



CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 9 November 2017 at 14:00
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>	Mark Fell <i>Legal Services Director and Company Secretary</i>
Pam Alexander <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	Terry Hill <i>Non-executive Director</i>
Michael Cassidy <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</i>	Mark Wild <i>Non-executive Director</i>
Mathew Duncan <i>Finance Director</i>	Will Parkes <i>External Affairs Director</i>	
Phil Gaffney <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Robert Jennings <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>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>Robert Jennings NOTIFIED the Board that he was working as an advisor to 3i Infrastructure PLC, and would be appointed as a director from 1 February 2018.</p> <p>There were no other interests declared in relation to the business of the meeting.</p> <p>Informal Session of the Board 9 November 2017</p> <p>It was NOTED that an informal session of the Board had been held earlier in the day covering: a programme schedule update; an operations update; a presentation from the Chair of the RAB-C Board; NR representatives on ONW with a special focus on readiness for the 2017 Christmas possessions.</p> <p>The Board REQUESTED that an update on RAB-C approvals be presented to the Board in three period's time.</p>
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	Action: Simon Wright
BD MIN 171012	<p>Minutes of the Meeting of the Board held on 12 October 2017</p> <p>The Board APPROVED the minutes of the meeting held on 12 October 2017 for signature.</p>
BD AC 171012	<p>Actions and Matters Arising</p> <p>The Board NOTED the completed actions due and the following updates:</p> <ul style="list-style-type: none"> • 18.049 – Status of Stations and Passenger Numbers – It was NOTED that NR would be factoring in the need to manage passenger numbers as part of its procurement exercise for the enhanced stations build. The Board REQUESTED that an update be provided after the tendering process had been completed. Action: Simon Wright/Howard Smith • 18.056 – Priority seats on Crossrail trains – It was NOTED that the modification had been instructed to Bombardier. Fitment to the new trains would start with Unit 30 and a plan was due in next few days for retrospective fit to existing units, particularly the 8 currently in service with TfL Rail. <p>It was NOTED that an action from the Board meeting in October had not been recorded in the minutes. The Board had REQUESTED that there be more granularity in the 'cost to go' reporting. Action: Mathew Duncan</p>
BD CBR 171109	<p>Crossrail Board Report Period 7</p> <p>Andrew Wolstenholme introduced the Board Report for Period 7 highlighting that:</p> <ul style="list-style-type: none"> • Good progress continued to be made across the project. Overall completion against plan was better than last period with more milestones being achieved - including those that were missed last period. All FDOs (excluding Plumstead) were now complete; • In the Period, the organisation had continued to focus on readiness for energisation and dynamic testing. The availability and functionality of the train software for dynamic testing and for Stage 2 was an area of concern and continued to be monitored closely; • AFCDC had not changed since Period 6 but £38m had needed to be drawn down from risk to cover [REDACTED] • Strategic risks were unchanged and the KPIs had remained stable although the overall outturn had fallen to 44%; and • The IPA had completed its review of Crossrail which had focused on the extent to which the Crossrail Sponsors have sufficient visibility and oversight of the project's forecast progress on schedule and costs as well

as the lessons learned activities and the extent to which the assurance of the plans and processes are in place to complete the activities associated with 'the paper railway'. The outcome had been amber/green which meant "Successful delivery appears probable."

Are We Safe?

It was **NOTED** that:

- Strong performance had been maintained during Period 7. RIDDOR AFR remained at 0.08 and lost time case AFR increased slightly to 0.16. However there were 8 significant incidents during the period;
- HSPI had increased to 2.53; with all 12 contracts measured achieving a score of 2.2 or above. Two contracts, Bond Street and Woolwich, had achieved over a million hours without a lost time case; and
- Significant focus remained on the health and safety regime for energisation and dynamic testing.

Are We Within Funding?

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

- There had been no change to AFCDC in the Period with P50 AFCDC at £12,303m or £391m above IP1 and P80 AFCDC at £12,356m which was £444m above IP1;
- In the Period, Crossrail had spent £21.5m above the 2017/18 Business Plan. This was predominantly due to: lower than planned productivity and [REDACTED] offset by unspent programme risk (£10.8m);
- Of the £340m QRA total, £243m was currently programme risk not allocated to projects. If all £209m of URTs were approved, the QRA total would reduce to £131m; and
- The overall contingency budget of £212m was inadequate to cover the P50 risk exposure of £340m by £128m, (a £7m improvement from Period 6);

Business Planning – 2018/19

Mathew Duncan also provided an update on the timetable and assumptions underpinning the business planning process for 2018/19. It was **NOTED** that the plan would be presented to the Board in December with an opportunity for further review at the meeting in January 2018, if required.

Commercials Update

It was **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 had decreased by [REDACTED]

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; C610 Systemwide; C828 Ilford Yard; C530 Woolwich; C620 Signalling; C660 Communications; and C360 Portals and Shafts.

It was further **NOTED** that Lakesmere Limited had gone into administration recently. Lakesmere, a tier 3 contractor to Crossrail, specialising in cladding and associated design work, had a number of live and critical contracts on the Crossrail programme. Discussions were underway between CRL, its tier 1 contractors and the administrator of Lakesmere to find a solution as soon as possible to maintain the supply chain.

NR Funding

It was **NOTED** that the Forecast Final Outturn Cost (FFOC) had increased to £2,530m to take account of an increased NR AFC. The total funding being requested by NR to DfT was £154m (£139m for CP5 and £15m for CP6). Progress had been made, with formal agreement now pending from NR, regarding termination of the delivery incentives agreement and execution of the additional funding agreement to facilitate a £22m funding contribution. NR had secured £20m funding and DfT previously committed £28m, leaving the remaining £84m to be secured by DfT, confirmation of which was due shortly.

It was also **NOTED** that, at the informal session held earlier in the day, Network Rail representatives had confirmed to the Board that they believed their forecast costs were accurate and that there was sufficient contingency built in for the procurement of the station enhancements.

Are We on Time?

Simon Wright had presented an overview of delivery performance in the informal session, in relation to which the following current issues were **NOTED**:

- There had been further discussions in the Period on programme, costs and productivity between CRL and CSJV on all three of the CSJV projects which continued to be closely monitored;
- Physical works towards completion of critical activities that had led to the commencement of dynamic testing in Zones 1 & 2 had, overall, remained on target in the period. However, problems with equipment supplied by GE had been identified in the ATFS at Pudding Mill Lane which had forced a delay to the start of dynamic testing. The revised date for energisation of the traction power was now 15 November 2017 with dynamic testing starting on 29 November 2017;
- Cable pulling activities for C620 and C660 were essential to maintaining schedule on delivery of dynamic testing in Zones 3 & 4 on 26 February 2018. Performance over the next six to eight weeks would be critical to monitor and manage; and
- Siemens delivery of communications software, essential to the testing of the SCADA network, was now showing significant slippage for the next scheduled drop. The CRL team was working with Siemens to recover the schedule to avoid delaying testing in Zones 3 & 4.

	<p>Operations</p> <p>Howard Smith provided an update on key operations matters highlighting some of the issues relating to Stages 1, 2, 3, 4 and 5 opening.</p> <p>It was NOTED that CRL was preparing an update for Sponsors on the adverse event notice relating to the uncertainty and delays with Bombardier's on board train signalling and TCMS specifically in relation to Stage 2 commencement.</p> <p>The Board REQUESTED that CRL ensure that the Bombardier team at Derby was fully aware of the impact of late delivery to the Crossrail programme.</p> <p>Action: Howard Smith</p> <p><i>Are we world class?</i></p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • The Fifteen Billion Pound Railway had been shortlisted for the National Television Awards in the "Factual Entertainment" category; the awards would be broadcast on ITV in January 2018; and • Transition activities continued to be focused on alignment of business plans. • The annual Crossrail High Level Forum with the Deputy Mayor for Transport and Rail Minister would be taking place in November. <p>The Board NOTED the Board Report for Period 7.</p>
27/18	<p>CRLB 27/18 Draft Semi-Annual Construction Report 18 (SACR 18)</p> <p>The Board reviewed the Report which would be submitted to Sponsors following the Board meeting.</p> <p>The Board:</p> <ul style="list-style-type: none"> • NOTED that the Financial Model which informed the forecast costs in SACR18 had been updated in accordance with the requirements as defined in Schedule 7 ('Financial Model') of the Crossrail Project Development Agreement (PDA); • NOTED that the CRL Finance Director had approved the release of the updated Financial Model to the Sponsors; • NOTED that CRL would be requesting £444m of the TfL contingent funding in Period 10 2017/18 and that the Current Control Budget (CCB) would be increased by £157m; • NOTED that the QSRA contained in SACR18 recorded 71% for Stage 3 (a reduction from 77% in SACR17). However, the model was highly sensitive and rose to 80% three days after the target final delivery date; and • APPROVED the SACR18 for submission to the Sponsors.

	<p>The Board REQUESTED that external messages on 'available funding' should take account of the value of OSD.</p> <p>Action: Will Parkes</p>
28/18	<p>CRLB 28/18 Operations and Systems Expert Panel Report</p> <p>Chris Green presented the Report from the Operations and Systems Expert Panel which focused on Stage 5 Readiness. It concluded that Stage 5 could be delivered on time, subject to a mitigation being agreed in case of late availability of ETCS signalling. The Report also considered readiness in the context of signalling, NR infrastructure, stations, rolling stock, MTR readiness and future capacity options.</p> <p>The Board NOTED the Operations and Systems Expert Panel Report.</p>
29/18	<p>CRLB 29/18 – Project Representative (P-Rep) Reports</p> <p>The Board reviewed and NOTED the P-Rep Report for Period 6.</p> <p>Andrew Wolstenholme provided a verbal summary of the issues that were expected to be raised in the Period 7 report which were NOTED by the Board. These included matters relating to: finance and costs; schedule and progress; assurance and approvals; rolling stock and depot; and other issues relating specifically to each of the staged openings.</p>
30/18	<p>CRLB 30/18 – [REDACTED]</p> <p>The Board APPROVED a proposal to increase funding for [REDACTED] Station in the following amounts:</p> <ul style="list-style-type: none"> o Current Control Budget [REDACTED] o Investment Authority [REDACTED] <p>It was NOTED that provision had already been made in the AF CDC.</p> <p>It was further NOTED there were likely to be more risks to the final cost outturn required to complete critical works by August 2018 and the full works by November 2018. Also additional claims for delay might arise in the settlement of tier 2 subcontractor accounts.</p>
31/18	<p>CRLB 31/18 – Proposal to Allocate Board Contingency to Programme</p> <p>The Board APPROVED a proposal to draw down £82m from Board contingency to programme contingency NOTING that when the £444m was drawn down from TfL contingency, as set out in SACR 18, £65m would be transferred back to Board contingency – resulting in a residual balance of £100m.</p>

Minutes of Board Committees for Reference

The Board received the following minutes for reference:

Executive and Investment Committee	EIC D 171004	Andrew Wolstenholme
Health and Safety Committee	EIC D 171023(a)	
	EIC D 171023(b)	
	HS MIN 171002	
	AUC MIN. 170616	

Verbal Updates of Recent Board Committee meetings

Executive and Investment Committee 1 November 2017 Matters covered by the Committee were: <ul style="list-style-type: none"> • SACR 18 • Proposal to allocate Board Contingency to Programme • ONW Update on Christmas Works • C412 Bond Street Station – IA request • Crossrail: The Final Chapter – marketing and communications activities for 2018 	EIC MIN 171101	Andrew Wolstenholme
Health and Safety Committee 30 October 2017 Matters covered by the Committee were: <ul style="list-style-type: none"> • Period 7 Health and Safety Report • C610 Update on Energisation, Dynamic Testing and Health and Safety 	HS MIN 171030	Andrew Wolstenholme
Audit Committee 30 October 2017 Matters covered by the Committee were: <ul style="list-style-type: none"> • Audit and Assurance Report • Risk Management Report • Whistleblowing Update • EY Audit Plan • EY's Performance 	AUC MIN 171030	Robert Jennings

AOB	It was NOTED that the Construction Leadership Council, which was co-chaired by Andrew Wolstenholme, had gained traction across government for a £250m sector deal as part of the government's industrial strategy.
NEDs Only Session	Non-executive Directors provided feedback on the day's meeting.

Signed by:



Terry Morgan
Non-executive Chairman