

CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
held on Thursday 06 November 2014 at 13.30
28th Floor Boardroom, 25 Canada Square, Canary Wharf, E14 5LQ**

Members:

In Attendance:

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| Terry Morgan (Chairman) <i>Chairman</i> | Martin Buck <i>Commercial Director</i> |
| Andrew Wolstenholme <i>Chief Executive</i> | Howard Smith <i>Operations Director</i> |
| David Allen <i>Finance Director</i> | Valerie Todd <i>Talent & Resources Director</i> |
| Michael Cassidy <i>Non-executive Director</i> | Will Parkes <i>External Affairs Director</i> |
| Phil Gaffney <i>Non-executive Director</i> | Mark Fell <i>Legal Services Director & Company Secretary</i> |
| Terry Hill <i>Non-executive Director</i> | Victoria Finney <i>Head of Secretariat</i> |
| Robert Jennings <i>Non-executive Director</i> | Lucy Findlay <i>Chief of Staff</i> |
| Jayne McGivern <i>Non-executive Director</i> | |
| Daniel Moylan <i>Non-executive Director</i> | <u>Apologies:</u> None |
| Simon Wright <i>Programme Director</i> | |

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

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| | The Chairman welcomed Board members and attendees, |
| BD MIN 091014 | Minutes of the Meeting of the Board held on 09 October 2014 The Board approved the minutes of the meeting held on 9 October 2014. |
| BD AC 061114 | Actions and Matters Arising The Board noted the updates provided on the outstanding actions. In relation to action 42/15, the Board discussed a Legal Report and agreed that it should be a standing item on the agenda in future. The Executive was to determine an appropriate threshold and level of detail for reporting disputes. Action: Mark Fell |

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| BD CBR 061114 | <p>Crossrail Board Report</p> <p>The Board considered the Crossrail Board Report for Period 7, noting that performance during the period had been stable.</p> <p><i>Are we safe?</i></p> <p>Overall safety performance had been maintained, with the RIDDOR AFR (including 3 day+ lost time cases) remaining at 0.20, achieving the corporate objective of 0.20 for a second successive period. HSPI had decreased slightly from 2.26 in Period 6 to 2.19, with 14 of the 16 contracts reporting registering HSPI scores of 2.00 or above.</p> <p>There had been nine incidents during Period 7, compared to ten in Period 6: one RIDDOR 7+ days lost time case, one 3+ days lost time case and 7 other lost time cases. The Board noted the range of activities that had taken place during the third Stepping Up week held in mid October, and the actions being taken to address the recent increase in the number of lifting-related incidents.</p> <p><i>Are we within funding?</i></p> <p>The Project remained within funding. The P50 AFCDC had increased slightly (£1m) to £11,705m, with the headroom to Intervention Point (IP) 0 now £35m compared to £33m in Period 6. The headroom to IP1 had also increased slightly, with the P80 AFCDC now £12m below IP 1, compared to £7m at the end of Period 6. The P50 AFCDC was sitting at £37m above EAC (Estimate at Completion) Low, and £260m below EAC High. The chance of drawing on some of TfL's contingency funding was estimated at approximately 20%.</p> <p>The cumulative SPI remained unchanged at 0.98, despite the Period SPI having improved to 1.19 from 1.02 in Period 6. The cumulative CPI was also stable at 0.95, while the period CPI had also improved from 0.96 in Period 6 to 1.06, continuing the recent periodic improvement but due in part to re-working of information reported by the C512 contractor. CPI was currently being negatively impacted, in particular, by performance on C512 Whitechapel Station, C405 Paddington Station and C435 Farringdon Station.</p> <p>Programme Change increased in the period by £3m, significantly down on recent periods. The extrapolation of contingency drawdown was indicating a projected surplus of £251m at 31 March 2019, an increase of £58m from Period 6.</p> <p>Direct costs in Period 7 were 15% (£16.6m) less than forecast in the Business Plan; while indirect costs were 7% (£1.3m) below the Business Plan. A review of the Business Plan to the end of the Programme was currently underway, with the conclusions of this work due to be presented to the Board at its meeting on 4 December 2014.</p> <p><i>Are we on time?</i></p> <p>At the end of Period 7, 58.5% of works were complete, against the early plan of 59.4% (a variance of 0.9%). Forecast completion of Stage 3 remained at December 2018.</p> <p>Tunnelling remained ahead of plan at a cumulative total of 37.1km. Victoria had started on her journey from Whitechapel to Farringdon and Elizabeth was in transit through Whitechapel station; depending on progress, it might become necessary to hold the TBMs at Liverpool Street. SCL remained behind schedule with 10.4km achieved against the plan of 12.5km. Although there were signs of improving SCL performance, only 0.5km SCL had been achieved in the period against the plan of 0.7km.</p> |
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The reception chamber and other works at Farringdon presented the greatest challenge to enable tunnelling to be completed by the end of Q1 2015. Work was continuing to develop a TBM removal plan to reduce the currently proposed duration, an activity which was on the critical path. These programme pressures would not, however, be permitted to compromise the safety issues presented by these works. Progress was being made to improve the progress of station design. Action plans had been put in place to address the issues which remained at three stations.

Surface works were now 31% complete, with both the Network Rail AFC and headroom to funding limit unchanged from the previous period (AFC at £2,012m and headroom at £173m). Key achievements included completion of Stage A3 track slew works and signalling commissioning on the South East Spur and completion of significant OLE structures and piling in the West. Since the end of the reporting period, the temporary station at Abbey Wood had opened two months early. Work was continuing with Network Rail to manage the risks around its implementation of ETCS on the Great Western; a submission to the Office of the Rail Regulator seeking approval of Plan B was due to be made in mid-November.

Continuing good progress on Rolling Stock was noted, with an improving position on the Depot Works. CTOC progress was continuing to plan, with mobilisation and engagement with stakeholders for Stage 0 continuing. The Board noted that funding had been secured from the Department for Transport to provide step-free access at the remaining three stations.

The Board was updated on discussions with Network Rail regarding its revised proposal for development at Paddington Bomb Gap. The Board supported the Executive's position that this was a matter for Network Rail to resolve but commented that CRL would inevitably be caught up in any public criticisms of a failure by NR to develop a suitable scheme. It was agreed that the Chief Executive should speak to Network Rail's Chief Executive (Mark Carne) about this matter and that a letter should also be sent to him, copied to the Department for Transport, setting out CRL's position.

Action: Andrew Wolstenholme

Good progress continued to be made in land and property matters in line with the construction programme.

Are we world class?

CRL had continued to exceed its targets for recycling and reuse of waste and excavated material. There had been three level 2 incidents during the Period, including a further incident recorded by Network Rail relating to works at Stoke Poges Bridge which had been undertaken without a section 61 noise consent. A presentation by the Systemwide main contractor, C610, on its plans for mitigating noise from operational equipment in the stations to the Environmental Health Officers Sub-Group had been well received.

The number of apprentices engaged on Crossrail was 379 at the end of Period 7, against the target of 363. The purpose of the Jobs Brokerage Service was discussed, and the impact of changes to the role of Job Centre Plus in ensuring the quality of candidates being referred to Crossrail noted. It was agreed that a plan should be developed to challenge this.

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| | <p>Action: Valerie Todd</p> <p>Ongoing activity to engage with suppliers was noted. The fourth round of supplier performance reviews had been undertaken and had seen an overall improvement in performance, indicating a strong commitment from the supply chain towards achieving value added and world class levels. It was agreed that names should be included in the results chart.</p> <p>Action: Martin Buck</p> <p>The Board was updated on progress against the diversity training KPI. 646 people (52% of staff) had undertaken the training between its launch in Period 4 and the end of Period 7. The Talent and Resources Director was asked to review the actions necessary to address the unsatisfactory performance against the KPI.</p> <p>Action: Valerie Todd</p> <p>CRL had also hosted a workshop with the Transport Systems Catapult to bring together people, organisations and resources to innovate at an industry level around Crossrail as a 'digital railway'. This work was now being taken forward.</p> <p>External affairs activity during the period had included a number of meetings and site visits; there had also been media coverage of the programme, including the unearthing of the remains of buildings built by Isambard Kingdom Brunel at Paddington. The Board was updated on the appointment of a new Shadow Transport Minister following a small reshuffle.</p> <p>The Board NOTED the report.</p> |
| 47/15 | <p>CRLB PAPER 27/15 – Project Representative Report</p> <p>The Board received the Project Representative's (PRep's) Project Status Report for Period 6.</p> <p>The Report had noted the excellent work by CRL and its contractors on safety in respect of reducing the AFR. In terms of funding, it had noted another large draw-down of £23m from contingency which had been offset by an increase of £90m relating to extension of the Network Rail interim funding agreement. PRep's own calculations indicated an increased risk that IP0 would be exceeded but that IP1 was unlikely to be breached. PRep had continued to highlight the need to close out aged Notified Compensation Events (NCEs) but noted that some of these were complicated and needed significant analysis to enable a Project Management Assessment (PMA) to be issued.</p> <p>Schedule issues at Moorgate, Farringdon and Systemwide had been addressed and PRep concluded that these no longer impacted the critical path to completion. However, in terms of station design, PRep had noted concern that nearly half of the gate reviews reported during the period had achieved conditional passes, and had warned that CRL must manage the gate review process effectively given the mini-gate approach adopted. PRep now had increased confidence that the anticipated final cost of the On-network works would be delivered well within the DfT Affordability Limit.</p> <p>The Chief Executive provided a verbal report on the draft Period 7 report which had</p> |

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| | <p>been received after the Board papers had been circulated. This had noted:</p> <ul style="list-style-type: none"> • commendable safety initiatives. • a reversal of the trend of cumulative delivery overspend of the last 6 months. • progress in reducing the overall value of open NCEs over the past 12 months, but some difficulties being experienced in recruiting additional contract admin. • deterioration in the SPI on Systemwide, and continuing delay in SCL. • continuing progress of work to manage risks around Network Rail's plans to implement ETCS on Great Western. • CRL was still awaiting Sponsors' responses to the commercial fibre affirmation. <p>The Board NOTED the report.</p> |
| 48/15 | <p>CRLB PAPER 28/15 – Draft Semi-Annual Construction Report (SACR)12</p> <p>The Board received the Semi-Annual Construction Report 12 and a presentation by the Chief Executive which set out the highlights of the report.</p> <p>The Board noted achievements during the period, including completion of the Connaught and Thames tunnels, the roof at Canary Wharf, TfL's award of the CTOC contract four months early, and completion of 30% of on-network works with over £170m headroom. The Health and Safety Performance Indicator had improved, and AFR and LTC decreased. The AFCDC was now £33m below IP0 at P50, compared to £76m below at SACR 11, and £7m below IP1 at P80. Considerable effort had been focused during SACR 12 on planning to increase confidence in the signalling systems, operations, handover, testing and commissioning and bringing the railway into use. However, the confidence level for completion in December 2018 had decreased slightly from 81% in SACR 11 to 77%, due largely to progress being behind schedule on station design and SCL.</p> <p>Looking forward to SACR13, the focus would continue on preparing for handover of work sites to Systemwide and CTOC readiness for Stage 0. Key challenges identified including recovering the impact of SCL delays at Bond Street and Tottenham Court Road, implementing the mitigation programme at Farringdon, and completing TBM tunnelling and associated works at stations.</p> <p>The Board discussed the areas where CRL would look to Sponsors for support during SACR13, noting the potential reputational risks around the extended Network Rail works at Easter 2015 which would need managing.</p> <p>The Board:</p> <ul style="list-style-type: none"> • APPROVED the SACR 12 for submission to the Sponsors subject to a number of small drafting amendments; • NOTED that the Financial Model which informed the forecast costs in SACR 12 had been updated in accordance with the requirements as defined in Schedule 7 ('Financial Model') of the Project Development Agreement; and • NOTED that the CRL Finance Director had approved the release of the updated Financial Model to the Sponsors; • NOTED the look ahead to SACR 13. |

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| 49/15 | <p>CRLB PAPER 29/15 – Crossrail’s 2015/16 Objectives and Performance Metrics</p> <p>The Board received a paper from Andrew Wolstenholme proposing a revised set of objectives and performance metrics that would be used to guide and calibrate CRL’s performance through the financial year 2015/16.</p> <p>The Board discussed the measures and agreed that these reflected its discussion at the meeting on 9 October 2014.</p> <p>The Board APPROVED the proposed objectives and Key Performance Indicators for 2015/16.</p> | | | | | | | | | |
| 50/15 | <p>CRLB PAPER 30/15 – Art Programme Update</p> <p>The Board received a paper from Will Parkes which provided an update on the art programme, including the status of sponsorship and selection of art work, and creation of the charitable art foundation.</p> <p>The Board congratulated the Art Programme Board on its achievements to date. The following points were suggested during the discussion:</p> <ul style="list-style-type: none"> • It might now be appropriate to seek sponsorship from the Crossrail supply chain. • The potential negative impact of loud public announcement systems on the environment created by the artwork. • The need to avoid any risk of the art installation causing delay to the works programme. • A presentation on progress should be made to the Sponsor Board. <p>The Board NOTED the paper.</p> | | | | | | | | | |
| 51/15 | <p>CRLB PAPER 31/15 – Changes to Board Committees</p> <p>The Board received a paper from the Chairman outlining changes to the Sustainability Committee, and changes to the membership of the Remuneration and Nominations Committees, to reflect recent changes to the membership of the Board and the conclusions of a review of the CRL internal governance structure.</p> <p>The Board APPROVED the following changes which would be reflected in the Committees’ terms of reference:</p> <ol style="list-style-type: none"> 1. Sustainability Committee: Would become a Sub-committee of the Executive and Investment Committee, rather than a Committee of the Board, and meet every 12 weeks, rather than every 8 weeks. 2. Remuneration Committee and Nominations Committee: The membership of these two Committees would be aligned and comprise: Michael Cassidy, Terry Hill, Jayne McGivern, Terry Morgan; Michael Cassidy would chair the Remuneration Committee, and Terry Hill the Nominations Committee. | | | | | | | | | |
| 52/15 | <p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p> <table border="0" data-bbox="300 1921 1396 2022"> <tr> <td>Executive and Investment Committee</td> <td>EIC MIN 011014</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td></td> <td>EIC MIN 061014</td> <td></td> </tr> <tr> <td>Health and Safety Committee</td> <td>HS MIN 290914</td> <td>Andrew Wolstenholme</td> </tr> </table> | Executive and Investment Committee | EIC MIN 011014 | Andrew Wolstenholme | | EIC MIN 061014 | | Health and Safety Committee | HS MIN 290914 | Andrew Wolstenholme |
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| Health and Safety Committee | HS MIN 290914 | Andrew Wolstenholme | | | | | | | | |

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| | <p>Audit Committee AUC MIN 090614 Robert Jennings</p> <p>Verbal Updates of Recent Board Committee meetings</p> <p>Executive and Investment Committee EIC 291014 Andrew Wolstenholme</p> <p>Health and Safety Committee HS 271014 Andrew Wolstenholme</p> |
| 46/15 | <p>AOB</p> <p>a) <u>Reappointment of Chairman.</u> The Chair of the Nominations Committee reported that the Sponsors had confirmed their approval of the appointment of the CRL Chairman being extended for a further three-year term from 31 May 2015. The letter received, which would be circulated to all NEDs for information, had outlined three specific areas for the Chairman's focus over the next three years, in addition to his existing roles and responsibilities, which the Chairman and Nominations Committee had been asked to accept. It was agreed that the Nominations Committee would consider these points in consultation with the Chairman and determine the response to the Sponsors.</p> <p>Action: Victoria Finney</p> <p>b) <u>Learning legacy.</u> Work had commenced to develop a strategy for CRL's learning legacy; an update would be scheduled for the Board in due course.</p> <p>Action: Martin Buck</p> <p>It was agreed that information on delegations and visits to Crossrail sites should be captured in the Board Report.</p> <p>Action: Will Parkes</p> <p>c) <u>Old Oak Common.</u> An update was provided on the status of potential developments at Old Oak Common, and CRL's position. A copy of a letter from the Department for Transport regarding a development proposal would be shared with Jayne McGivern and Daniel Moylan.</p> <p>Action: Andrew Wolstenholme</p> |

Signed by:

Terry Morgan
Non-executive Chairman



Pre-meeting Board Briefing – Thursday 6 November 2014

| <u>Members:</u> | <u>In Attendance:</u> | |
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| Terry Morgan (Chairman) <i>Chairman</i> | Martin Buck <i>Commercial Director</i> | Jeremy Bates (part of meeting) <i>Head of Integration</i> |
| Andrew Wolstenholme <i>Chief Executive</i> | Will Parkes <i>External Affairs Director</i> | Matt White (part of meeting) <i>Surface Director</i> |
| David Allen <i>Finance Director</i> | Howard Smith <i>Operations Director</i> | Bill Tucker (part of meeting) <i>Central Section Delivery Director</i> |
| Michael Cassidy <i>Non-executive Director</i> | Valerie Todd <i>Talent & Resources Director</i> | Mark Carne (part of meeting) <i>Chief Executive, Network Rail</i> |
| Phil Gaffney <i>Non-executive Director</i> | Mark Fell <i>Legal Services Director & Company Secretary</i> | Robbie Burns (part of meeting) <i>Major Programme Director, Network Rail</i> |
| Terry Hill <i>Non-executive Director</i> | Victoria Finney <i>Head of Secretariat</i> | |
| Robert Jennings <i>Non-executive Director</i> | Lucy Findlay <i>Chief of Staff</i> | |
| Jayne McGivern <i>Non-executive Director</i> | | |
| Daniel Moylan <i>Non-executive Director</i> | | |
| Simon Wright <i>Programme Director</i> | | |

1. Meeting with representatives of Network Rail

The Board received a presentation from Mark Carne, Chief Executive, and Robbie Burns, Major Programme Director, of Network Rail regarding the delivery of Network Rail's work for Crossrail.

The Board NOTED the presentation, including:

- Safety: Network Rail's commitment to safety and initiatives, and opportunity to share learning between the two organisations.
- ETCS level 2 implementation: NR's commitment to gaining ORR approval for Plan B for which a full application would be submitted in November.
- Resourcing: NR management of this risk.

2. Handover Strategy

The Board received a presentation from Jeremy Bates, Head of Integration, on the Handover Strategy.

The Board NOTED the presentation and AGREED that a further update would be provided in six months time on progress, including detail on responsibility for safety authorisation.

Action: Jeremy Bates

3. Rolling Stock Design

The Board received a presentation from Howard Smith, Operations Director, updating on progress with the design of the rolling stock, and how the TfL-commissioned design development by Barber Osgerby was nearly complete.

During the discussion, it was suggested that a design modification so that all seating was longitudinal would offer benefits in terms of passenger movement and capacity. Given that the existing mix of seating was in line with Sponsor requirements, it was agreed that a visualisation of the interior with all longitudinal seating should be circulated to the Board for it to take a view offline on whether to suggest a change to Sponsors. The need for prompt resolution of this in view of the need to finalise the Bombardier specification was recognised.

Action: Howard Smith

The Board NOTED the presentation.

4. Excavated Material

The Board received a presentation from Bill Tucker, Central Section Delivery Director, on the history of the disposal of excavated material from the project, and discussed the lessons learned.

The Board NOTED the presentation.

