

## CROSSRAIL BOARD

Minutes of the Meeting of the Board of Directors of Crossrail Limited  
held on Thursday 21 May 2015 at 13.30  
28th Floor Boardroom, 25 Canada Square, Canary Wharf, E14 5LQ

<b>Members:</b>	<b>In Attendance:</b>	<b>Apologies:</b>
Terry Morgan (Chairman) <i>Chairman</i>	Martin Buck <i>Transition &amp; Strategy Director</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Victoria Burnett <i>Head of Secretariat</i>	
David Allen <i>Finance Director</i>	Mark Fell <i>Legal Services Director &amp; Company Secretary</i>	
Michael Cassidy <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</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>	
Jayne McGivern <i>Non-executive Director</i>		
Daniel Moylan <i>Non-executive Director</i>	<b><u>Observers from The Emerging Leadership Programme:</u></b>	
Simon Wright <i>Programme Director</i>	David Belson <i>Field Engineer</i>	
	Deependra Malla <i>Lead Contract Administrator</i>	

The meeting was quorate.

	The Chairman welcomed Board members and attendees.  The following interests were <b>DECLARED</b> : Jayne McGivern as a director of Skanska AB; and Terry Hill as Chair of the Arup Foundation and Trustee of the Arup Group Trusts.
<b>BD MIN 150423</b>	<b>Minutes of the Meeting of the Board held on 23 April 2015</b>  The Board <b>APPROVED</b> the minutes of the meeting held on 23 April 2015 for signature.
<b>BD AC 150521</b>	<b>Actions and Matters Arising</b>  The Board <b>NOTED</b> the action sheet.

	<p>08/16 – Terry Morgan confirmed that all Non-executive Directors had been allocated with sites and contracts as follows:</p> <table border="1" data-bbox="303 230 1401 981"> <tr> <td data-bbox="311 230 992 331">C405 – Paddington Station main works, fit out C610 – Systemwide Main Works</td> <td data-bbox="992 230 1401 331"><b>Terry Hill</b></td> </tr> <tr> <td data-bbox="311 331 992 465">C412 – Bond Street Station Main works, fit out C620/C660 – Signalling Systems/Communications and control systems – Siemens</td> <td data-bbox="992 331 1401 465"><b>Phil Gaffney</b></td> </tr> <tr> <td data-bbox="311 465 992 566">C422 – Tottenham Court Road main station works C350 – Pudding Mill Lane portal civil works</td> <td data-bbox="992 465 1401 566"><b>Jayne McGivern</b></td> </tr> <tr> <td data-bbox="311 566 992 674">C435 – Farringdon Station, main station works and grout shaft</td> <td data-bbox="992 566 1401 674"><b>Michael Cassidy</b></td> </tr> <tr> <td data-bbox="311 674 992 775">C502 – Liverpool Street Station main station works C828 – Ilford Yard</td> <td data-bbox="992 674 1401 775"><b>Robert Jennings</b></td> </tr> <tr> <td data-bbox="311 775 992 842">C512 – Whitechapel Station main station works</td> <td data-bbox="992 775 1401 842"><b>Daniel Moylan</b></td> </tr> <tr> <td data-bbox="311 842 992 981">C530 – Woolwich Station / Plumstead &amp; North Woolwich Portal C520 – Custom House Station main station works C340 – Victoria Dock Portal</td> <td data-bbox="992 842 1401 981"><b>Terry Morgan</b></td> </tr> </table> <p>There were no other actions that had not been completed or covered by this or future agendas.</p>	C405 – Paddington Station main works, fit out C610 – Systemwide Main Works	<b>Terry Hill</b>	C412 – Bond Street Station Main works, fit out C620/C660 – Signalling Systems/Communications and control systems – Siemens	<b>Phil Gaffney</b>	C422 – Tottenham Court Road main station works C350 – Pudding Mill Lane portal civil works	<b>Jayne McGivern</b>	C435 – Farringdon Station, main station works and grout shaft	<b>Michael Cassidy</b>	C502 – Liverpool Street Station main station works C828 – Ilford Yard	<b>Robert Jennings</b>	C512 – Whitechapel Station main station works	<b>Daniel Moylan</b>	C530 – Woolwich Station / Plumstead & North Woolwich Portal C520 – Custom House Station main station works C340 – Victoria Dock Portal	<b>Terry Morgan</b>
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<p><b>BD CBR 150521</b></p>	<p><b>Crossrail Board Report Period 1</b></p> <p>Andrew Wolstenholme introduced the Period 1 Board Report, highlighting the fact that some changes had been made to its format since the last Report to reflect the Master Operational Handover Schedule (MOHS), the transition from Civils to railway systems and the sector-based organisation structure implemented on 1 April. New metrics had been introduced to cover 1<sup>st</sup> Stage Concrete, Track and Platforms. Further changes would be made over time as the project moved through different phases of work.</p> <p><i>Are we safe?</i></p> <p>The Board noted that safety performance in Period 1 had improved with the RIDDOR Accident Frequency Rate (AFR) reduced to 0.17. There were two Lost Time Injuries including one RIDDOR Lost Time injury. Following a revision of the Health and Safety Performance Index (HSPI) scoring methodology, Programme HSPI had reduced, as anticipated, to 1.96 with half of the 20 contracts achieving an HSPI score of 2.00 or above.</p> <p><i>Are we within funding? Are we on time?</i></p> <p>Simon Wright and David Allen delivered a joint presentation providing a progress report on delivery together with an overview of cost and commercial performance. The senior executives of most of the Tier 1 contractors had signed up to the principle of meeting the MOHS dates as a statement of intent. Separate negotiations with contractors would follow to establish contractual commitments based on 'bottom up' cost assessments.</p>														

(Jayne McGivern left the meeting while the CSJV contracts for Paddington and Bond Street and the interfacing BFK C300/410 contract were under discussion.)

Further to the request of the Board at the meeting in April, David Allen provided more detailed information on the five contracts, [REDACTED]

[REDACTED]), that accounted for 75% of the total adverse cost variance. Outstanding compensation events accounted for a significant proportion of the adverse variance and efforts were being made to get these agreed or assessed as soon as possible. Other factors were insufficient tender allowances for prelims (staff, facilities and equipment) and poor performance. A programme of 'catch up' meetings with key contractors was in place to look at ways to address performance.

The Board considered the cost and target variances at each of these five contracts, the commercial positioning of each contractor, the changes at senior management level which had been required at Whitechapel and the approach being taken by the Executive to manage the commercial and programme challenge.

The Board noted that:

- At the end of the Period the programme was 64.4% complete compared to a plan of 65.7%, with 0.8% completed in Period 1 which was exactly on target;
- To date 13.2km of Sprayed Concrete Lining had been installed versus a plan of 13.9km, with the targeted 0.3km completed in Period 1;
- The cumulative Cost Performance Indicator (CPI) remained at 0.94 with Period CPI increasing to 1.07 (0.71 in Period 13);
- In Period, CRL spent £15m (12%) less than planned in the 2015/16 business plan;
- The Project remained within funding. At the end of Period 1, Intervention Point (IP) 0 headroom reduced to £7m while the P80 Anticipated Final Cost CRL Direct Costs (AFCDC) of £11,935m was now £17m below IP1 - meaning that there remained about a 20% chance of drawing on TfL's contingency funding.

*Are we world class?*

The Board noted that:

- Noise and neighbours week was planned for the week beginning 1 June;
- Notices of Defective Quality Management Systems had been issued to Laing O'Rourke at C502 Liverpool Street and C530 Balfour Beatty at Woolwich. An update of the top 50 Crossrail Management plans and Strategies had been completed;
- External Affairs activity in the Period had included media visits to Crossrail's archaeology excavation at Broadgate.
- Progress was being made to evaluate options for dealing with the CRL Pension legacy and it was anticipated that a paper would be presented to the Board in September.

**07/16 CRLB 05/16 – Project Representative Report Period 13**

The Board received the Project Representative's (P-Rep) Project Status Report for Period 13. The draft Period 1 PRep report had not yet been received.

The Board **NOTED** the Period 13 report.

08/16	<p><b>CRLB 06/16 – Legal Report</b></p> <p>The Board received the Legal Report which updated the Board on legal matters.</p> <p>The Board <b>NOTED</b> the report.</p>															
09/16	<p><b>CRLB 07/16 – SACR Report Period 13</b></p> <p>The Board <b>REVIEWED</b> the draft Period 13 SACR Report <b>NOTING</b> that some changes had been made to its format as requested by the Sponsors and that the Financial Model, which had informed the forecast costs in SACR 13, had been updated in accordance with the requirements of the Project Development Agreement.</p> <p>The Board received a presentation from Andrew Wolstenholme which took them through the detail of the report. The Board requested that further information be provided to them and Included In the report on the costs associated with executing the MOHS ( ), the cost of not doing so ( ) and the overall 'value for money' rationale. It was <b>AGREED</b> that a special Board meeting should be scheduled as soon as possible to review that further information before the SACR could be approved for submission to the Sponsors.</p> <p><b>Action:</b> Secretariat</p>															
10/16	<p><b>CRLB 08/16 – Notification to Sponsors regarding Stage One</b></p> <p>Howard Smith presented a paper that provided an update on preparations for Stage One together with a draft letter to the Joint Sponsor Team to provide 24 months notice of the intention to commence Stage One on 21 May 2017.</p> <p>The Board <b>APPROVED</b> the submission of the letter to the Joint Sponsor Team.</p> <p>Andrew Wolstenholme was asked to check whether the Sponsors wished to pursue the Project Delivery Agreement requirement to provide 24 months' notice of commencement of each Stage and, if so, the rationale behind it.</p> <p><b>Action:</b> Andrew Wolstenholme</p>															
11/16	<p><b>Minutes of Board Committees for Reference</b></p> <p>The Board received the following minutes for reference:</p> <table data-bbox="308 1518 1418 1653"> <tr> <td>Executive and Investment Committee</td> <td>EIC MIN 150415</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health and Safety Committee</td> <td>HS MIN 150420</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Nominations Committee</td> <td>NOM MIN 150423</td> <td>Terry Hill</td> </tr> </table> <p><b>Verbal Updates of Recent Board Committee meetings</b></p> <table data-bbox="308 1765 1418 1854"> <tr> <td>Executive and Investment Committee</td> <td>14 May 2015</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health and Safety Committee</td> <td>18 May 2015</td> <td>Andrew Wolstenholme</td> </tr> </table>	Executive and Investment Committee	EIC MIN 150415	Andrew Wolstenholme	Health and Safety Committee	HS MIN 150420	Andrew Wolstenholme	Nominations Committee	NOM MIN 150423	Terry Hill	Executive and Investment Committee	14 May 2015	Andrew Wolstenholme	Health and Safety Committee	18 May 2015	Andrew Wolstenholme
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12/16	<p><b>AOB</b></p> <p><b><u>Yellow Plant</u></b></p> <p>Andrew Wolstenholme said that, CRL had written to the Joint Sponsor Team in April</p>															

to record its position with regard to yellow plant and to put forward a suggestion for dealing with the handling of the financial consequences of its procurement by CRL. The Joint Sponsor Team had since replied to CRL's letter stating that they did not intend to reconsider their position or adopt CRL's suggestion and reminding CRL of the Sponsors' previous commitment regarding the application of the Intervention Point mechanism.

It was **AGREED** that no further action should be taken.

**August Board meetings**

It was **AGREED** that the Board meeting scheduled for 13 August should be cancelled and that, in future, it was not necessary to schedule Board meetings in August. Any urgent matters could be dealt with by the Board as and when they occurred.

**Action:** Secretariat

**Re-appointment of Michael Cassidy as Non-executive Director**

It was **AGREED** that, subject to approval by the Sponsors, Michael Cassidy be re-appointed for a further two year term as a Non-executive Director from 1 August 2015.

Signed by:

**Terry Morgan**  
**Non-executive Chairman**

**Pre-meeting Board Briefing – Thursday 21 May 2015****Members:****In Attendance:****Apologies:**

Terry Morgan (Chairman) <i>Chairman</i>	Siv Bhamra (Part of meeting) <i>Rail Systems &amp; Commissioning Director</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Martin Buck <i>Transition and Strategy Director</i>	
David Allen <i>Finance Director</i>	Victoria Burnett <i>Head of Secretariat</i>	
Michael Cassidy <i>Non-executive Director</i>	Jay Carver (Part of meeting) <i>Archaeology Specialist</i>	
Phil Gaffney <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director &amp; Company Secretary</i>	
Terry Hill <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Robert Jennings <i>Non-executive Director</i>	Steve Hails (Part of meeting) <i>Health and Safety Director</i>	
Jayne McGivern <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Daniel Moylan <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>	
	Matthew White (Part of meeting) <i>Surface Director</i>	

**1. Archaeological works at Liverpool Street**

The Board received a presentation from Jay Carver who provided an update on recent archaeological activities.

The Liverpool Street site and discoveries made there, including the Bethlem burial ground and Roman remains, had been the subject of a great deal of interest by the media, public and employees of the Crossrail family. A number of publications were due to be released about the archaeological discoveries and sponsors were being sought to help fund the learning legacy of the archaeology project.

The Board **NOTED** the presentation and asked to be provided with copies of any forthcoming books about the archaeology project.

**Action:** Jay Carver

**2. Signalling on the Great Western; six month review**

(Siv Bhamra and Matthew White attended the meeting for this item)

Simon Wright and Jeremy Bates presented an update on progress with Great Western signalling that included: progress since October 2014; the timeline for critical decision points; Plan A (ETCS) confidence level; the impact of a national ETCS strategy review on Crossrail Stage 5;

progress on Plan B, including cost sharing with Network Rail; the OOR consultation process and an overview of decisions required to continue with Plan B; a timeframe for review by the Board and Sponsors; and an update on the Melton Test Track.

The Board **NOTED** the presentation and that the Sponsors had been appraised of all aspects of the approach to planning.

### 3. Golden Rules

Steve Hails presented a video that set out and explained the revised Golden Rules. These had been developed in consultation with contractors via SHELTA, (the Managing Directors' health and safety forum).

The Board **ASKED** Steve Hails to provide a presentation on the work being carried out on Health and Wellbeing at a future meeting of the Board.

**Action:** Steve Hails

### 4. General Election Update

Will Parkes provided a brief verbal update on the General Election outcome and the key appointments announced since then. It was **NOTED** that Boris Johnson and David Cameron, among others, would be invited to 'End of Tunnelling' events during the first week of June.

