



CROSSRAIL BOARD

Minutes of the Meeting of the Board of Directors of Crossrail Limited
held on Thursday 12 September at 13.30
28th Floor, 25 Canada Square, Canary Wharf, E14 5LQ

<u>Members:</u>	<u>In Attendance:</u>	<u>Apologies:</u>
Terry Morgan (Chairman) <i>Chairman</i>	Mark Fell <i>Legal Services Director & Company Secretary</i>	Martin Buck <i>Commercial Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Niamh O'Sullivan <i>Head of Secretariat</i>	Daniel Moylan <i>Non-executive Director</i>
David Allen <i>Finance Director</i>	Will Parkes <i>External Affairs Director</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 & Resources Director</i>	
Phil Gaffney <i>Non-executive Director</i>		
Terry Hill <i>Non-executive Director</i>		
Robert Jennings <i>Non-executive Director</i>		
Andy Mitchell <i>Programme 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.

39/14	The Chairman welcomed Will Parkes, who had been appointed as CRL External Affairs Director to his first Board meeting. He also welcomed other Board members and attendees.
BD MIN 180713	Minutes of the Meeting of the Board held on 18 July 2013. The Chairman signed the minutes of the meeting as a correct record.
BD AC 120913	Actions and Matters Arising The Board noted the updates on the outstanding actions. Action 04/14: The Board noted that an update on the improvement plan and commercial risks in the West area would be provided following the completion of the half-time reviews in November 2013.

	<p>The Board noted that the Unite trade union and the BFK Joint Venture (Bam, Ferrovial, Kier) had issued a joint statement stating there had been no contravention of the blacklisting regulations on BFK Crossrail projects. In a press release following the publication of the joint statement CRL had re-iterated its position that blacklisting is indefensible, unacceptable and unlawful and that the allegations from Unite had been 'unsubstantiated and misleading'. Following a submission from Unite in July the Scottish Affairs Committee had referred the allegations of blacklisting on the Crossrail Project to the Business Secretary who had subsequently referred the matter to the Information Commissioner. It was unclear how the investigations by the Scottish Affairs Committee and the Information Commissioner would be affected by Unite's retraction of the blacklisting allegations.</p> <p>[REDACTED]</p> <p>[REDACTED] In the past week CRL had held a scheduled meeting with the trade unions to which Unite had sent a representative for the first time since the leverage campaign had begun.</p>
40/14	<p>BD CBR 120913 - Crossrail Board Report</p> <p>The reported Accident Frequency Rate (AFR) for Period 5 was 0.42 and was an increase on the AFR of 0.39 reported in Period 4. In total there had been nine RIDDORs in Period 5 and, in a similar pattern to Period 4, all but one of the six major injuries had originated from two of the tunnelling contracts C305 (DSJV) and C510 (BBMV). Senior DSJV representatives had been required to attend a meeting of the CRL Health and Safety Committee on 2 September to discuss the steps required to improve their safety performance. These concerns had also been considered at a subsequent meeting of the Safety and Health Leadership Team (SHELT). A health and safety survey had been distributed to all those working on Crossrail and was due to be returned by mid September. The response rate to date had been good and the survey was producing much useful data which would be analysed by the Executive. Crossrail was also holding a Health and Safety week in September. To date the Health and Safety outputs for Period 6 showed an improvement. Following a fatality from an incident involving flexible slurry removal pipe on a Herrenknecht TBM in Ireland, Hochtief Murphy had temporarily postponed the launch of TBM Sophia (which used similar flexible pipes) and had put in place safety measures to avoid the risk of a similar incident. It was considered that Hochtief Murphy had reacted appropriately. The CEO would be meeting with Herrenknecht to seek assurance that all necessary lessons had been learned from the incident.</p> <p>At the end of Period 5 the works were 42.9% complete against a planned figure of 44.7%. The gap had improved by 0.1% in the Period. The expectation was that Crossrail would reach the 50% mark by end of 2013. Overall schedule earned value was £121m behind plan compared to £134.6m in Period 4, giving a cumulative SPI of 0.96 in Period 5 (0.95 in Period 4). Recent delivery highlights included the completion of highly complex works at Connaught Tunnel which had allowed the re-flooding of the drained section of Victoria dock ahead of schedule. The TBM 'Mary' had broken through into the Woolwich Station Box on 12 August. Seven of the eight TBMs were now operating and the final TBM Ellie was on schedule to be launched in early 2014. If the six month average production rate for bored tunnelling (68m a day) is maintained for the next six months, the 9 week delay currently being reported would reduce to zero by the second quarter of 2014. The end date for the stage 3 programme remained December 2018. Discussions continued with the C610 (Systemwide) contractors to optimise the schedule for the systems installation to the advantage of the overall programme.</p>

The tenders for the rolling stock and depot contract were returned on 12 August. The Executive were working with the Sponsors to put in place a plan for the award of this contract in the first quarter of 2014.

The Anticipated Final Crossrail Direct Cost (AFDCDC) in Period 5 increased £57.7m to £11,718m, principally due to the inclusion of the Woolwich fit-out scope following receipt of the Sponsor Change Confirmation Notice on 23 July 2013. As a result of the additional funding, Intervention Point 0 increased by a net £50.1m, to £11,720m. The additional funding of £54m was offset in part by a reduction in Sponsor Funding Account interest of £2.9m (as a result of the deferred timing of that funding) and a related £1.5m drawdown from Programme Contingency. The AFDCDC was £2.1m below IP0. Total direct costs were £101.6m in the Period, of which £68m was incurred on 6 contracts. There was sufficient contingency budget to cover P50 risk exposure of £2,125.2m. P95 risk exposure exceeded total contingency (including Board contingency) by £488.3m. This included the cost of the Bakerloo Line Link, which Sponsors had confirmed must be delivered as part of the Crossrail scope and on which the Executive was working to select the best value for money solution for construction and delivery. The Executive was focusing on efficiency, productivity and strong contract and commercial management to ensure the project was delivered within budget.

The number of open NCEs in the period had increased from 753 to 794. The value of open NCEs decreased from £343.6m to £325.9m. 385 new NCEs were raised compared with 365 in the previous Period.

The percentage of open NCEs against total raised was currently 7.3% which was below the 10% business target. There were 12 high value NCEs with a total value of £176m which represented 54% of all open NCEs on the programme. These would be discussed with contractors as part of the half time review meetings.

There had been a high level of media interest in the project in Period 5 and media tonality was positive in 50% of articles. The Board requested that a report on forthcoming events should be included in the Board report in the future.

Action: Will Parkes

Good progress was being made in the planning application relating to Cardinal House at Farringdon West. The application had received support when it was considered informally by the Chair and members of the Islington Planning Committee in March and would be considered formally by the Committee in October.

The Board discussed the recent petition regarding the number of Crossrail Stations which would not have step free access. This was an important issue on which CRL could only look for direction from Sponsors in terms of scope and funding.

A Private Members Bill in the House of Lords sought to outlaw zero hours contracts and that this could have implications for some of the contractors in the Crossrail supply chain.

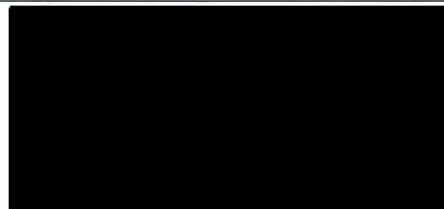
The Board noted with approval that 243 apprentices had been recruited on the project towards a target of 260 by the end of 2013/14.

The Board noted that Andrew Turner had been appointed as the Interim Director of IT on the project.

	<p>The Board NOTED the report.</p>
41/14	<p>13/14 - Project Representative Report</p> <p>The Board received the Project Representative's Project Status Report for Period 4.</p> <p>The main focus of the report was to highlight the reduction in Health and Safety performance while recognising the strenuous efforts being made to improve that performance.</p> <p>The report also noted that the CRL Engineering Group's overall impact report on the lifts and escalators issues was expected in the near future. Some modifications were required as a result of the issues which had arisen but these were not expensive civil engineering modifications.</p> <p>The Board NOTED the report.</p>
42/14	<p>14/14 Woolwich Station Fit-Out</p> <p>The Board received a paper which formally recorded the background to the Board's approval on 18 July 2013 of a drawdown of £55.53m of Programme Contingency to establish an overall budget of £92.51m (after taking account of the £36.98m of budget already identified for Woolwich Through Train Running (TTR)) for the delivery of a Woolwich Fully Operational Station (FOS). [REDACTED]</p> <p>[REDACTED] £54m of the drawdown was a temporary measure, pending receipt of the Sponsor Change Confirmation Notice (which had now been received). There would also be a £1.53m transfer from Programme Contingency.</p> <p>The Board noted that the £54m funding from Sponsors would be provided at the end of the project (2018-19) and that as a result there would be a reduction of £2.9m of Sponsor Funding Account interest. This would be included in SACR10 as an unfunded Sponsor instructed change.</p> <p>The Board NOTED the paper.</p>
43/14	<p>15/14 Revised Membership of the Executive and Investment Committee</p> <p>The Board received a paper which proposed a revision to the membership of the Executive and Investment Committee following the appointment of Will Parkes as the CRL External Affairs Director.</p> <p>The CRL Board APPROVED the revised membership of the Executive and Investment Committee, for inclusion in the Executive and Investment Committee Terms of Reference.</p>
44/14	<p>16/14 Revised Sustainability Committee Terms of Reference</p> <p>The Board received a paper which proposed a revision to the membership of the Sustainability Committee following the appointment of Daniel Moylan to the Board and Will Parkes as the CRL External Affairs Director.</p> <p>The CRL Board APPROVED the revised membership of the Sustainability Committee,</p>

	for inclusion in the Sustainability Terms of Reference.												
	<p>AOB</p> <p>The Board noted that CRL is reviewing options to facilitate the future transition to the operating railway.</p> <p>The National Audit Office review of the DfT oversight of the Crossrail project continues. The process is set to conclude during October and a draft report is anticipated later this year.</p> <p>Discussions are underway with the City of London which may lead to the provision of match funding to promote the Art Programme.</p>												
45/14	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference;</p> <table> <tr> <td>Health & Safety Committee</td> <td>HS MIN 050813</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td></td> <td>HS MIN 080713</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Executive and Investment Committee</td> <td>EIC MIN 100713</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Sustainability Committee</td> <td>SUS MIN 260613</td> <td>Andrew Wolstenholme</td> </tr> </table>	Health & Safety Committee	HS MIN 050813	Andrew Wolstenholme		HS MIN 080713	Andrew Wolstenholme	Executive and Investment Committee	EIC MIN 100713	Andrew Wolstenholme	Sustainability Committee	SUS MIN 260613	Andrew Wolstenholme
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46/14	<p>Verbal Updates of Recent Board Committee Meetings</p> <p>The Board received verbal updates on recent meetings of Board Committees;</p> <table> <tr> <td>Executive and Investment Committee</td> <td>EIC 040913</td> <td>Andrew Wolstenholme</td> </tr> </table> <p>The Board noted that the Executive and Investment Committee had considered the outcome of a review of the effectiveness of management arrangements for central section Crossrail stations and the options for the future organisation of stations. The Committee had also considered the management of design and the framework design consultants and had re-iterated the importance of controlling change across the programme.</p> <table> <tr> <td>Health and Safety Committee</td> <td>HS 020913</td> <td>Andrew Wolstenholme</td> </tr> <tr> <td>Sustainability Committee</td> <td>SUS 210813</td> <td>Andrew Wolstenholme</td> </tr> </table>	Executive and Investment Committee	EIC 040913	Andrew Wolstenholme	Health and Safety Committee	HS 020913	Andrew Wolstenholme	Sustainability Committee	SUS 210813	Andrew Wolstenholme			
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Signed by:



Terry Morgan
Non-executive Chairman

Pre-meeting Board Briefing - Thursday 12 September 2013

<u>Members:</u>	<u>In Attendance:</u>	<u>Apologies:</u>
Terry Morgan Chairman	Simon Adams <i>Acting Chief of Staff</i>	Martin Buck <i>Commercial Director</i>
Andrew Wolstenholme <i>Chief Executive</i>	Siv Bhamra (part) <i>Systemwide Director</i>	
David Allen <i>Finance Director</i>	Niamh O'Sullivan <i>Head of Secretariat</i>	
Ian Brown <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Michael Cassidy <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
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Signalling

The Board received a presentation from Siv Bhamra, Systemwide Director which set out the lessons learned from the Jubilee Line Signalling Upgrade and other recent UK signalling projects and how, where relevant, these lessons were being applied by Crossrail.

The Board noted that there was a potential change to the C620 signalling contract to enable movements of 160 meter trains through the Central Section for heavy maintenance at Old Oak Common. A formal impact assessment had been initiated with the C620 signalling contractor Siemens.

The Board noted the scope of works and the programme for the signalling contract and the joint obligation on Network Rail and the RSD contractor to develop the signalling at the Ilford and Old Oak Common depots. All the systemwide contracts except Platform Edge Doors had been let. The C620 contract would allow Crossrail Trains to interface with both Communications Based Train Control (CBTC) and European Train Control System (ETCS) Level 2 signalling systems. However Network Rail will have to make a key decision in 2014 and notify CRL whether the ETCS Level 2 system will be expected in time for Crossrail. A change would have to be instructed in C620 if there was insufficient confidence that the new NR signalling system would be in place in time.

The Board noted the key issues for the C620 contract and the measures the Executive was putting in place to manage these issues. There had been good engagement with the different regulators to date. In accordance with the commitment given to secure the signalling derogation under the Interoperability Directive CRL would be preparing a plan for the migration from CBTC to ETCS L3 for agreement with the European Commission /European Rail Agency in 2014. There is no commitment to implement the plan, but expectation may have grown since the derogation was granted. The number and complexity of the contract interfaces and the importance of actively managing these interfaces was noted.

The Board NOTED the presentation.

Explanation of Estimate at Completion (EAC)

The Board received a presentation from David Allen, Finance Director.

The estimate at completion provides a useful check on the Anticipated Final Costs for each contract based on the extrapolation of historic cost and schedule performance. EAC assumes that future work is of the same nature as work to date and therefore as a check it should be used carefully. For the project it tells us that the Anticipated Final Cost CRL Direct Cost is robust as it sits between the low and high EAC figure. Because it sits nearer the EAC top of the range it indicates that an outcome within IP1 is realistic.

The Board NOTED the presentation.

Update on Removal of Tunnel Boring Machine

The Board received a presentation from Andy Mitchell, Programme Director which confirmed the strategy and timetable for the burial of the C300/410 Eastbound and Westbound TBMs. The Board noted that all moving parts and any pollutants would be removed from these machines before burial, that approval had been received from the Environment Agency for the burial and that for these TBMs this was a safer option than removal. The other six TBMs would be removed from the ground.

The Board NOTED the presentation.

Update on Wallasea

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

The Board noted the current and proposed movements of excavated material to Wallasea, the issues being encountered in moving the material and the proposed solutions. The Board noted that the issues being encountered had not, and would not, require the TBMs to stop or slow down tunnelling. The Board noted that a commitment had been made to move an agreed amount of excavated material to Wallasea and that any proposal to alter this commitment must be submitted to the Board for approval.

The Board NOTED the presentation.

Management of Catastrophic Risk

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

The Board noted that a number of catastrophic risks had been retired and that the ground settlement which had been experienced on the project to date was much less than had been expected. There had been good collaborative working with London Underground and the relationship with Thames Water was working well.

[REDACTED]

The Board noted that there remained a number of sensitive buildings on the TBM routes and that there was potential for delay at Canary Wharf due to the discovery of steel piles which had not been on the original drawings. Members of the Engineering Expert Panel were visiting sites and were providing an independent review of the work being undertaken. The lessons learned from the tunnel collapse at the National Records Library in Cologne in 2009 were noted.

The Board NOTED the presentation.