

CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
held on Thursday 23 April 2015 at 13.00
28th Floor Boardroom, 25 Canada Square, Canary Wharf, E14 5LQ**

Members:	In Attendance:	Apologies:
Terry Morgan (Chairman) <i>Chairman</i>	Victoria Burnett <i>Head of Secretariat</i>	Martin Buck <i>Transition & Strategy Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Mark Fell <i>Legal Services Director & Company Secretary</i>	
David Allen <i>Finance Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Michael Cassidy <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Phil Gaffney <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Terry Hill <i>Non-executive Director</i>	Valerie Todd <i>Talent and Resources Director</i>	
Robert Jennings <i>Non-executive Director</i>		
Jayne McGivern <i>Non-executive Director</i>	Chris Green (03/16) <i>Chair, Operations and Systems Expert Panel</i>	
Daniel Moylan <i>Non-executive Director</i>		
Simon Wright <i>Programme Director</i>		

The meeting was quorate.

	<p>The Chairman welcomed Board members and attendees.</p> <p>The following interests were DECLARED: Jayne McGivern as a director of Skanska AB; and Terry Hill as Chair of the Arup Foundation and Trustee of the Arup Group Trusts.</p> <p>Terry Morgan informed the Board that, in view of his chairmanship of Ricardo plc, he had formally notified the Company Secretary and both Sponsors of the recent acquisition by Ricardo of Lloyd's Register Rail, who are appointed by CRL to act as the Notified Body and Designated Body under the Interoperability Regulations. He had received advice that this did not present a significant conflict of interest</p>
BD MIN 260315	<p>Minutes of the Meeting of the Board held on 26 March 2015</p> <p>The Board APPROVED the minutes of the meeting held on 26 March 2015 for signature.</p>

BD AC 230415	<p>Actions and Matters Arising</p> <p>The Board NOTED the updates provided against the outstanding actions as presented in the report.</p> <p>70/15 – Yellow Plant</p> <p>Following a discussion by the Board at the March meeting, a draft letter to the Sponsors in relation to the funding of Yellow Plant had been included in the Board pack. The Board APPROVED the wording of the letter SUBJECT TO an amendment being made to the last paragraph.</p>
BD CBR 230415	<p>Crossrail Board Report Period 13</p> <p>The Board reviewed the Crossrail Board Report for Period 13, noting that for the first time since major construction had started there had been no lost-time injuries reported.</p> <p>The Board noted that the cumulative Cost Performance Indicator (CPI) remained at 0.94, with in-Period 13 CPI decreasing to 0.71 compared to 1.00 in Period 12. The Board asked if CPI might be presented through an additional metric, perhaps on a 12 month rolling basis, so that it would be possible to measure more effectively progress month on month and any trends. It was noted that the P-Rep had asked for CPI to be revisited from the start of the Master Operational Handover Schedule (MOHS), it was AGREED that the merits of a new baseline would be reviewed as the 'Civils' stage draws to a close.</p> <p>Action: David Allen</p> <p>Andrew Wolstenholme highlighted the key performance results as follows:</p> <ul style="list-style-type: none"> • The project was 63.6% complete at the end of Period 13 against a planned completion rate of 64.9%; • At the end of Period 13, 41.8 km (98%) of tunnelling had been completed with 704m covered in the period; • 12.8 km of Sprayed Concrete Lining (SCL) had been installed versus a plan of 13.9km, with 0.4km covered in the period against a plan of 0.3 km; • £7.2bn had been spent on the project so far, with £148.6m spent in Period 13. Spending for the year ending 31 March 2015 was 13% less than the business plan at £1,475m; and • HSPI and RIDDOR rates were 2.35 and 0.18 respectively. <p><i>Are we safe?</i></p> <p>In addition to the achievement of a period of zero lost-time incidents in Period 13, the Board noted that Accident Frequency Rates (AFR) had improved in comparison to the same period last year and the corporate objective of a 40% reduction for RIDDOR AFR had been exceeded while the target for reduction in Lost Time Case AFR during the year had been narrowly missed. The Board extended its congratulations to the Executive and Delivery teams and commented that the challenge would now be to maintain that level of safety performance.</p> <p>Andrew Wolstenholme also brought the Board's attention to the 'Stepping Up' week campaign which would be launched on 27 April together with a promotion of the new 'Golden Rules'.</p>

It was **AGREED** that Steve Hails would be invited to the Informal Part of the Board meeting in May to present the 'Golden Rules' video.

Action: Secretariat

It was also **AGREED** that the Chairman would review the coverage of sites by non-executive directors.

Action: Terry Morgan

Are we within funding?

The project remained within funding. Following the quarterly quantitative risk analysis undertaken during Period 13, the headroom to Intervention Point 0 (IP0) at P50 was £14m and the P80 Anticipated Final Cost CRL Direct Costs (AFCDC) of £11,929m was £24m below IP1.

David Allen reported that results for the year were subject to audit, but performance against budget for the year was positive with Crossrail spending £213m less than planned – despite spending in Period 13 exceeding plan by £19m.

357 new Notified Compensation Events (NCEs) were raised in the Period taking the number of open NCEs to 1,113. David Allen explained that a very tight recruitment market, especially for contract administrators and planners, was a key challenge and the Executive had now formulated a plan to speed up the rate of recruitment.

Are we on time?

Simon Wright presented an overview of progress and challenges across the programme highlighting contract C620 and the lack of information forthcoming from Siemens and Network Rail (NR). Simon also noted the current challenges relating to Woolwich, Whitechapel, booking of the test track at Melton and signalling on the Western route including beyond airport junction. The programme challenge at Whitechapel had been assisted by TfL's agreement to a nine day blockade during the summer.

The Board noted that four contracts accounted for a significant proportion of the cost variance and **REQUESTED** a more detailed briefing on the commercial positions under those contracts.

Action: David Allen

(Jane McGivern left the meeting while the CSJV contracts at Paddington and Bond Street were under discussion.)

Howard Smith updated on positive progress on the rolling stock and depot contract as well as MTR Crossrail. He highlighted a concern around access to the depot throat and ongoing discussions with First Great Western.

Are we world class?

Valerie Todd informed the Board that a communications plan was in place to handle the potential industrial relations issues arising from the dismissal of an electrician at Bond Street. A conciliation process is currently underway through ACAS.

Will Parkes reported that the external affairs agenda remained busy.

	<p>The Board NOTED the report and REQUESTED that Ilford be included in Simon Wright's presentation for the next meeting.</p> <p>Action: Simon Wright</p>
01/16	<p>CRLB 01/16 – Project Representative (P-Rep) Report Period 12</p> <p>The Board received the Project Representative's Project Status Report for Period 12.</p> <p>The Board AGREED to re-instate the quarterly meetings between the Chair of the Audit Committee and the Project Representative.</p> <p>Action: Secretariat</p> <p>Andrew Wolstenholme provided a verbal update on the expected contents of P-Rep's Period 13 report including that:</p> <ul style="list-style-type: none"> • there had been a significant increase in overspend/cost variance due to cost overruns of around £34m but that the downward trend for cumulative CPI continued and that an overall underspend against forecast was expected at the end of Period 13; • £49m had been approved during SACR 13 by the Commercial and Change Committee for changes needed to maintain the schedule; • there was continuing pressure on recruitment of contract administration staff but that plans had been put in place to address this; • because of signalling issues, there would be a delay in completing C620, (now expected in December 2015); and that • 18 May is the latest date by which agreement between Bombardier Transportation and Network Rail must be reached for use of the test track. <p>The Board NOTED the Period 12 report.</p>
02/16	<p>CRLB 02/16 – Legal Report</p> <p>The Board received the Legal Report which updated the Board on legal matters.</p> <p>The Board NOTED the report.</p>
03/16	<p>CRLB 03/16 – Operations and Systems Expert Panel Update</p> <p>Chris Green, Chair of the Operations and Systems Expert Panel presented the Panel's Report on Stage One Readiness covering: Train Readiness; Depot Readiness; Driver Readiness; Station Readiness; Infrastructure Readiness; and Regulatory Agreement Readiness. The Expert Panel's view was that there were a number of challenges to navigate but that the delivery timetable was achievable.</p> <p>The Board NOTED the report and accepted the following recommendations:</p> <ul style="list-style-type: none"> • A formal agreement and programme needs to be in place with NR to ensure that full compliance testing can take place at Old Dalby test track • To mitigate against the risk that such an agreement cannot be reached with NR, CRL should develop contingency arrangements to use the Velim test track in the Czech Republic. • The CRL project team should consider seeking assistance from the DfT to help resolve the outstanding issues at Ilford and provide monthly progress reports against achievement of the November 2016 completion date.

	<ul style="list-style-type: none"> • Formal agreements with NR should be put in place on the detailed method of working for Driver Only Operation (DOO) at all stations (including degraded mode) and the precise gauging for each platform face. • The numerous station contracts should be managed to ensure that work streams are coordinated and possessions are minimised. • The eight complex Regulatory Agreements needed for May 2017 should be coordinated through a joint project process involving all parties. <p>The Board REQUESTED that consideration be given to whether it would be appropriate to allocate a manager to take specific responsibility to oversee Stage One Readiness.</p> <p>Action: Andrew Wolstenholme</p> <p>The Board also REQUESTED that the formal 24 months notice to the Sponsors of the date for Stage One services commencement be approved by the Board prior to submission to Sponsors.</p> <p>Action: Howard Smith</p>												
04/16	<p>CRLB 04/16 – Review of Performance Against 2014/15 KPIs</p> <p>The Board received a paper on the Review of Performance Against 2014/15 KPIs.</p> <p>The Board NOTED the individual performance ratings and APPROVED the primary metric score of 87% as an appropriate reflection of the organisation's performance in the year. The Board NOTED that the Remuneration Committee had the power to exercise discretion when considering the safety performance score as a guideline for determining overall performance and bonus payments.</p>												
05/16	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p> <table data-bbox="311 1317 1412 1417"> <tr> <td>Executive and Investment Committee</td> <td>EIC MIN 180315 EIC MIN 230315</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health and Safety Committee</td> <td>HS MIN 160315</td> <td>Andrew Wolstenholme</td> </tr> </table> <p>Verbal Updates of Recent Board Committee meetings</p> <table data-bbox="311 1534 1412 1612"> <tr> <td>Executive and Investment Committee</td> <td>15 April 2015</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health and Safety Committee</td> <td>20 April 2015</td> <td>Andrew Wolstenholme</td> </tr> </table>	Executive and Investment Committee	EIC MIN 180315 EIC MIN 230315	Andrew Wolstenholme	Health and Safety Committee	HS MIN 160315	Andrew Wolstenholme	Executive and Investment Committee	15 April 2015	Andrew Wolstenholme	Health and Safety Committee	20 April 2015	Andrew Wolstenholme
Executive and Investment Committee	EIC MIN 180315 EIC MIN 230315	Andrew Wolstenholme											
Health and Safety Committee	HS MIN 160315	Andrew Wolstenholme											
Executive and Investment Committee	15 April 2015	Andrew Wolstenholme											
Health and Safety Committee	20 April 2015	Andrew Wolstenholme											
06/16	<p>AOB</p> <p>Will Parkes reported that Henderson UK had given a verbal agreement to provide £0.5m funding for the Art Programme at Farringdon.</p> <p>The issue of graphical 'wayfinding' had been discussed at an Executive Committee meeting and it was decided that further work needed to be undertaken prior to briefing the Board.</p>												

Signed by:



Terry Morgan
Non-executive Chairman

Pre-meeting Board Briefing – Thursday 23 April 2015**Members:****In Attendance:****Apologies:**

Terry Morgan (Chairman) <i>Chairman</i>	Victoria Burnett <i>Head of Secretariat</i>	Martin Buck <i>Transition and Strategy Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Mark Fell <i>Legal Services Director & Company Secretary</i>	
David Allen <i>Finance Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Michael Cassidy <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Phil Gaffney <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Terry Hill <i>Non-executive Director</i>	Valerie Todd <i>Talent and Resources Director</i>	
Robert Jennings <i>Non-executive Director</i>		
Jayne McGivern <i>Non-executive Director</i>	Rob Halstead <i>Head of Risk (Part of meeting)</i>	
Daniel Moylan <i>Non-executive Director</i>		
Simon Wright <i>Programme Director</i>		

1. Quantitative Risk Analysis

The Board received a presentation from Rob Halstead outlining the methodology and results of the quarterly Quantitative Risk Analysis (QRA) including: performance for key risks; SACR13 analysis; and MOHS Quantitative Schedule Risk Analysis (QSRA).

Since the last quarter, a number of risks had been reduced including those remodelled following receipt of revised SONIA interest rates. At Period 12, P80 forecasts had showed Crossrail in breach of IP1. At Period 13 (the close of the SACR 13 period), AFCDC P50 was £14m under IP0.

The Board accepted the results of the analysis, noting that the P-Rep was supportive of the modelling process. However, the Board cautioned against complacency and using the profile as a base point to plot any progression of future risk profiles, noting that any less likely but high impact event that might occur during the next few years would have a significant effect.

The Board **NOTED** the presentation.

2. Big Dig Update

Valerie Todd provided a presentation on the high level results of the most recent 'Big Dig', staff satisfaction survey. Overall the results were very positive with employee engagement at 74%; Satisfaction with working on Crossrail at 83%; Employee motivation at 88%; Satisfaction with Crossrail as a whole at 88%; and Employee loyalty at 92%. Valerie outlined a number of 'next steps' that involved discussions across the organisation to gain a better understanding of reasons behind the results to inform a follow-up action plan.

The Board **NOTED** the presentation.

