



BD MIN 161110

CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 10 November 2016 at 13.00
28th Floor Boardroom, 25 Canada Square, Canary Wharf, London E14 5LQ**

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Victoria Burnett <i>Head of Secretariat</i>	
Pam Alexander <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and 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>	Chris Green (Part of meeting) <i>Chair –Operations and Systems Expert Panel</i>	
Terry Hill <i>Non-executive Director</i>	Will Parkes <i>External Affairs 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 including Mark Wild who was attending his first meeting as a member of the Crossrail Board.</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 day's business.</p>
BD MIN 161013	<p>Minutes of the Meeting of the Board held on 13 October 2016</p> <p>The Board APPROVED the minutes of the meeting held on 13 October 2016 for signature.</p>
BD AC 161110	<p>Actions and Matters Arising</p> <p>The Board NOTED that, with respect to Action 17.057, a discussion had been undertaken on the topic of stakeholder messaging relating to costs as part of the Informal Board Session. There were no other actions due for this meeting.</p>

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Crossrail Board Report Period 7

Andrew Wolstenholme introduced the Board Report providing an overview of Period 7 highlighting that:

- It had been a steady Period for schedule and cost performance with the programme at 78.8% complete (against plan of 82%) and a number of important milestones achieved - including handover of westbound and eastbound platforms at Liverpool Street and systemwide access to the complete westbound trace;
- The total track was now 62% complete and the concreting train had now reached Pudding Mill Lane and was scheduled to start its journey from Stepney Green to Whitechapel on 28 November;
- The AFCDC was largely unchanged in the period with headroom to IP1 at P50 remaining at £20m and the likelihood of exceeding IP1 remaining at 47%;
- Spend against the business plan in the Period was £17.8m below plan predominantly due to the extended Network Rail Interim Funding Agreement [REDACTED]
- ONW was now showing 76% complete, excluding variation notices. Preparatory works for the extensive Christmas works had gone well; and
- The QSRA review, which had taken place as part of the SACR16 preparation process, showed increased confidence for Stages 1 and 2 to 73% and 74% respectively; Stage 3 showed a minor decrease from 75% to 74%.

Are We Safe?

It was **NOTED** that:

- The HSPI score for the Period had dropped to 2.26 from 2.37. 85% of contracts had scored 2.20 or above with C610 and C660 being the outliers;
- RIDDOR AFR had increased to 0.18 (from 0.17 in Period 6) and lost time AFR had increased to 0.30 from 0.28; and
- In the Period there had been two RIDDOR major injuries, 3 lost time injuries, and 3 high potential near misses.

Are We Within Funding?

Mathew Duncan presented an overview of the Period's financial position.

It was **NOTED** that:

- Minor AFCDC increases in the Period had been driven by an increase in risk for pension costs (£1.0m), an increase in Land and Property (£0.3m), and other net increases across the Programme (£0.4m). These increases had been offset by a reduction in forecast framework design consultant costs (£0.7m) and Limmo bulk supply point glide path savings (£0.7m). The P50 AFCDC remained at £20m below IP1. The P80 AFCDC remained at £187m above IP1;

- For the year to date, spend was £40m below the 2016/17 Business Plan, predominantly driven by the extended Network Rail Interim Funding Agreement (£33m) and other net underspends (£7m). Spend and performance to date continued to be dominated by civils and stations sectors, which together accounted for 80% of actual cost of work performed;
- Total QRA risk was £434m of which £104m represented programme risk not allocated to projects. £198m of the £434m P50 QRA was unresolved trends which had decreased by £10m in the Period. Total risk was 12% of remaining spend including a £6m opportunity for Glidepath savings; and
- The overall contingency budget of £432m was inadequate to cover the P50 risk exposure of £434m by £2m.

Commercials Update

Paul Grammer provided an update on progress with 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 Yard; C530 Woolwich; C620 Signalling; C660 Communications; and C360 Portals and Shafts.

It was **NOTED** that a Commercial Team away-day session had been held recently to identify additional glidepath opportunities and determine how Crossrail might improve its contract administration, cost verification and disallowed cost processes. At Canary Wharf, the schedule of essential works had been finalised and a delivery strategy for completing the works was being devised. The aggregate value of the works was estimated to be £22m.

The Board **REQUESTED** that a breakdown be provided at a future meeting to categorise the nature of the required works at Canary Wharf.

Action: Simon Wright

NR ONW Funding

The Board also **NOTED** the latest position regarding the NR ONW funding and the headroom to the DfT intervention amount. CRL was continuing its detailed cost review and commercial assurance of the ONW in collaboration with NR.

Are We on Time?

Simon Wright presented an overview of delivery performance highlighting some of the key issues for the Period. It was **NOTED** that:

- Track installation progress in the Period was ahead of plan, with 4,178m being completed against a plan of 3,755m. Total track now stood at 62% complete. M&E teams had started their recovery plans and ATC had shown incremental improvements in M&E output since commencing in Zones 1 and 2. Safety within all Systemwide operations remained a key focus, and performance had been improving;
- Progress within the Ilford blockade remained positive. The handover of the paint shop to BT was dependent upon a number of assurance tests. Completion was scheduled for mid-November and concluding the blockade in early December;
- CRL had rejected revised plans for the delayed 'master plan shaft' at Bond Street

	<p>presented in Period 6 and was insisting that CSJV demonstrate a commitment to the completion date of August 2018;</p> <ul style="list-style-type: none"> • Mile End shaft work had been progressing in a number of areas to better define the issues and carry out revised risk assessments. The Chief Engineer's Group was working closely with the Infrastructure Manager and London Fire Brigade to agree a way forward; and • ATC had reported that there were no outstanding claims for underpaid wages at Fisher Street. ATC had also improved access and time-and-attendance procedures on the site. A full survey of welfare facilities on ATC's C610 contract had indicated that workforce access to such facilities was satisfactory. <p>The Board REQUESTED that a schedule of NR ONW Christmas works be circulated to Board members.</p> <p>Action: Simon Wright</p> <p>Operations</p> <p>Howard Smith provided an update on key operations matters NOTING some of the key issues for Stage One relating to: route gauge clearance; DOO CCTV; Ilford Depot remodelling; and modifications to the C345 trains.</p> <p><i>Are we world class?</i></p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • The second tranche of content had been released on the Learning Legacy website which had led to increased interest on the site; • An event would be held at Victoria Station on 30 November to highlight opportunities for CRL staff to pursue careers at TfL once they had been demobilised from the Crossrail Project; and • The Crossrail Pension Fund transfer had taken place on 1 November from the Omnibus Section to a stand alone section of the Railways Pension Scheme. <p>The Board NOTED the Board Report for Period 7.</p>
28/17	<p>CRLB 28/17 – Operations and Systems Expert Panel Report</p> <p>Chris Green presented the Report which focussed on Stage Three Readiness in advance of the Board being asked to approve the Stage Three Notification to Sponsors at the next meeting on 8 December.</p> <p>The Report concluded that Crossrail was on schedule for a successful public opening on 9 December 2018, provided that adequate time and resource continued to be deployed to resolve risks relating to: the Testing and Commissioning Plan; CBTC train software; systems interfaces at Pudding Mill Lane and Westbourne Park; the dynamic testing schedule; and regulatory approvals.</p> <p>The Operations and Systems Expert Panel Report also highlighted a risk relating to the time criticality of ventilation provision and the Board REQUESTED an update on progress at the next meeting.</p>

	Action: Simon Wright	
	The Board NOTED the Report.	
29/17	CRLB 29/17 – SACR16	
	Andrew Wolstenholme presented the SACR16 to the Board highlighting some of the key elements and messages. Mathew Duncan provided an overview of the financial section.	
	The CRL Board:	
	<ol style="list-style-type: none"> 1. APPROVED the SACR16 for submission to the Sponsors; 2. NOTED that the Financial Model which informed the forecast costs in SACR16 had been updated in accordance with the requirements as defined in Schedule 7 ('Financial Model') of the Crossrail Project Development Agreement (PDA); 3. NOTED that the reporting on ONW went beyond the close of Period 6; and 4. NOTED that the CRL Finance Director had approved the release of the updated Financial Model to the Sponsors. 	
30/17	CRLB 30/17 – Project Representative (PRep) Reports Periods 6 & 7 2016/17	
	The PRep report for Period 6 had been included in the Board Pack and was taken as read.	
	Andrew Wolstenholme outlined the issues that would be raised in the Period 7 Report. These included: IP1 headroom; Health and Safety performance targets; NR/ONW costs and funding; contractors' performance and schedule; and issues relating specifically to each of the Stages.	
	The Board NOTED the PRep reports.	
	Minutes of Board Committees for Reference	
	The Board received the following minutes for reference:	
	Executive and Investment Committee Health and Safety Committee	EIC MIN 161006 HS MIN 161013 HS MIN 160905 HS MIN 160711
	Audit Committee	AUC MIN 160613 Robert Jennings
	Verbal Updates of Recent Board Committee meetings	
	Executive and Investment Committee 2 November 2016 Matters covered by the Committee were: <ul style="list-style-type: none"> • SACR 16 • Business Planning 17/18 • Railway Integration Review Point 6 Results • TUCA Service Provider Tender 	EIC MIN 161102 Andrew Wolstenholme

	Process Update		
	Health and Safety Committee 31 October 2016 Matters covered by the Committee were: <ul style="list-style-type: none"> • Period 7 Health and Safety Report • Six monthly 'look ahead' • Stepping Up Week outputs • C610 Health and Safety Improvement Update 	HSC MIN 161031	Andrew Wolstenholme
	Audit Committee 31 October 2016 Matters covered by the Committee were: <ul style="list-style-type: none"> • Crossrail Audit and Assurance Update • Risk Management Report • Whistle Blower Update • Performance Assurance Results • EY Audit Plan 		Robert Jennings
AOB			
	NED Only Session		
	Non-executive Directors provided feedback on the day's meeting.		

Signed by:



Terry Morgan
Non-executive Chairman

Pre-meeting Board Briefing – Thursday 10 November 2016

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Victoria Burnett <i>Head of Secretariat</i>	Terry Hill <i>Non-executive Director</i>
Pam Alexander <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	
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Business Planning Briefings**1. Organisation 5 Proposal**

Valerie Todd and Patrick tenHave presented a proposal (Organisation 5) setting out the organisational structure for delivering the close out period of the Project from September 2018.

It was **NOTED** that a meeting would take place between Terry Morgan, Andrew Wolstenholme and the Non-executive Directors to talk about the future of the Board structure and discuss any potential sensitivities relating to future headcount change.

It was also **NOTED** that Crossrail was in discussions with TfL to ensure that both organisations' plans were consistent.

2. 2017/18 Business Plan Update

Mathew Duncan presented an overview of the process, timetable and headline numbers for the 2017/18 Business Plan. The final version of the Plan would be presented to the Board for approval on 8 December.

The Board **REQUESTED** that an explanation of the treatment of the redundancy contingency and any opportunities in relation to reduction of headcount be provided at the next meeting.

Action: Mathew Duncan

3. Stakeholder Messages – Funding Envelope

Will Parkes provided an update on stakeholder messaging in relation to cost and presented a summary of the results of the most recent surveys on stakeholder perceptions.

The Board **NOTED** the Business Planning briefings.