

**CROSSRAIL BOARD**

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Wednesday 29 August 2018 at 15:00
28th Floor Boardroom, 25 Canada Square, Canary Wharf, London E14 5LQ**

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chair</i>	Funmi Amusu <i>Assistant Company Secretary</i>	
Mathew Duncan <i>Finance Director</i>	Dawn Barker <i>Head of Human Resources</i>	
Phil Gaffney (via conference call) <i>Non-executive Director</i>	Jeremy Bates (part of the meeting) <i>Head of Integration</i>	
Robert Jennings <i>Non-executive Director</i>	Susan Beadles <i>Head of Legal Services and Company Secretary</i>	
Anne McMeel <i>Non-executive Director</i>	Chris Binns (part of the meeting) <i>Chief Engineer</i>	
Nelson Ogunshakin <i>Non-executive Director</i>	Lucy Findlay (via conference call) <i>Chief of Staff</i>	
Andy Pitt <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</i>	
Chris Sexton <i>Technical Director</i>	Howard Smith (via conference call) <i>Operations Director</i>	
Mark Wild <i>Non-executive Director</i>		
Simon Wright <i>Chief Executive</i>		

The meeting was quorate.

	<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.</p> <p>There were no interests declared in relation to the business of the meeting.</p> <p>Informal Session</p> <p>It was NOTED that an informal session of the Board had been held earlier in the day.</p> <p>The Board had received detailed briefings on the following topics:</p>
--	---

	<ul style="list-style-type: none"> • Draft Adverse Event Notice – the details of the notice to be submitted to the Sponsors on 30 August 2018; and • Programme Schedule – Communications Approach – a briefing on the programme schedule communications strategy. The Board NOTED that the communications approach would be iterated and agreed with the Sponsors' communications teams.
NEDs Only Session	Non-executive Directors held a session prior to the commencement of the formal part of the Board meeting.
22/19	<p>CRLB 22/19 – Checkpoint 2: Schedule, Costs and Resourcing</p> <p>The Board received a paper presenting the conclusion of the Checkpoint 2 review and a proposed revision to the Opening Strategy for the Elizabeth line covering Stages 3, 4 & 5, including potential cost implications and the resourcing impact.</p> <p><i>Stages 3, 4 and 5 Schedule Implications</i></p> <p>The Board NOTED that the schedule priorities for Stage 3 included:</p> <ul style="list-style-type: none"> • Finishing routeway construction; • Satisfying entry criteria for 5 days on/ 2 days off Dynamic Testing including planned train and signalling software updates; • Starting 5/2 Dynamic Testing, optimising test cycles (Siemens and Bombardier Transportation) and bug fixing the train/ signalling software; • Finishing and handing over stations in the most efficient way; and • Re-establishing separate trial running and trial operations periods to build fleet and system reliability. <p>The Board discussed the proposed programme for Dynamic Testing and the basis for it, NOTING that key to revising the Opening Strategy was for Dynamic Testing to progress without any major issues. The Board REQUESTED an independent review of the entry criteria for Dynamic Testing (to include an actual series of events that would be required for the Dynamic Testing programme) and exit criteria from testing and that Phil Gaffney and Mark Wild should be included in the process.</p> <p>Action: Simon Wright/ Chris Sexton</p> <p>The Board NOTED that the Sponsors had commissioned an independent review of the schedule and that preliminary findings of the report had been shared with and noted by CRL. The Board also NOTED that another independent review of the later phases of the project, including assurance and regulatory matters, was being commissioned by the Sponsors in the next few weeks. CRL would continue to discuss the outcomes of these independent reviews with the Sponsors.</p> <p>The Board discussed the train software, NOTING the plan for testing and approval of TCMS/ CBTC software to be completed at Melton before commencing 5/2 Dynamic Testing, with bug fixes addressed accordingly and the plan that the assured version of the Bombardier/ Siemens on-board train software would be available for Stage 3 trial operations.</p> <p>The Board NOTED the programme for staged completion and handover; the typical station staged completion; the handover schedule overview; and the recommended revised Stage 3 opening plan, including the assumptions and</p>

risks. The Board also **NOTED** the update on Stages 4 & 5 opening, but understood that further work was required to define the schedules for these stages.

Cost Implications

The Board **NOTED** a range for the estimate of cost to completion; the summary of increases to cost from Period 4; Investment Authority requirements; and the cash flow position. It was also **NOTED** that a third party review of CRL's cost estimates by the Sponsors was scheduled to take place before the numbers could be finalised.

The Board **NOTED** that to allow payments to continue to be made to contracts as and when due, a proposal for the balancing of Investment Authority between contracts would be presented to the next Board meeting on 13 September 2018. It was also **NOTED** that cost increases would prompt the need to increase CRL's budget and that CRL Board consent would be required to do this. The cost increases would be reported either in the Period 5 or 6 Board Report.

The Board **NOTED** that CRL was still awaiting the annual letter from TfL confirming that CRL would continue to remain its subsidiary for the next 12 months and as a result, CRL's annual accounts and financial statements were yet to be approved by the CRL Board.

Organisation and Resource Impact

The Board **AGREED** that the organisation and resource impact of the proposed revised schedule should be rescheduled for the next Board meeting on 13 September 2018.

After discussion, the CRL Board, in principle:

- **APPROVED** the proposed revision to the Stage 3 Strategy to adopt the Scenario 2 schedule as the revised baseline for the Master Operational Handover Schedule up to the start of Trial Running;
- **NOTED** that further work was required to the Stages 4 & 5 schedule before a conclusion could be made on those stages;
- **NOTED** the range of cost implications for adopting the revised baseline, subject to further review by the Sponsors;
- **DID NOT APPROVE** the Close Out Organisation structure required to deliver the project as that was now scheduled to be considered at the next Board meeting; and
- **APPROVED** the submission of the revised Stage 3 Strategy and range of cost implications to the Sponsor Board meeting on 3 September 2018.

The Board considered that a prudent and more detailed view of the revised schedule should be considered and **NOTED** that a detailed report on this would be presented to the CRL Board in October 2018.

AOB

There was no other business.

Signed by:

Terry Morgan
Non-executive Chairman