CROSSRAIL BOARD

Minutes of the Meeting of the Board of Directors of Crossrail Limited
held on Thursday 23 April 2015 at 13.00
28th Floor Boardroom, 25 Canada Square, Canary Wharf, E14 5LQ

Members:

Terry Morgan (Chairman)
Chairman

Andrew Wolstenholme
Chief Executive

David Allen
Finance Director

Michael Cassidy
Non-executive Director

Phil Gaffney
Non-executive Director

Terry Hill
Non-executive Director

Robert Jennings
Non-executive Director

Jayne McGivern
Non-executive Director

Daniel Moylan
Non-executive Director

Simon Wright
Programme Director

In Attendance:

Victoria Burnett
Head of Secretariat

Mark Fell
Legal Services Director & Company Secretary

Lucy Findlay
Chief of Staff

Will Parkes
External Affairs Director

Howard Smith
Operations Director

Valerie Todd
Talent and Resources Director

Chris Green (03/16)
Chair, Operations and Systems Expert Panel

Apologies:

Martin Buck
Transition & Strategy Director

The meeting was quorate.

The Chairman welcomed Board members and attendees.

The following interests were DECLARED: Jayne McGivern as a director of Skanska AB; and Terry Hill as Chair of the Arup Foundation and Trustee of the Arup Group Trusts.

Terry Morgan informed the Board that, in view of his chairmanship of Ricardo plc, he had formally notified the Company Secretary and both Sponsors of the recent acquisition by Ricardo of Lloyd's Register Rail, who are appointed by CRL to act as the Notified Body and Designated Body under the Interoperability Regulations. He had received advice that this did not present a significant conflict of interest.

BD MIN 260315

Minutes of the Meeting of the Board held on 26 March 2015

The Board APPROVED the minutes of the meeting held on 26 March 2015 for signature.
BD AC 230415

Actions and Matters Arising

The Board NOTED the updates provided against the outstanding actions as presented in the report.

70/15 – Yellow Plant

Following a discussion by the Board at the March meeting, a draft letter to the Sponsors in relation to the funding of Yellow Plant had been included in the Board pack. The Board APPROVED the wording of the letter SUBJECT TO an amendment being made to the last paragraph.

BD CBR 230415

Crossrail Board Report Period 13

The Board reviewed the Crossrail Board Report for Period 13, noting that for the first time since major construction had started there had been no lost-time injuries reported.

The Board noted that the cumulative Cost Performance Indicator (CPI) remained at 0.94, with in-Period 13 CPI decreasing to 0.71 compared to 1.00 in Period 12. The Board asked if CPI might be presented through an additional metric, perhaps on a 12 month rolling basis, so that it would be possible to measure more effectively progress month on month and any trends. It was noted that the P-Rep had asked for CPI to be revisited from the start of the Master Operational Handover Schedule (MOHS), it was AGREED that the merits of a new baseline would be reviewed as the ‘Civils’ stage draws to a close.

Action: David Allen

Andrew Wolstenholme highlighted the key performance results as follows:
- The project was 63.6% complete at the end of Period 13 against a planned completion rate of 64.9%;
- At the end of Period 13, 41.8 km (98%) of tunnelling had been completed with 704m covered in the period;
- 12.8 km of Sprayed Concrete Lining (SCL) had been installed versus a plan of 13.9 km, with 0.4 km covered in the period against a plan of 0.3 km;
- £7.2bn had been spent on the project so far, with £148.6m spent in Period 13. Spending for the year ending 31 March 2015 was 13% less than the business plan at £1,475m; and
- HSPI and RIDDOR rates were 2.35 and 0.18 respectively.

Are we safe?

In addition to the achievement of a period of zero lost-time incidents in Period 13, the Board noted that Accident Frequency Rates (AFR) had improved in comparison to the same period last year and the corporate objective of a 40% reduction for RIDDOR AFR had been exceeded while the target for reduction in Lost Time Case AFR during the year had been narrowly missed. The Board extended its congratulations to the Executive and Delivery teams and commented that the challenge would now be to maintain that level of safety performance.

Andrew Wolstenholme also brought the Board’s attention to the ‘Stepping Up’ week campaign which would be launched on 27 April together with a promotion of the new ‘Golden Rules’.
It was AGREED that Steve Hails would be invited to the Informal Part of the Board meeting in May to present the ‘Golden Rules’ video.

**Action**: Secretariat

It was also AGREED that the Chairman would review the coverage of sites by non-executive directors.

**Action**: Terry Morgan

**Are we within funding?**

The project remained within funding. Following the quarterly quantitative risk analysis undertaken during Period 13, the headroom to Intervention Point 0 (IP0) at P50 was £14m and the P80 Anticipated Final Cost CRL Direct Costs (AFCDC) of £11,929m was £24m below IP1.

David Allen reported that results for the year were subject to audit, but performance against budget for the year was positive with Crossrail spending £213m less than planned – despite spending in Period 13 exceeding plan by £19m.

357 new Notified Compensation Events (NCEs) were raised in the Period taking the number of open NCEs to 1,113. David Allen explained that a very tight recruitment market, especially for contract administrators and planners, was a key challenge and the Executive had now formulated a plan to speed up the rate of recruitment.

**Are we on time?**

Simon Wright presented an overview of progress and challenges across the programme highlighting contract C620 and the lack of information forthcoming from Siemens and Network Rail (NR). Simon also noted the current challenges relating to Woolwich, Whitechapel, booking of the test track at Melton and signalling on the Western route including beyond airport junction. The programme challenge at Whitechapel had been assisted by TfL’s agreement to a nine day blockade during the summer.

The Board noted that four contracts accounted for a significant proportion of the cost variance and REQUESTED a more detailed briefing on the commercial positions under those contracts.

**Action**: David Allen

*(Jane McGivern left the meeting while the CSJV contracts at Paddington and Bond Street were under discussion.)*

Howard Smith updated on positive progress on the rolling stock and depot contract as well as MTR Crossrail. He highlighted a concern around access to the depot throat and ongoing discussions with First Great Western.

**Are we world class?**

Valerie Todd informed the Board that a communications plan was in place to handle the potential industrial relations issues arising from the dismissal of an electrician at Bond Street. A conciliation process is currently underway through ACAS.

Will Parkes reported that the external affairs agenda remained busy.
The Board **NOTED** the report and **REQUESTED** that Ilford be included in Simon Wright's presentation for the next meeting.

**Action:** Simon Wright

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/16</td>
<td><strong>CRLB 01/16 – Project Representative (P-Rep) Report Period 12</strong></td>
</tr>
<tr>
<td></td>
<td>The Board received the Project Representative’s Project Status Report for Period 12. The Board <strong>AGREED</strong> to re-instate the quarterly meetings between the Chair of the Audit Committee and the Project Representative.</td>
</tr>
</tbody>
</table>
|       | **Action:** Secretariat  
Andrew Wolstenholme provided a verbal update on the expected contents of P-Rep’s Period 13 report including that:  
- there had been a significant increase in overspend/cost variance due to cost overruns of around £34m but that the downward trend for cumulative CPI continued and that an overall underspend against forecast was expected at the end of Period 13;  
- £49m had been approved during SACR 13 by the Commercial and Change Committee for changes needed to maintain the schedule;  
- there was continuing pressure on recruitment of contract administration staff but that plans had been put in place to address this;  
- because of signalling issues, there would be a delay in completing C620, (now expected in December 2015); and that  
- 18 May is the latest date by which agreement between Bombardier Transportation and Network Rail must be reached for use of the test track.  |
|       | The Board **NOTED** the Period 12 report. |
| 02/16 | **CRLB 02/16 – Legal Report**  
The Board received the Legal Report which updated the Board on legal matters.  
The Board **NOTED** the report. |
| 03/16 | **CRLB 03/16 – Operations and Systems Expert Panel Update**  
Chris Green, Chair of the Operations and Systems Expert Panel presented the Panel’s Report on Stage One Readiness covering: Train Readiness; Depot Readiness; Driver Readiness; Station Readiness; Infrastructure Readiness; and Regulatory Agreement Readiness. The Expert Panel’s view was that there were a number of challenges to navigate but that the delivery timetable was achievable.  
The Board **NOTED** the report and accepted the following recommendations:  
- A formal agreement and programme needs to be in place with NR to ensure that full compliance testing can take place at Old Dalby test track  
- To mitigate against the risk that such an agreement cannot be reached with NR, CRL should develop contingency arrangements to use the Velim test track in the Czech Republic.  
- The CRL project team should consider seeking assistance from the DTT to help resolve the outstanding issues at Ilford and provide monthly progress reports against achievement of the November 2016 completion date. |
- Formal agreements with NR should be put in place on the detailed method of working for Driver Only Operation (DOO) at all stations (including degraded mode) and the precise gauging for each platform face.
- The numerous station contracts should be managed to ensure that work streams are coordinated and possessions are minimised.
- The eight complex Regulatory Agreements needed for May 2017 should be coordinated through a joint project process involving all parties.

The Board REQUESTED that consideration be given to whether it would be appropriate to allocate a manager to take specific responsibility to oversee Stage One Readiness.

**Action:** Andrew Wolstenholme

The Board also REQUESTED that the formal 24 months notice to the Sponsors of the date for Stage One services commencement be approved by the Board prior to submission to Sponsors.

**Action:** Howard Smith

---

**04/16**  
CRLB 04/16 – Review of Performance Against 2014/15 KPIs

The Board received a paper on the Review of Performance Against 2014/15 KPIs.

The Board NOTED the individual performance ratings and APPROVED the primary metric score of 87% as an appropriate reflection of the organisation's performance in the year. The Board NOTED that the Remuneration Committee had the power to exercise discretion when considering the safety performance score as a guideline for determining overall performance and bonus payments.

---

**05/16**  
Minutes of Board Committees for Reference

The Board received the following minutes for reference:

- Executive and Investment Committee  EIC MIN 180315  Andrew Wolstenholme
  EIC MIN 230315
- Health and Safety Committee  HS MIN 160315  Andrew Wolstenholme

**Verbal Updates of Recent Board Committee meetings**

- Executive and Investment Committee  15 April 2015  Andrew Wolstenholme
- Health and Safety Committee  20 April 2015  Andrew Wolstenholme

---

**06/16**  
AOB

Will Parkes reported that Henderson UK had given a verbal agreement to provide £0.5m funding for the Art Programme at Farringdon.

The issue of graphical ‘wayfinding’ had been discussed at an Executive Committee meeting and it was decided that further work needed to be undertaken prior to briefing the Board.
Signed by:

Terry Morgan
Non-executive Chairman
Pre-meeting Board Briefing – Thursday 23 April 2015

<table>
<thead>
<tr>
<th>Members:</th>
<th>In Attendance:</th>
<th>Apologies:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terry Morgan (Chairman)</td>
<td>Victoria Burnett</td>
<td>Martin Buck</td>
</tr>
<tr>
<td>Chairman</td>
<td>Head of Secretariat</td>
<td>Transition and Strategy Director</td>
</tr>
<tr>
<td>Andrew Wolstenholme</td>
<td>Mark Fell</td>
<td></td>
</tr>
<tr>
<td>Chief Executive</td>
<td>Legal Services Director &amp; Company</td>
<td></td>
</tr>
<tr>
<td>David Allen</td>
<td>Lucy Findlay</td>
<td></td>
</tr>
<tr>
<td>Finance Director</td>
<td>Chief of Staff</td>
<td></td>
</tr>
<tr>
<td>Michael Cassidy</td>
<td>Will Parkes</td>
<td></td>
</tr>
<tr>
<td>Non-executive Director</td>
<td>External Affairs Director</td>
<td></td>
</tr>
<tr>
<td>Phil Gaffney</td>
<td>Howard Smith</td>
<td></td>
</tr>
<tr>
<td>Non-executive Director</td>
<td>Operations Director</td>
<td></td>
</tr>
<tr>
<td>Terry Hill</td>
<td>Valerie Todd</td>
<td></td>
</tr>
<tr>
<td>Non-executive Director</td>
<td>Talent and Resources Director</td>
<td></td>
</tr>
<tr>
<td>Robert Jennings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jayne McGivern</td>
<td>Rob Halstead</td>
<td></td>
</tr>
<tr>
<td>Non-executive Director</td>
<td>Head of Risk (Part of meeting)</td>
<td></td>
</tr>
<tr>
<td>Daniel Moylan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simon Wright</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programme Director</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Quantitative Risk Analysis

The Board received a presentation from Rob Halstead outlining the methodology and results of the quarterly Quantitative Risk Analysis (QRA) including: performance for key risks; SACR13 analysis; and MOHS Quantitative Schedule Risk Analysis (QSRA).

Since the last quarter, a number of risks had been reduced including those remodelled following receipt of revised SONIA interest rates. At Period 12, P80 forecasts had showed Crossrail in breach of IP1. At Period 13 (the close of the SACR 13 period), AFCDC P50 was £14m under IP0.

The Board accepted the results of the analysis, noting that the P-Rep was supportive of the modelling process. However, the Board cautioned against complacency and using the profile as a base point to plot any progression of future risk profiles, noting that any less likely but high impact event that might occur during the next few years would have a significant effect.

The Board NOTED the presentation.

2. Big Dig Update

Valerie Todd provided a presentation on the high level results of the most recent ‘Big Dig’, staff satisfaction survey. Overall the results were very positive with employee engagement at 74%; Satisfaction with working on Crossrail at 83%; Employee motivation at 88%; Satisfaction with Crossrail as a whole at 88%; and Employee loyalty at 92%. Valerie outlined a number of ‘next steps’ that involved discussions across the organisation to gain a better understanding of reasons behind the results to inform a follow-up action plan.

The Board NOTED the presentation.