



BD MIN 170525

CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 25 May 2017 at 13.00
28th Floor Boardroom, 25 Canada Square, Canary Wharf, London E14 5LQ**

| Members: | In Attendance: | Apologies: |
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| 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> | Will Parkes <i>External Affairs Director</i> | |
| Terry Hill <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> | |
| Mark Wild <i>Non-executive Director</i> | | |
| Andrew Wolstenholme <i>Chief Executive</i> | | |
| Simon Wright <i>Programme Director</i> | | |

The meeting was quorate.

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| | <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. There were no interests declared in relation to the business of the meeting.</p> <p>Informal Session of the Board 25 May 2017</p> <p>It was NOTED that, at an informal session of the Board held earlier in the day, Charlie Ball (Project Director ATC) and Chris Enoch (Project Manager Crossrail), had provided an update on C610's rail operations safety performance.</p> <p>Also, Will Parkes had presented the updated version of the External Affairs Communications Strategy. It had been NOTED that the Sponsors had been leading on a piece of work to look at the management and realisation of benefits for the Crossrail project and would be in a position to share the</p> |
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| | <p>outcomes with the Board at an informal session sometime during the next few months.</p> <p>The Board had REQUESTED that a briefing note on this piece of work be circulated to Board members.</p> <p>Action: Lucy Findlay</p> |
| BD MIN 170427 | <p>Minutes of the Meeting of the Board held on 27 April 2017</p> <p>The Board APPROVED the minutes of the meeting held on 27 April 2017 for signature.</p> |
| BD AC 170525 | <p>Actions and Matters Arising</p> <p>The Board NOTED the completed actions due.</p> <p>With respect to action 18.018 – Rolling stock Comfort and Accessibility, Howard Smith confirmed that the priority seating arrangements for the Elizabeth Line 345s would be similar to current underground lines in that the seats nearest the door, diagonally opposite each other, would be differentiated by a special moquette.</p> <p>Otherwise, there were no other actions due that were not closed or not covered by the agenda for the meeting.</p> |
| BD CBR 170525 | <p>Crossrail Board Report Period 1</p> <p>Andrew Wolstenholme introduced the Board Report for Period 1 highlighting that:</p> <ul style="list-style-type: none"> • A number of important key milestones had been achieved in the Period including the completion of the floating track slab from Farringdon to Liverpool Street and completion of the structural steelwork in the western ticket hall at Farringdon; • Network Rail had a productive Easter blockade completing 98% of their planned works; • The RIDDOR rate had remained at 0.08 for the project with the programme reporting no major injury this Period and the lost time case reduced to 0.19. The HSPI result had dipped slightly following the introduction of revised measures for 2017/18; • Further commercial pressures had been realised in the Period with £6m of additional cost being added to AFCDC. The net effect was that P50 AFCDC was now £216m in excess of IP1; • CRL had spent £9.8m above the 2017/18 Business Plan; • The Schedule QRA had been carried out and had showed an improvement in the confidence level relating to Stage 3 from 74% to 77%; • The programme was 84.1% complete against a revised plan of 87.6%. During the Period, the programme had delivered 1.1% against a plan of 1.3%. <p>Andrew Wolstenholme also ADVISED the Board that:</p> |

- Following the government having raised the threat level from terrorism from severe to critical, the Executive had reviewed its security response level in accordance with Crossrail procedures and with the advice of DfT and Metropolitan Police Service. It had been concluded that it was not necessary to change the security response level; and
- A meeting had taken place between Andrew Wolstenholme and the acting Director-General for the Rail Group at DfT to discuss the project including progressing items of scope that NR had said they could not progress without identification of further funds beyond the £2.3bn including for western stations and Ilford. In addition, Andrew Wolstenholme had met Mark Carne separately to discuss this.
(N.B. The Board went on to discuss this issue later in the meeting in relation to the SACR 17.)

Are We Safe?

It was **NOTED** that:

- Programme HSPI for the Period was 2.32 with 8 out of 13 contracts having achieved an HSPI score of 2.20 or above;
- There had been four significant incidents reported in the Period. They were: one utility strike incident; one high potential near miss; one train incident and one fire incident. Investigations had been held;
- Three contracts had recorded over 1 million hours worked without a lost time case; and
- Stepping Up Week events had been well attended.

Are We Within Funding?

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

- The AFCDC increase of £6m to £12,129m in the Period had been driven by increased cost for the procurement and installation of ticket gateline equipment at surface stations (£4.0m) [REDACTED]
- The overspend of £9.8m above the 2017/18 Business Plan was [REDACTED] offset by net underspends (£2.4m);
- Of the £462m QRA total, £107m was currently programme risk not allocated to projects; and
- The overall contingency budget of £294m was inadequate to cover the P50 risk exposure of £462m by £168m, which was a £16m improvement on P13.

Commercials Update

It was **NOTED** that the total gap between CRL's and its contractors' views of target decreased by [REDACTED] and the total forecast gap in defined cost had increased 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; C300/410 Tunnels West; C305 Tunnels East; C610 Systemwide; C828 Ilford Yard; C530 Woolwich; C620 Signalling; C660 Communications; and C360 Portals and Shafts.

Paul Grammer also provided an update on discussions with [REDACTED]

Network Rail

The estimated forecast final outturn cost (FFOC) of all scope using NR's current AFC remained at £2,492m. The FFOC exceeded the DfT intervention amount by £192m. CRL was continuing to support the actions of the DfT and NR to develop funding/financing options of benefit to all parties while delivering the full scope. A further assessment of remaining scope was ongoing by 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:

- At Bond Street the contractor was ahead of programme with the delivery of the master plan shaft. However, there was an emerging potential delay with the slip forming for the eastern ticket hall vent shaft, which needed to be resolved in order to maintain this schedule advantage. CSJV had confirmed that it could achieve the schedule in line with MOHS 2017;
- The first major track stage had been completed at Pudding Mill Lane. However, the overhead line equipment (OLE) schedule currently required mitigation to avoid impacting central section OLE short circuit testing and energisation. NR was exploring greater access opportunities and CRL Systemwide would be looking at options to phase the short circuit testing;
- The contractor at Woolwich had achieved nearly all planned works in the Period. The productivity of electricians remained critical with 81 now on site. The contractor was continuing its review of the Tier 2 working arrangements, seeking to drive efficiency. Following the arrival of a new Balfour Beatty project director, the CRL team had reported a marked improvement in the day-to-day running of the site; and
- Installation of modular screen doors had been completed at Bond Street with non-modular doors due to be completed in Period 2. Advance survey teams had been focussing on Paddington, Bond Street and Canary Wharf to maximise time for any remedial works without impacting installation programme. However, the schedule remained five weeks behind. Overall, the installation of platform screen doors remains critical but confidence was improving each week.

Operations

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| | <p>Howard Smith provided an update on key operations matters highlighting some of the issues relating to Stage One opening which was due to take place by the end of May and which was largely dependent on how quickly submissions of assurance documentation could be made by BT and subsequently approved by the ORR.</p> <p>It was NOTED that driver training had begun on units 345005 and 345006. Signalling integration remained the principal technical risk, including TCMS/ETCS v6, for Stage 2. BT had completed the first build of R6.0 ETCS/TCMS software. Although this was late, a revised plan has been issued. RfL was arranging for a review of the software development programme by external experts to validate the revised schedule. The completion of train software and its integration with ETCS in time for Stage 2 remained the single critical driver of schedule confidence in delivering Stage 2 on time, which, in the latest QSRA, was now shown to be 68%. Work continued to conclude the change at Old Oak Common necessitated by the second link to the Great Western Depot.</p> <p><i>Are we world class?</i></p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • The Chairman had met the Chair of the London Assembly Transport Committee, Caroline Pidgeon, for a project update; • The CEO had hosted the new Permanent Secretary of the DfT, Bernadette Kelly, and her senior team along with delegates from Transport Scotland, on a site visit to Bond Street; • Balfour Beatty's implementation of an incentive bonus at C512 Whitechapel continued to have low impact elsewhere. Other contractors had continued to keep their future MEP resourcing and reward under review; • Funding had been agreed by the Commercial and Change Sub Committee for Crossrail IT Transition; and • The Learning Legacy team had begun planning for the next tranche of content. <p>The Board NOTED the Board Report for Period 1.</p> |
| 07/18 | <p>CRLB 07/18 – Draft Semi-Annual Construction Report 17 (SACR17)</p> <p>Andrew Wolstenholme presented the SACR17 for review by the Board.</p> <p>The Board NOTED that:</p> <ol style="list-style-type: none"> 1. The SACR17 reported that the Current Control Budget (CCB) was now below the P50 AFCDC by £167m. Given the cost pressures experienced to date, together with the stage of delivery of the project, it was proposed that the CCB would now be increased by the £243m previously relinquished (as part of the 2013/14 business planning process) to £12,999m. This remained within the overall funding envelope. This increase would be processed upon approval of the SACR17 report; 2. The Financial Model which informed the forecast costs in SACR17 had |

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| | <p>been updated in accordance with the requirements as defined in Schedule 7 ('Financial Model') of the Crossrail Project Development Agreement (PDA); and</p> <p>3. The CRL Finance Director had approved the release of the updated Financial Model to the Sponsors.</p> <p>4. The SACR 17 had set out the latest position in respect of the ONW funding shortfall and the work that was ongoing between CRL and NR to identify £15-20m of work that might be de-scoped.</p> <p>The Board CONFIRMED its support for the view set out in the SACR 17 that CRL could not accept any option that would see the de-scoping or deferral of major items including the works at Ilford station. It was NOTED that there were a number of compelling reasons why the Ilford rebuild should not be deferred, including the following:</p> <ul style="list-style-type: none"> • Ilford is and will remain one of the busiest stations on the Stratford/Shenfield corridor • it would be by far the busiest station in London not to have step free access if the rebuild did not go ahead • the cost of the rebuild and the consequential disruption would both be substantially increased if it took place post the opening of Crossrail • it might still be feasible to complete the rebuild before Stage 5 if a funding decision is made shortly. <p>It was NOTED that Andrew Wolstenholme and Mark Carne were due to respond to an email sent to them in April by Bernadette Kelly, then the Director General, Rail Group, DfT, on the topic of ONW funding. The Board REQUESTED that the response should include a full explanation of CRL's position with regard to de-scoping as set out in the SACR 17, and for the correspondence to be circulated to the Board.</p> <p>Action: Andrew Wolstenholme</p> <p>The Board APPROVED the SACR17 for submission to the Crossrail Sponsors, subject to any non-substantive corrections being made as required.</p> |
| 08/18 | <p>CRLB 08/18 – Project Representative (PRep) Reports Periods 13 (2016/17) & 1 (2017/18)</p> <p>The PRep report for Period 13 had been included in the Board Pack and was taken as read.</p> <p>Andrew Wolstenholme outlined the issues that would be raised in the Period 1 Report. These related to: Health & Safety improvement; Finance and Cost; Schedule and Progress; Assurance, Handover Material; Rolling Stock and Depot; Stations; and other issues specific to each of the staged openings.</p> <p>The Board NOTED the PRep reports.</p> |

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| 09/18 | <p>CRLB 09/18 – Legal Report</p> <p>Mark Fell presented the Legal Report which was NOTED by the Board.</p> | | | | | | | | | | | | | |
| 10/18 | <p>CRLB 10/18 – 2016/17 Performance Measure – Objectives and targets (Corporate Scorecard) – Amendment to FDO Milestone</p> <p>The Board NOTED that, since the 2017/18 Corporate Objectives and Measures had been approved in April, the Executive had agreed to extend the timetable for the delivery of the FDO milestone “Final Design Overview’s Held (FDOs) thus changing the deadline from August 2017 to October 2017.</p> <p>This milestone, together with five others, underpinned 2017/18 Corporate Objective T2. The change was APPROVED by the Board.</p> | | | | | | | | | | | | | |
| | <p>Minutes of Board Committees for Reference The Board received the following minutes for reference:</p> <table border="1" data-bbox="371 669 1394 777"> <tr> <td data-bbox="371 669 858 736">Executive and Investment Committee</td> <td data-bbox="858 669 1099 736">EIC MIN 170419</td> <td data-bbox="1099 669 1394 736">Andrew Wolstenholme</td> </tr> <tr> <td data-bbox="371 736 858 777">Health and Safety Committee</td> <td data-bbox="858 736 1099 777">HS MIN 160418</td> <td data-bbox="1099 736 1394 777"></td> </tr> </table> <p>Verbal Updates of Recent Board Committee meetings</p> <table border="1" data-bbox="371 808 1394 1720"> <tr> <td data-bbox="371 808 858 1384"> <p>Executive and Investment Committee 17 May 2017 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> • SACR 17 • 2017/18 Corporate Objectives – amended FDO Milestone • External Affairs Communications Strategy • Handover Strategy and Plan (Revision 4) • PP and PDP KPI Performance and Incentive Payments </td> <td data-bbox="858 808 1099 1384"> <p>EIC MIN 170517</p> </td> <td data-bbox="1099 808 1394 1384"> <p>Andrew Wolstenholme</p> </td> </tr> <tr> <td data-bbox="371 1384 858 1720"> <p>Health and Safety Committee 15 May 2017 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> • Period 1 Health and Safety Report • Industry Partner Assurance Report </td> <td data-bbox="858 1384 1099 1720"> <p>HS MIN 170515</p> </td> <td data-bbox="1099 1384 1394 1720"></td> </tr> </table> | | Executive and Investment Committee | EIC MIN 170419 | Andrew Wolstenholme | Health and Safety Committee | HS MIN 160418 | | <p>Executive and Investment Committee 17 May 2017 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> • SACR 17 • 2017/18 Corporate Objectives – amended FDO Milestone • External Affairs Communications Strategy • Handover Strategy and Plan (Revision 4) • PP and PDP KPI Performance and Incentive Payments | <p>EIC MIN 170517</p> | <p>Andrew Wolstenholme</p> | <p>Health and Safety Committee 15 May 2017 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> • Period 1 Health and Safety Report • Industry Partner Assurance Report | <p>HS MIN 170515</p> | |
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| AOB | There was no other business. | | | | | | | | | | | | | |
| NEDs Only Session | <p>Non-executive Directors provided feedback on the day’s meeting.</p> <div style="background-color: black; width: 200px; height: 40px; margin-left: 100px;"></div> | | | | | | | | | | | | | |

Signed by:

Terry Morgan
Non-executive Chairman
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