



BD MIN 160623

**CROSSRAIL BOARD**

**Minutes of the Meeting of the Board of Directors of Crossrail Limited  
Held on Thursday 23 June 2016 at 13.00  
Crossrail Limited, 28th Floor Boardroom, 25 Canada Square,  
Canary Wharf, London E14 5LQ**

<b>Members:</b>	<b>In Attendance:</b>	<b>Apologies:</b>
Terry Morgan <i>Chairman</i>	Martin Buck <i>Transition &amp; Strategy Director</i>	Pam Alexander <i>Non-executive Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Victoria Burnett <i>Head of Secretariat</i>	
Michael Cassidy <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	
Mathew Duncan <i>Finance Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Phil Gaffney <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</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>	
Simon Wright <i>Programme Director</i>	Valerie Todd <i>Talent and Resources Director</i>	

The meeting was quorate.

	The Chairman welcomed Board members and attendees.
	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.  There were no interests declared in relation to the day's business.
<b>BD MIN 160428 BD MIN 160526</b>	<b>Minutes of the Meeting of the Board held on 28 April 2016 and 26 May 2016</b>  The Board <b>APPROVED</b> the minutes of the meetings held on 28 April 2016 and 26 May 2016 for signature.
<b>BD AC 160623</b>	<b>Actions and Matters Arising</b>  There were no outstanding actions 'due' for this meeting that were not completed or covered elsewhere on the agenda.
<b>BD CBR 160623</b>	<b>Crossrail Board Report Period 02</b>  Andrew Wolstenholme introduced the Board Report providing an overview of Period 2 highlighting that:  <ul style="list-style-type: none"> <li>• Successes included the achievement of 75% completion of the project, the</li> </ul>

opening of the new entrance to Custom House DLR station and the launch of the new design exhibit at RIBA;

- Attention was being focussed on track productivity, which had fallen behind plan due to operational and safety issues with the concreting train. Andrew Wolstenholme was holding meetings with the CEOs of the ATC JV;
- Cumulative CPI had remained at 0.96 and cumulative SPI had increased to 0.98 (from 0.97 in Period 1) - [REDACTED]
- The AFCDC had increased by £0.5m, which together with a fall in the intervention points, had resulted in a £1.2m reduction in headroom to IP1 – now standing at £92m;
- KPIs had remained stable except for an improvement in CARS, certification and learning legacy; and
- Network Rail had reported that its internal borrowing authority was lower than the £2.3bn intervention price in Crossrail's core agreements, specifically the Regulatory Protocol. This was preventing NR from progressing and agreeing some of the Variation Notices. All Variation Notices had now been prioritised to allow for the critical items to be progressed to agreement, whilst options were being explored with Sponsors to resolve those impacted by NR's internal authority limit. CRL would be issuing an adverse event notice to the Sponsors on this matter. Peter Hendy had written to Crossrail presenting NR's position with regard to the funding limit. A response from Terry Morgan would be issued shortly.

The Board discussed the funding issue relating to Network Rail **NOTING** that recent cost investigations had indicated that it was possible that the £2.3bn intervention price might be exceeded. The Board **REQUESTED** that Robert Jennings contact the DfT to highlight the risk of cost escalation and report back at the next meeting.

**Action:** Robert Jennings

#### ***Are We Safe?***

It was **NOTED** that:

- Health and safety performance had improved during Period 2. There had been no RIDDORs or lost time cases and Crossrail had completed 5 weeks without a lost time incident, the longest in Crossrail's history;
- The cumulative HSPI score had improved from 2.19 to 2.28, the lost time case rate had improved to 0.27 and eight contracts had now gone more than six months without a lost time case;
- The RIDDOR AFR had remained at 0.19 due to comparison with a similarly good performance in the corresponding period last year; and
- There had been a number of safety issues recently at Whitechapel, including a serious one related to LU work at the station. Mike Brown, Transport

Commissioner had written to Leo Quinn at Balfour Beatty to raise concerns about BB's safety performance.

### ***Are We Within Funding?***

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

It was **NOTED** that:

- The increased AFDC of £0.5m in the Period to £11,813m [REDACTED]
- Since the same period last year, AFDC had increased by £58m, of which £27m had resulted from additional scope instructed by Sponsors;
- The intervention points had decreased by £0.7m in the Period due to the earlier phasing of cost at Ilford Yard and Systemwide Main Works following the approval of supplemental agreements in the Period - resulting in a reduction in forecast interest earned;
- Of the £561m QRA total, £102m represented Programme risk not allocated; and
- The overall contingency budget of £702m remained sufficient to cover the P50 risk exposure of £551m, but was inadequate at P95, although the position had improved since Period 1.

### **Commercials Update**

Paul Grammer provided an update on progress with the following contracts: C405 Paddington; C412 Bond Street; C422 Tottenham Court Road; C535 Farringdon; C502 Liverpool Street; C510/512 Whitechapel; C300/410 Tunnels West; C305 Tunnels East; C610 Systemwide; C828 Ilford Yard; C530 Woolwich; C620 Signalling; and C660 Communications.

[REDACTED] The Board **REQUESTED** that Paul Grammer report back to them either at the next meeting or in the interim by email on the final costs.

**Action:** Paul Grammer

### ***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:

- Progress on track installation works in the period had been significantly below plan which had introduced significant risk to the completion of track works on time. The C610 team was working with the contractor to consider alternative options to help mitigate further delays and bring the works back on plan;
- After the Period end the required blockade for Ilford Yard had been approved by NR and was scheduled for August through to December. Detailed planning was ongoing to ensure that Crossrail optimised the activities being carried out during

	<p>the blockade and built as much protection into the schedule as possible. A further submission to NR would be made in Period 4. In addition, the Logistics building had been brought into use on 6 June. However, Ilford Yard remained a significant risk to Stage One Opening; and</p> <ul style="list-style-type: none"> <li>• The penultimate advance of AP9 mining works had been completed. Following a recent asbestos survey, the London Wall Building had been declared asbestos free for non-intrusive works, although there remained the possibility of potential exposure in four other areas.</li> </ul> <p><b>Operations</b></p> <p>Howard Smith provided an update on key operations issues <b>NOTING</b> that:</p> <ul style="list-style-type: none"> <li>• Train 1 was ready for start of unit testing on 27 May. AWS/TPWS for Stage 1 was on plan, but continued to be monitored; and</li> <li>• Signalling integration remained the principal technical risk, including AWS/TPWS for Stage 1 and ETCS version 3.4 for Stage 2.</li> </ul> <p><b>Are we world class?</b></p> <p>It was <b>NOTED</b> that:</p> <ul style="list-style-type: none"> <li>• National Women in Engineering Day was taking place on 23 June. The Daily Telegraph had published a list of the top 50 women in engineering referring to women in senior posts on Crossrail projects in its covering article;</li> <li>• The Crossrail Design Exhibit would transfer from RIBA to the London Transport Museum from 28 June; and</li> <li>• Work experience assessment sessions had been completed for three Young Crossrail partner schools – Elizabeth Garrett Anderson, Greenwich UTC and St. Marylebone.</li> </ul> <p>The Board <b>NOTED</b> the Board Report for Period 2.</p>
09/17	<p><b>CRLB 09/17 – Project Representative (PRep) Reports Period 13 – 2015/16 and Periods 1 and 2 – 2016/17</b></p> <p>The PRep report for Periods 13 and 1 had been included in the Board Pack and were taken as read.</p> <p>Andrew Wolstenholme provided a verbal summary of the Period 2 Report which <b>NOTED</b> issues relating to: cost, contingency and change; progress with the schedule; On Network Works; stepping and gauging works; rolling stock; Systemwide; SCADA; and Ilford Yard line speed.</p> <p>The Board <b>NOTED</b> the PRep reports.</p>
10/17	<p><b>CRLB 10/17 – Legal Report</b></p> <p>Mark Fell presented the Legal Report which was <b>NOTED</b> by the Board.</p>

11/17	<p><b>CRLB 11/17 – C695 Plumstead Maintenance Facility: Investment Authority on Contract Award</b></p> <p>Mathew Duncan presented a paper that sought agreement by the Board for Investment Authority for C695 Plumstead in advance of a contract being awarded for the maintenance facility.</p> <p>It was <b>NOTED</b> that provision had been held within Project AFC for the expected cost of these works, and the net effect of these changes was a reduction in the total Programme AFCDC of £5m.</p> <p>The Board <b>REQUESTED</b> clarification as to whether the cost of the maintenance facility had been included in the Network Rail funding pot of £2.3bn.</p> <p><b>Action:</b> Lucy Findlay</p> <p>The Board <b>APPROVED</b> the provision of Investment Authority of £37,294,000 for C695 Plumstead maintenance facility.</p>						
12/17	<p><b>CRLB 12/17 – [REDACTED] in Budget and Investment Authority [REDACTED]</b></p> <p>Paul Grammer presented a request for Investment Authority for [REDACTED] to the Board.</p> <p>The Board <b>APPROVED</b> the provision of additional funding to the [REDACTED] Project in the following amounts:</p> <table border="1" data-bbox="363 1025 1286 1128"> <thead> <tr> <th></th> <th>£</th> </tr> </thead> <tbody> <tr> <td>Current Control Budget</td> <td>[REDACTED]</td> </tr> <tr> <td>Investment Authority</td> <td>[REDACTED]</td> </tr> </tbody> </table>		£	Current Control Budget	[REDACTED]	Investment Authority	[REDACTED]
	£						
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Investment Authority	[REDACTED]						
13/17	<p><b>CRLB 13/17 – Approval of Audited Financial Statements for the year ended 31 March 2016</b></p> <p>Mathew Duncan presented the Audited Financial Statements for the year ended 31 March 2016 which had already been presented to and endorsed by the Audit Committee at its meeting on 13 June 2016.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>APPROVED</b> the Annual Report and Financial Statements for the year ended 31 March 2016;</li> <li>• <b>AUTHORISED</b> the Finance Director to sign the 'Directors' Report', 'Strategic Report' and 'Statement of Financial Position';</li> <li>• <b>AUTHORISED</b> the Finance Director to sign the Representation Letter; and</li> <li>• <b>AUTHORISED</b> the Finance Director to make any necessary minor amendments to either document before signing them.</li> </ul>						
14/17	<p><b>CRLB 14/17 – Pensions Update (Setting up a stand-alone RPS Section)</b></p> <p>Valerie Todd presented a paper that updated the Board on the progress being made on transferring from the Railway Pension Scheme (RPS) Omnibus Scheme to a new CRL stand-alone section within the RPS.</p>						

**The Board:**

- **NOTED** the risk that had emerged since the last report in relation to the abolition of contracting out and the legal advice summarised in the paper presented;
- **ENDORSED** the decision to proceed with setting up and transferring assets and liabilities from the RPS Omnibus Section of the RPS to a new stand-alone RPS section;
- **APPROVED** 1 November 2016 as the effective date of transfer to the new stand-alone section, subject to the satisfactory conclusion of employee consultation and the TfL covenant being in place; and
- **NOTED** that employee consultation would commence on 19 July 2016.

**Minutes of Board Committees for Reference**

The Board received the following minutes for reference:

Executive and Investment Committee	<b>EIC MIN 160420</b> <b>EIC MIN 160503</b> <b>EIC MIN 160518</b>	Andrew Wolstenholme
Health and Safety Committee	<b>HS MIN 160321</b> <b>HS MIN 160418</b> <b>HS MIN 160516</b>	Andrew Wolstenholme
Audit Committee	<b>AUC MIN 160307</b>	Robert Jennings

**Verbal Updates of Recent Board Committee meetings****Audit Committee 13 June 2016**

The following matters had been covered by the Committee

- Annual Report and Accounts – Year ending 31 March 2016 and Report from the Auditors
- Internal Audit Report
- Audit and Assurance Update
- Risk Management Report
- Whistle Blower Update

**Health & Safety Committee 13 June 2016**

The following matters had been covered by the Committee:

- Period 2 Health and Safety Director's Report.
- Health and Safety 6 period look ahead
- C610 – Improvement Plan and Re-organisational Structure

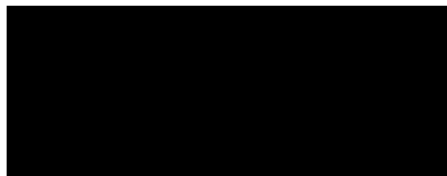
**Executive and Investment Committee 15 June 2016**

The following matters had been covered by the Committee:

- Testing and Commissioning Strategy
- Over-Site Development Update
- C695 Plumstead Maintenance Facility Investment Authority

	<ul style="list-style-type: none"> <li>• C435 Farringdon Settlement Agreement Investment Authority</li> <li>• Audited Financial Statements – Year ending 31 March 2016</li> <li>• Operational Readiness Stage One Update</li> <li>• 2015/16 Programme Partners and Project Delivery Partners KPI Performance</li> <li>• Art Programme Update</li> </ul> <p>The Board <b>NOTED</b> the reports from the Committees.</p>
<b>AOB</b>	<p>It was <b>NOTED</b> that it was Martin Buck's last Board meeting as he was leaving Crossrail at the end of June. The Board thanked Martin for his valuable contribution to the project and wished him well for the future.</p> <p>The Board <b>CONGRATULATED</b> Terry Morgan on his knighthood that had been announced in the Queen's birthday honours list.</p>
	<p><b>NED Only Session</b></p> <p>Non-executive Directors provided feedback on the day's meeting.</p> <p>Michael Cassidy reported on matters discussed and agreed by the Remuneration Committee on 23 May.</p>

Signed by:



Terry Morgan  
Non-executive Chairman

**Pre-meeting Board Briefing – Thursday 23 June 2016**

<b>Members:</b>	<b>In Attendance:</b>	<b>Apologies:</b>
Terry Morgan <i>Chairman</i>	Siv Bhamra <i>Systemwide Director</i> (Part of meeting)	Pam Alexander <i>Non-executive Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Martin Buck <i>Transition &amp; Strategy Director</i>	
Michael Cassidy <i>Non-executive Director</i>	Victoria Burnett <i>Head of Secretariat</i>	
Mathew Duncan <i>Finance Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	
Phil Gaffney <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Terry Hill <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</i>	
Robert Jennings <i>Non-executive Director</i>	Ian Lindsay <i>Land &amp; Property Director</i> (Part of Meeting)	
Simon Wright <i>Programme Director</i>	Will Parkes <i>External Affairs Director</i>	
	Howard Smith <i>Operations Director</i>	
	Valerie Todd <i>Talent and Resources Director</i>	

**1. Over-site Development Update**

Ian Lindsay presented an update on the Over-site Development and Urban Realm Programme. (A background briefing note had been circulated to the Board in advance of the meeting.)

The presentation provided an overview of progress to date and reminded the Board of the key objectives, which were to:

- meet CRL's obligation to Sponsors to optimise the commercial value that could be delivered from OSDs against the strategic target of £545m;
- aim to get the schemes delivered as soon as practicable and at least for those schemes which were most closely associated with the stations, to have external works completed where possible by Stage 3 opening; and
- continue to develop the collaborative approach to OSD and UR delivery within Team Crossrail to minimise the risks to the delivery of the railway and optimise the value from OSDs and the extent of UR improvement.

Will Parkes outlined the key messages that would inform the communications strategy in relation to the OSD.

The Board **NOTED** the presentation **REQUESTING** that the OSD issues presented be added to the agenda for a future Crossrail-TfL Periodic meeting.

**Action:** Lucy Findlay



**2. Testing and Commissioning Strategy**

Siv Bhamra provided a presentation that described the Testing and Commissioning Strategy, highlighted the key milestones to handover; looked at requirements for Stages 4 and 5, and explained the engagement process.

The Committee **NOTED** the presentation suggesting that the milestones be presented as one 'Gantt' chart for any future presentations of the Strategy.

**3. Board Away Day Actions**

Terry Morgan presented the notes and actions from the Board Away Day held on 26 May.