

**CROSSRAIL BOARD**

**Minutes of the Meeting of the Board of Directors of Crossrail Limited  
held on Thursday 25 April at 13.30 at the  
28<sup>th</sup> Floor, 25 Canada Square, Canary Wharf, E14 5LQ**

<u>Members:</u>	<u>In Attendance:</u>	<u>Apologies:</u>
Terry Morgan (Chairman) <i>Chairman</i>	Martin Buck <i>Commercial Director</i>	Louise Brooker-Carey <i>External Relations Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Mark Fell <i>Legal Services Director &amp; Company Secretary</i>	
David Allen <i>Finance Director</i>	Niamh O'Sullivan <i>Head of Secretariat</i>	
Ian Brown <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Michael Cassidy <i>Non-executive Director</i>	Valerie Todd <i>Talent &amp; Resources Director</i>	
Phil Gaffney <i>Non-executive Director</i>		
Terry Hill <i>Non-executive Director</i>		
Andy Mitchell <i>Programme Director</i>		
Robert Jennings <i>Non-executive Director</i>		
Heather Rabbatts <i>Non-executive Director</i>		

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

<b>001/14</b>	The Chairman welcomed all members and attendees.
<b>002/14</b>	<b>Minutes of the Meeting of the Board held on 25 April 2013.</b>  The Chairman signed the minutes of the meeting as a correct record.
<b>003/14</b>	<b>Actions and Matters Arising</b>  Action 64/13 – The Board noted that the target date for issue of the revised invitation to negotiate (ITN) for the Rolling Stock and Depot project was 29 April. A bid period of 3 months had been proposed but the procurement team would have to act reasonably if any requests for an extension of the time were received from bidders. The aim was to receive clear bids with no qualifications. The industrial design component had been made more prominent in the ITN and the evaluation and negotiation process had been made more resilient. In particular there would be no down selection of bidders before the final award decision.

	<p>Action: 66/13 – The Board noted that the successful contractor on the C610 – Systemwide Main Works - had agreed to recruit a key person for the contract in line with CRL requirements.</p> <p>Action: 68/13 – The Board noted that a proposal regarding the appropriate source of funding for the Crossrail maintenance facility at Plumstead was still under discussion. The Board requested that it should be made clear to Sponsors that CRL had not been funded to purchase Yellow Plant, which should be procured by the infrastructure manager (for example on a leased basis).</p>
004/14	<p><b>Crossrail Board Report</b></p> <p>The Board noted that the Health and Safety Performance Index had increased in Period 13 to 1.75 compared to a score of 1.73 in Period 12. The All Crossrail (including Industry Partners) RIDDOR Accident Frequency Rate (AFR) for Period 13 had increased to 0.31 compared to 0.29 in Period 12. The Lost Time Case AFR for Period 13 had increased to 0.70 compared to 0.64 in Period 12. There had been 2 RIDDOR reportable accidents in the Period – an operative had fractured a foot on site and another had fallen down stairs at an office location. The Board noted that Contract C411 (Bond Street) had completed 1 million job hours without a reportable incident and Contract C350 (Pudding Mill Lane) had achieved 555 days without a Lost Time Case.</p> <p>The actual progress of work in the central section at the end of Period 13 was 36% complete against a planned figure of 37.8%. Overall earned value was £124m behind plan. Both these measures showed an improvement on the position reported in Period 12. CRL had revised the schedule status to minus 9 weeks (a 1 week improvement on the Period 12 position) against the Review Point 4.2 baseline agreed in April 2011. Overall the Executive's view was that it had been a very good year and the Board concurred.</p> <p>The Board discussed the merits of re-baselining the programme in order to provide a more representative report of progress towards meeting the completion dates on time. It appeared that the continued reporting against a 3 year old programme was giving rise to misapprehensions in some quarters on overall progress. The Board concluded that the programme should not be re-baselined now or in the near future, but requested that consideration should be given to re-baselining at or about the time of completion of the major civils works.</p> <p>The improving progress in tunnelling and the resolution of major programme challenges would lead to a higher level of confidence being reflected in Semi-Annual Construction Report 9, which would be considered by the Board in May prior to submission to the Sponsors. The Board noted that the coming 3 months were important in terms of tunnelling progress. The TBMs had proved that they could achieve 600/700 meters of tunnelling per week which was already having a positive impact on progress against timetable. The average tunnelling achieved across the programme would continue to show substantial variations from week to week as a result of planned activities. On the previous Sunday 149 meters of tunnelling had been achieved using four machines. TBMs Elizabeth and Victoria were scheduled to arrive at the Canary Wharf box by the end of May 2013 and an event was being planned to celebrate the tunnel breakthrough. Two of the new screw conveyors had arrived at Wallasea and initial testing had produced positive results. The target was for the conveyor to be fully operational in the first week of May.</p>

The Executive had been considering options for dealing with the TBMs once they had arrived at Farringdon including leaving the shell of one or more TBMs in the ground following removal of the cutter head and any environmentally harmful substances. This option represented common practice within the tunnelling industry. It would reduce the safety risks arising from dismantling the TBM in the ground and the amount of spray concrete lining required. It would also have programme benefits. A TBM could not be recycled for use on another project following removal from the ground. The necessary land rights were being pursued to keep these options open and a favourable response had been provided by the Environment Agency. The Board noted that the grounds for pursuing these alternative disposal arrangements were persuasive and that they would need to be handled sensitively. The plans should be publicised when the Executive were confident that the optimum arrangements had been identified.

The Board noted that the Period 13 results summarised a preliminary view of performance in the Period and for the financial year ending 31 March 2013. The results remained draft and were subject to the year end audit by KMPG which had started on 15 April 2013. To date it had indicated no material issues.

The Anticipated Final Crossrail Direct Cost decreased by £16.9m to £11,652.5m (P50) and remained below Intervention Point 0 by £21m. Total expenditure in the period was £111.4m which was £14.3m below the business plan forecast. Delivery spend in the Period was £5.4m below forecast. At £1,370.9m the year to date spend was £95.9m lower than the business plan, a substantial part of which was from lower than anticipated indirect spend due to savings on human resources and also savings on land and property.

CPI in the Period was 0.96 against 1.01 in Period 12. SPI was 1.24 against 1.09 in Period 12. Cumulative CPI remained at 0.94 with no change from Period 12. Cumulative SPI had increased to 0.95 from 0.94 in Period 12.

The status of the glide-paths had improved with a forecast variance to target which had decreased from £137m to £101.5m.

The Board noted the reductions in contingency agreed as part of creating an IP1 compliant budget. The total adjustment was £243.2m, with £57m coming from Board contingency and a £186m reduction in Programme Contingency. After making these adjustments to contingency, in Period 13 there is £2,392.0m of funding to cover a P50 risk exposure of £2,160.4m (i.e. an excess of £231.6m). On the same basis, at P95 there is an unfunded risk exposure of £469.3m. At the more realistic P80 level, the forecast was £12,016m i.e. £103m above IP1. The continuing and undiminished need for these contingency funds would be the subject of detailed explanation in the SACR9 report.

The project had benefited from more than £800m of apparent procurement gains since RP4.2 (as had been predicted and handed back to Sponsors at that time). However there had also been around £950m of costs changes which had been approved in the last two years including £274m of change in indirect costs, £262m design development changes, £168m Sponsor instructions (including traction power) and £250m of other changes, all of which would be analysed in SACR9. The major procurement cycle for the project had largely come to an end, which also meant an end to significant buying gains on procurements. The focus of the Executive was now on minimising change, driving performance through the supply chain and managing cost.

	<p>The Board noted that the Project Representative had commented on the positive downward trend in open NCEs from 790 to 596 in the Period, meaning that only 6.6% of all NCEs to date remained open. There had been a particularly significant improvement within the sub £50k open NCE category. Despite the reduction the value remained largely unchanged at £304m.</p> <p>Discussions had commenced with the Systemwide contractor on adopting a more collaborative approach to the management of Contract C610. The Executive was exploring how this approach could align with other strategic incentive approaches currently under investigation. C610 was a complex contract for which approximately a 15% contingency allowance had been included.</p> <p>The CEO had held a positive meeting with Sir Robin Wales, CEO of Newham Council. Media coverage during the period was positive with only 2% negative coverage. Overall media coverage during the year to date was 66% positive, 30% neutral and 4% negative.</p> <p>There had been a number of incidents arising from the Unite leverage campaign against the Crossrail project. They included an incident at Westbourne Park in which staff working on the project were subjected to verbal abuse and an incident at an industry awards ceremony. Reasonable security precautions were being taken in relation to staff who could be targeted as part of the campaign. CRL had been declared to be no longer a party to the proceedings brought by Frank Morris in the Employment Tribunal, though an application to reverse that decision was expected. CRL continued in dialogue with the construction unions through a series of quarterly liaison meetings.</p> <p>The Board noted that the Land and Property Team was working on a number of planning applications in relation to oversite development. The aim was to manage the amount of change but to maximise the gains for the Sponsors.</p> <p>The Board noted that CRL would hold a diversity and inclusion event in the following week to launch the Crossrail Diversity and Inclusion Group. Heather Rabbatts and a number of contractor staff had agreed to speak at the event.</p> <p>The Board NOTED the report.</p>
005/14	<p><b>Project Representative Report</b></p> <p>The Board received the Project Representative's Project Status Report for Period 12.</p> <p>The main area of focus of the Project Representative's Report was a slight improvement in performance during Period 12. However, the report noted that float continued to be eroded from the schedule. The report was positive regarding the reduction in the number of open NCEs and noted that CRL had met its objective of having less than 10% open NCEs.</p>
006/14	<p><b>Paddington Station Bakerloo Line Link</b></p> <p>The Board received a paper which outlined the issues regarding the connection between the Bakerloo Line and the new Crossrail station at Paddington.</p> <p>The Board noted that the Sponsors Requirements included a list of stations at which the interchange with other existing rail services was to be considered. The Sponsors may affirm whether the interchange at any particular station is to be provided as an integral part of the Crossrail Project. During the discussions relating to 'Project Assure' in early 2010 the Sponsors had confirmed that CRL should proceed with the Bakerloo Line Link to be delivered by the Stage 3 opening date in December 2018.</p>

	<p>The original scheme for the Link had envisaged a subway being created at a relatively shallow depth beneath the Paddington Station concourse. In response to stakeholder concerns regarding the construction impacts on an operational railway this scheme had been revised. The revised scheme was considerably more expensive with a Current Control Budget of £122.53m. The delivery strategy was for London Underground to build the link.</p> <p>The Board noted that the long term value of the link once Crossrail was running beyond Paddington was questionable and commented that the Link did not seem to represent value for money. The Executive had asked the Sponsors to revisit the assumptions on which the modelling for use of the link had been made.</p> <p>The Board agreed that the CRL Executive should write to the Sponsors to seek a reappraisal of the merits of the scheme and reconsideration of alternative means of addressing any capacity concerns.</p> <p><b>Action: Andrew Wolstenholme</b></p>						
007/14	<p><b>Any Other Business</b></p> <p>The Board noted that it would be useful to know the outcome of any discussions to extend Crossrail to Reading and requested that the Executive discuss this question with the Sponsors.</p> <p><b>Action: Andrew Wolstenholme</b></p> <p>The Board noted that a simulation of an emergency event on the Project had been held the previous week and that an analysis of lessons learned would be presented at an informal Board briefing session. There would also be a session on innovation on the project.</p> <p><b>Action: Andy Mitchell</b></p>						
008/14	<p><b>Minutes of Board Committees for Reference</b></p> <p>The Board received the following minutes for reference.</p> <table border="0" data-bbox="351 1332 1436 1411"> <tr> <td>Executive &amp; Investment Committee</td> <td>EIC MIN 200313</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health &amp; Safety Committee</td> <td>HS MIN 180313</td> <td>Andrew Wolstenholme</td> </tr> </table>	Executive & Investment Committee	EIC MIN 200313	Andrew Wolstenholme	Health & Safety Committee	HS MIN 180313	Andrew Wolstenholme
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009/14	<p><b>Verbal Updates of Recent Board Committee meetings</b></p> <p>The Board received verbal updates on recent meetings of Board Committees;</p> <table border="0" data-bbox="351 1568 1436 1646"> <tr> <td>Executive and Investment Committee</td> <td>EIC MIN 170413</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Health &amp; Safety Committee</td> <td>HS MIN 150413</td> <td>Andrew Wolstenholme</td> </tr> </table> <p>The Board noted that the first meeting of the Safety, Health, Environment Leadership Team had taken place. There was a theme regarding injury from high power washers emerging across sites and consideration was being given to only allowing those who had a licence to use these</p>	Executive and Investment Committee	EIC MIN 170413	Andrew Wolstenholme	Health & Safety Committee	HS MIN 150413	Andrew Wolstenholme
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Health & Safety Committee	HS MIN 150413	Andrew Wolstenholme					

Signed by:

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

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**Pre-meeting Board Briefing-Thursdays 25 April 2013**

<b>Members:</b>	<b>In Attendance:</b>	<b>Apologies:</b>
Terry Morgan (Chairman) <i>Chairman</i>	Louise Brooker-Carey <i>External Relations Director</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Martin Buck <i>Commercial Director</i>	
David Allen <i>Finance Director</i>	Steve Elliott (part) <i>Programme Controls Director</i>	
Ian Brown <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director &amp; Company Secretary</i>	
Michael Cassidy <i>Non-executive Director</i>	Sarah Johnson <i>Chief of Staff</i>	
Phil Gaffney <i>Non-executive Director</i>	Simon Kirby (part) <i>Network Rail</i>	
Terry Hill <i>Non-executive Director</i>	Niamh O'Sullivan <i>Head of Secretariat</i>	
Andy Mitchell <i>Programme Director</i>	Valerie Todd <i>Talent &amp; Resources Director</i>	
Robert Jennings <i>Non-executive Director</i>	David Whysall (part) <i>Head of Commercial Assurance</i>	
Heather Rabbatts <i>Non-executive Director</i>	Matthew White (part) <i>Surface Director</i>	

**Network Rail**

The Board received an update from Simon Kirby, Managing Director – Infrastructure Projects at Network Rail.

The Board noted the update.

**Crossrail Surface Stations**

The Board received a presentation from the Matthew White, Crossrail Surface Director.

The Board noted a summary of the issues arising at a number of the surface stations and the actions being taken to address these issues.

The Board noted that the customer service strategy development for the surface stations included plans for enhanced step free access. The approach to the 'look and feel' of the station was that the external design of the station should fit with the local area and that at platform level the identity would be that of a Crossrail station. This was part of the work being carried out by Mike Forster.

The Board noted that escalators had been removed from the station scope at Ealing Broadway due to the significant expenditure required to block rails lines to rebuild the station slab and re-configure all platform and track space. In place of the escalators there would be increased areas for pedestrians and lifts and wider stairs. The Board requested a further briefing update on this.

**Action: Matthew White**

The Board noted the presentation.

**TBM Removal Options**

The Board received a presentation from the Andy Mitchell, Programme Director.

The Board noted the presentation.

**Performance Assurance**

The Board received a presentation from the Steve Elliott, Programme Controls Director and David Whysall, Head of Commercial Assurance.

The Board noted that between round 1 and round 2 of the performance assurance process there had been a 24% in improvement in the performance of a number of the contractor teams. To date the performance of the contractors had not been made public however the at the most recent CEO Forum the contractor CEOs had agreed that this should now happen. There was also a positive correlation between a contract with a high scoring CPI and SPI and teams scoring highly in the performance assurance process.

The Board noted that the Sponsors had been briefed regarding progress in performance assurance.

The Board noted the presentation.