actions taken during the Period included initiatives to raise awareness of slips, trips and falls and raising preparedness for fit-out activities.

There had been one RIDDOR 7+ day injury which occurred on C310 (Thames Tunnel) where a steel road plate had fallen on an operative’s foot causing serious crush injuries and resulting in an amputation of the operative’s leg. Investigations were still ongoing to identify the root cause of the incident. There had been three other lost time incidents during Period 9, one resulting in chemical burns. The Lost Time Case AFR was 0.35.

The Crossrail works undertaken by Network Rail (NR) over the Christmas period had gone well but there had been a couple of incidents which were now the subject of inquiries by NR. One of these related to a delay in handover of testing and commissioning work. The other related to a safety incident during the handover. There was loss of communication between two Carillion teams, and a small piece of equipment was left on the line, resulting in a low speed collision between a Heathrow Express train and the piece of equipment. A report is due to be received in the week commencing 12 January 2015. The Board requested a review of this report and an assessment of any impact on Crossrail signalling works at its next meeting on 29 January 2015.

Action: Simon Wright
Investigations into the fatality on 7 March 2014 were still ongoing and a hearing is scheduled for 23 February 2015.

Are we within funding?
The Project remained within funding. The P50 AFCDC had increased slightly to £11,709m (from £11,705m) with the headroom to Intervention Point (IP) 0 decreasing slightly to £36m (from £37m). The headroom to IP1 had increased, with the P80 AFCDC now £25m below IP1, compared to £13m in Period 8. The EAC (Estimate at Completion) Low and EAC High had both increased in the Period by £89m and £150m respectively, resulting in the P50 AFCDC of £11,709m being £94m below EAC Low (£9m in Period 8).

The cumulative SPI and CPI had both deteriorated by 0.01 in the Period to 0.94 and 0.98 respectively, with the period CPI remaining static at 0.75 and the period SPI decreasing to 0.90 from 1.11 in Period 8. CPI was negatively impacted particularly by performance on C300 Tunnels West and C512 Whitechapel Station. The Board discussed the additional information contained in the revised Contract Performance table and noted that nearly £200 million of painshare was forecast. The Chairman asked that any comments on this revised table should be fed back to the Finance Director. The meeting also noted that the information on Risk by Asset Type would be amended to present the information in a clearer manner.

Programme Change increased in the period by £46m mainly due to interface issues, waste materials disposal and an additional contingency request.

Direct costs (including risk) in Period 9 were £9.3m below the Business Plan, while indirect costs remained at £1.6m (9%) below the Business Plan.
Are we on time?
The Board received a presentation by Simon Wright, the Programme Director providing an update on key programme actions. The Board NOTED the presentation, including:

- The successful completion of Christmas works on a number of sites;
- Work ongoing to ensure that critical handover dates to C610 were achieved;
- The identification of a partial repair solution for the defective piles at Paddington which should enable base slab pours to commence on 2 February, thereby reducing the forecast delay to C610 to one month;
- Updates on civil works progress at Bond Street, Tottenham Court Road, Farrindon, Liverpool Street and Whitechapel and the commercial challenges, including CPI and contractor performance at the six central section stations. The Board considered it important for the Executive to ensure that the contractors' parent companies are aware of these commercial issues and in some instances, for the Finance Director to meet or speak with the Financial Directors of individual contractors for this purpose.

Action: David Allen

- The current commercial position with BFK and the actions going forward. The Board noted that the imposition of liquidated damages would be discussed by members of the Executive and a decision reached by the end of the week.
- C610 readiness and procurement concerns; and
- Whitechapel possession strategy.

The Board also watched a brief time lapse video of the Excel bridge being successfully lifted into place at Custom House. The possession period went very well and the station was handed back on time.

The Board welcomed the presentation by the Programme Director, noting that it was very helpful.

At the end of Period 9, 60.2% of works were complete, against the early plan of 61.2% (a variance of 1%). Forecast completion of Stage 3 remained at December 2018. Tunnelling was at a cumulative total of 38.7km, in line with the plan, with Elizabeth and Victoria making progress towards Liverpool Street Station. SCL installation during the period was good with 0.5km being achieved versus a plan of 0.3km, though this was still behind the cumulative schedule with 11.4km achieved against a plan of 13.1km. Work was ongoing to understand and recover the impact of an overall 7 week delay to SCL production reported in Period 8.

Surface works were now 34% complete, with the NR AFC remaining at £2,006m, same as Period 8. Headroom to the funding limit also remained at £179m. Key achievements in the Period included successful installation of points at Stockley with the new flyover now physically connected to the Great Western main line; the new temporary road bridge at Thorney Lane opened to traffic; the temporary Abbey Wood stations and lifts opened to public use 2 months ahead of schedule; and the Chadwell Heath enabling works for Christmas progressed to programme.

Operations performance was on track. The Board questioned the reason for the lack of resources available to populate CARE with assurance evidence and the reported delay of approximately 6 months. The need for additional effort to mitigate this delay
was acknowledged.

The Board sought clarification of the current position with regard to the Moorgate Escalator undertaking, which had become critical because of the time required to order the escalator, and REQUESTED an update from the Executive summarising how all of CRL’s obligations and undertakings were monitored for compliance.

**Action: Martin Buck**

*Are we world class?*

Overall average energy reduction was predicted to be 12.5%, exceeding the target of 8%. A review of station, shaft and portal contracts was being undertaken to identify opportunities for increasing recycled content within the next phases of the project. There were no level 2 incidents in the Period.

The total number of apprentices engaged on Crossrail remained at 379 at the end of Period 9, against a target of 363. The number of people finding work through the Jobs Brokerage had increased from 610 to 621 at the end of the Period. The Jobs Brokerage was assisting with recruitment for a new London Major Programmes Apprenticeship, which was being developed in partnership with NR, High Speed (HS2) and Thameslink, with 8 of the 14 apprentices in the first cohort to be employed by NR and its contractors on Crossrail surface works.

The Frontline Leadership Programme trained 225 delegates during Period 9, with some companies referring their supervisors onto the programme for the first time. TUCA had trained 8,889 delegates since its opening. The Young Crossrail team exhibited at the Skills Show in Birmingham and Skills London in November 2014, engaging with over 4,000 students, teachers and parents, up from 3,300 the previous year.

The Board was informed of the resignation of the Chief Engineer, Chris Dulake, who would be leaving CRL to join HS2. A tentative leaving date in May 2015 had been agreed to enable him complete key work beforehand. Work was ongoing to appoint a replacement with a slightly different remit to reflect the systems focus of the final stages of the project. It was AGREED that Chris Dulake be invited to a meeting of the Board before his departure to enable them show appreciation for the work he had done on Crossrail.

**Action: Simon Wright**

The Crossrail Innovation programme was recognised at the NEF Institute Innovation 2014 awards, winning first place for Best Example of Innovation in the Public or Voluntary Sector.

External affairs activities in the period included the release of new construction images to mark the Crossrail programme achieving 60% completion and coverage of the first tracks laid at Stockley on ITV London, BBC Online and other local and trade media. An exhibition at the London Transport Museum was being organised for February 2015, to mark the end of tunnelling on Crossrail.

Preparations for the next Big Dig Employee survey in February 2015 were underway. The communications plan for the upcoming organisation changes had been finalised, with the first organisation-wide message to all staff to be sent out by the end of
Period 10.

The Board NOTED the report.

58/15  CRLB PAPER 35/15 – Project Representative Report

The Board received the Project Representative’s (PRep’s) Project Status Report for Period 8.

The Report noted that nine contracts had gone over a year without any lost time injuries, with one achieving 686 days (C340) and the collaboration between Crossrail and TfL to develop a new van driver programme to be launched in early 2015. In terms of funding, it noted a £27m increase in over-spend due to cost over-runs as significant and continues to highlight the likelihood of breaching IP0.

The Report noted the increase in the number of Notified Compensation Events (NCEs) in the Period, highlighting the number which remain open and their increasing value. PRep also noted the increase in SPI as appearing to be a very good performance though the programme may end up being impacted by a number of areas not being delivered to plan. Delays in SCL works impacting on forecast handover dates of station platforms to fit out contractors at certain station locations were also highlighted.

The need for CRL to remain aware of the criticality of the ERTMS Migration Plan to railway opening was highlighted, to ensure that the May 2015 target submission date of the plan to the European Railway Agency was achieved. In terms of On Network Works/ NR reporting, PRep noted that CRL would be working with NR over the next few months to alleviate CRLs concerns regarding NR programmes. PRep also highlights the need for RfL and CRL to avoid abortive costs by resolving issues which have potentially significant maintenance implications. It notes that CRL continues to await Sponsors’ responses to the commercial fibre affirmation.

The Board NOTED the report.

59/15  CRLB PAPER 36/15 – Legal Report

The Board received the Legal Report which updated the Board on legal matters.

The Board NOTED the report.

Andy Kieran (Consultant, AON Hewitt) joined the meeting.

60/15  CRLB PAPER 37/15 – Legacy Pension Arrangements for Crossrail Limited

The Board received a paper on the Legacy Pension Arrangements for Crossrail Limited.

The Board noted the recommendation of the joint CRL/ TfL working party to pursue Option 1 or 2 to effect a bulk transfer of CRL’s assets and liabilities to either a new section of the Railway Pension Scheme (RPS) or to the TfL Pension Fund. Each option should enable payment of a full section 75 debt to be avoided. The current preference of TfL Pensions was for a transfer to the TfL scheme. Further work was required to identify the financial and other considerations which would inform the choice.

This subject would be discussed with the Sponsors at the 23 February 2015 Sponsor...
Board meeting and brought back to the CRL Board at its March 2015 meeting.

**Action:** Valerie Todd

The Board considered that it would be helpful to notify the National Audit Office and Major Projects Authority of the liability which arises under the RPS scheme to prevent new projects from stepping into such schemes.

The Board **NOTED** the paper.

**Andy Kieran left the meeting.**

### 61/15 Minutes of Board Committees for Reference

The Board received the following minutes for reference:

<table>
<thead>
<tr>
<th>Committee</th>
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<tbody>
<tr>
<td>Executive and Investment Committee</td>
<td>EIC MIN 261114</td>
<td>Andrew Wolstenholme</td>
</tr>
<tr>
<td></td>
<td>EIC MIN 081214</td>
<td>Andrew Wolstenholme</td>
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**Verbal Updates of Recent Board Committee meetings**

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<tbody>
<tr>
<td>Executive and Investment Committee</td>
<td>EIC 231214</td>
<td>Andrew Wolstenholme</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>AUC 151214</td>
<td>Robert Jennings</td>
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### 62/15 AOB

The Board noted that following the incident in Paris on 7 January 2015, terrorist threat levels in the UK remained unchanged, hence this had not been increased on Crossrail. Security was however being currently closely monitored across the programme.

The first Transition Working Group (members included a number of Non-Executive Directors and members of the Executive team) was held on 8 January 2015, with further dates agreed for the rest of the year.

Signed by:

Terry Morgan  
Non-executive Chairman