



BD MIN 161208

CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 8 December 2016 at 13.00
28th Floor Boardroom, 25 Canada Square, Canary Wharf, London E14 5LQ**

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Victoria Burnett <i>Head of Secretariat</i>	
Pam Alexander <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	
Michael Cassidy <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Mathew Duncan <i>Finance Director</i>	Elizabeth Gillbe (Part of meeting) <i>Finance and Analysis Director</i>	
Phil Gaffney <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</i>	
Terry Hill <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Robert Jennings <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Mark Wild <i>Non-executive Director</i>	Valerie Todd <i>Talent and Resources Director</i>	
Andrew Wolstenholme <i>Chief Executive</i>		
Simon Wright <i>Programme Director</i>		

The meeting was quorate.

	<p>The Chairman welcomed Board members and attendees.</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>Phil Gaffney declared an interest with respect to Item 10, 'Governance Matters', which would deal with the matter of his re-appointment to the Board. Otherwise there were no other interests declared in relation to the day's business.</p>
BD MIN 161110	<p>Minutes of the Meeting of the Board held on 10 November 2016</p> <p>The Board APPROVED the minutes of the meeting held on 10 November 2016 for signature.</p>
BD AC 161208	<p>Actions and Matters Arising</p> <p>The Board NOTED that there were no actions due that were not completed or covered on the meeting's agenda.</p>

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Crossrail Board Report Period 8

Andrew Wolstenholme introduced the Board Report providing an overview of Period 8 highlighting that:

- During the Period, Crossrail had achieved a number of key milestones including construction of the Broadgate Ticket Hall and trackwork for Zones 1 and 2 between Stepney Green and Pudding Mill Lane. In addition, Network Rail had started to install a new up-electric loop through the Pudding Mill Lane site;
- In Period 8, Health and Safety performance had improved with a reduction in the RIDDOR rate and an increase in HSPI to 2.36 from 2.26 in Period 7;
- The seventh Crossrail 'Stepping Up' week had taken place in the Period. A range of activities across all Crossrail sites had been well attended which had highlighted health and wellbeing issues;
- The P50 AFCDC was now £21.2m below IP1, an increase of £0.1m on Period 7. The P80 AFCDC was £186m above IP1 compared to £187m in Period 7. There remained a 47% chance that Crossrail would exceed IP1;
- In the Period, Crossrail had spent £19.4m over the Period budget but remained £20.3m below the 2016/17 Business Plan; and
- Unions, including Unite, were continuing to pursue their campaign for additional wages and incentives for mechanical and electrical workers on the project.

Are We Safe?

It was **NOTED** that:

- The programme had reported one RIDDOR and one lost time incident. HSPI had increased to 2.36 with 12 contracts out of 13 achieving an HSPI score of 2.20 or above (92%). Both lost time case AFR and RIDDOR AFR had fallen to 0.27 and 0.15 respectively;
- There had been one high potential near miss reported in the Period; and
- Efforts continued to improve HSPI on lower performing contracts, particularly C610, and engage with Tier 2 suppliers.

It was also **NOTED** that the HSE had announced recently that it intended to prosecute BFK in relation to three incidents on C300/C410 including the death of Rene Tkacik in March 2014. The Board **REQUESTED** that enquiries be made to find out why the HSE had decided to prosecute BFK for three separate incidents at the same time.

Action: Mark Fell/Martin Brown

Are We Within Funding?

Mathew Duncan presented an overview of the Period's financial position.

It was **NOTED** that:

- The AFCDC had decreased by £1.0m in the Period, driven by [REDACTED]

[REDACTED] The Intervention Points (IPs) had increased by £0.2m due to later phasing of forecast expenditure;

- In the Period, Crossrail had spent £19.4m above the 2016/17 Business Plan, predominantly driven by [REDACTED]
- For the year to date, spend was £20.3m below the 2016/17 Business Plan, predominantly due to the extension of the [REDACTED]
- The QRA total was £405m of which £104m represented programme risk not allocated. £188m of the £405m P50 QRA was unresolved trends, (anticipated change of uncertain value), which had decreased by £10m in the Period, following a number of small net decreases across the sectors;
- The overall contingency budget of £438m was adequate to cover the P50 risk exposure of £405m by £32m, but inadequate at P95 (by £395m, which was a £6m improvement on P7). P50 AFCDC remained within the financial budget;
- Spend and performance to date continued to be dominated by Civils and Stations Sectors, which together accounted for 80% of actual cost of work performed; and
- Since P8 2015/16, £96.0m of cost savings opportunities had been realised, with a further £132.4m identified and being actively investigated, giving a total potential opportunity of £228.4m.

Commercials Update

Paul Grammer provided an update on progress with the following contracts: C405 Paddington; C412 Bond Street; C422 Tottenham Court Road; C435 Farringdon; C502 Liverpool Street; C510/512 Whitechapel; C300/410 Tunnels West; C305 Tunnels East; C610 Systemwide; C828 Ilford Yard; C530 Woolwich; C620 Signalling; C660 Communications; and C360 Portals and Shafts.

It was also **NOTED** that:

- The total gap between CRL and its contractors' views of target had decreased by [REDACTED] and the total forecast gap in defined cost had decreased by [REDACTED]
- AFC glide path review sessions in the Period had focused on C610 Systemwide. Cost pressures at [REDACTED] continued to be assessed and challenged by the commercial team, working in conjunction with the project teams; and
- Having completed the review of additional works required at Canary Wharf, additional funding had now been approved to commence the works, but further funding would be required in line with the estimates provided to the Commercial and Change sub-committee.

NR ONW Funding

It was **NOTED** that:

- CRL was continuing to work closely with NR to come to a shared view on cost and risk exposure. CRL's own assessment of the ONW was £2,186.4m and a Crossrail Managed Risk of £148m which equated to a headroom to the funding limit of £15m. A response from Sponsors regarding the intervention amount of £2.3bn was due on 8 December; and
- DfT had indicated informally that it would be prepared to re-instate the full budget of £2.3bn for the On Network Works. However there were still discussions taking place between Crossrail, Network Rail and DfT in relation to the cost of variations.

Are We on Time?

Simon Wright had presented, at the Informal Session, an overview of delivery performance highlighting some of the key issues for the Period as well as providing an overview of key activities due to take place in 2017/18. It was **NOTED** that:

- Track installation progress in the Period had been ahead of plan, with 3,780m being completed against a plan of 1,781m. Total track now stood at 68% complete against a plan of 75%. Good productivity had been achieved on the FTS Lite work. However westbound construction between Bond Street and Tottenham Court Road had experienced delays and mitigation was underway. M&E teams were working hard to meet the outputs necessary to stay in line with the recovery plan, making good progress;
- The Ilford Yard blockade continued to progress towards successful completion in Period 9. The primary focus was now on the blockade exit strategy and operational hand-back requirements. Stakeholder relations continued to present challenges for the project management team at Ilford. These had been escalated to senior management;
- Works to the 'master plan shaft' at Bond Street had progressed well in the Period, with construction gaining ground against the programme at 56% complete. Crossrail continued to work collaboratively with CSJV to generate further improvements to the plan in order to deliver a completion date of August 2018;
- Work to better define the issues relating to the Mile End shaft had been undertaken between the Central Engineering Group, the Infrastructure Manager and London Fire Brigade. It was becoming less likely that significant changes would be required;
- Preparatory works for the extensive Christmas Crossrail-related works were proceeding well; and
- The issue that had been raised by the Operations and Systems Expert Panel in its October report with respect to ventilation in tunnels was being managed well.

The Board **REQUESTED** that assurance be provided that the timetable for follow-on works in relation to room handovers was appropriate and that key dates were being met.

Action: Simon Wright

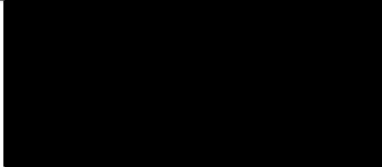
	<p>Action: Terry Morgan</p> <p>Operations</p> <p>Howard Smith provided an update on key operations matters NOTING some of the key issues for Stage One and Stage Two.</p> <p>It was also NOTED that the first four units of rolling stock had been completed in the Period and were being used to support the testing programme. Train 01 and 02 were undergoing dynamic testing using a modified pantograph. AWS and TPWS train testing had been completed and two iterations of the testing of the CBTC and TCMS integration had been completed in Germany.</p> <p>The Board REQUESTED that Howard Smith find out whether there were platform doors available for testing at Old Dalby.</p> <p>Action: Howard Smith</p> <p>It was NOTED that there was an issue with the slow speed of trains exiting the London-end of Ilford Depot which, if unmitigated, would mean the sponsor requirement relating to trains per hour in the peak in Stage 4 could not be achieved. A team led by Simon Wright had been set up to find a solution.</p> <p>Are we world class?</p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • An event had taken place at Victoria Station on 30 November which had been attended by TfL chief officers and invited Crossrail employees to learn about potential career opportunities at TfL following demobilisation of roles from the Crossrail project; and • Howard Smith had presented a report on Crossrail services and transition to TfL's Programme and Investment Committee which had been well received. <p>The Board NOTED the Board Report for Period 8.</p>
31/17	<p>CRLB 31/17 – Project Representative (PRep) Reports Periods 7 & 8 2016/17</p> <p>The PRep report for Period 7 had been included in the Board Pack and was taken as read.</p> <p>Andrew Wolstenholme outlined the issues that would be raised in the Period 8 Report. These included: headroom to IP1; DfT's intervention price for ONW; schedule and float; assurance and contractors' engineering safety justifications; rolling stock; interface works and handovers; interoperability; and issues specifically relating to each of the Stage openings.</p> <p>The Board NOTED the PRep reports.</p>
32/17	<p>CRLB 32/17 - Legal Report Period 8</p> <p>Mark Fell presented the Report which updated Board members on a number of legal matters.</p>

	<p>It was NOTED that Crossrail was continuing to receive a number of FOI requests from unions and the Board REQUESTED assurance that TfL was being kept informed.</p> <p>Action: Mark Fell</p>
<p>33/17</p>	<p>CRLB 33/17 – 2017/18 Business Plan</p> <p>Mathew Duncan and Elizabeth Gillbe presented the outputs from the Business Planning process for 2017/18. The Plan maintained the SACR16 AFCDC position resulting in £20m headroom to IP1.</p> <p>It was NOTED that Plans for Organisation 5 would need to be refined but the underlying principles and headline numbers had been taken into account for business planning purposes. Organisation 4a had also been identified as an opportunity, the details of which would be presented to the Board by March 2017.</p> <p>The Board REQUESTED assurance that Crossrail would have the appropriate resources in place for testing and commissioning.</p> <p>Action: Valerie Todd/Simon Wright</p> <p>The Board APPROVED the 2017/18 Business Plan and congratulated those involved in its production.</p> <p>(Mark Wild left the meeting)</p>
<p>34/17</p>	<p>CRLB 34/17 – Notification to Sponsors of Stage 3 Operation</p> <p>It was NOTED that, in accordance with the Sponsors Requirements, Crossrail was required to give 24 months’ notice of the date on which Crossrail Services should start for each Stage. Howard Smith presented an update on preparations for Stage 3 together with the proposed letter giving the requisite notice to Sponsors to start Stage 3 on 9 December 2018.</p> <p>The Board APPROVED the notification which would be submitted to Sponsors on 9 December.</p>
<p>35/17</p>	<p>CRLB 35/17 – [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

36/17	<p>CRLB 36/17 – Governance Matters</p> <p>The Board:</p> <ol style="list-style-type: none"> APPROVED, subject to agreement by the Sponsors, the re-appointment of Phil Gaffney as a member of the Crossrail Board from 1 April 2017 to 31 December 2018, otherwise on the same terms and conditions as before; APPROVED an amendment to the Scheme of Authorities to transfer to the Commercial Director authorities previously delegated to the Transition and Strategy Director; and NOTED the Register of Directors' Interests as appended to the paper. <p>(Phil Gaffney was recused from the decision regarding his re-appointment)</p>							
<p>Minutes of Board Committees for Reference</p>								
<p>The Board received the following minutes for reference:</p>								
<table border="1"> <tr> <td>Executive and Investment Committee</td> <td>HS MIN 161031</td> <td>Andrew</td> </tr> <tr> <td>Health and Safety Committee</td> <td>EIC MIN 161102</td> <td>Wolstenholme</td> </tr> </table>	Executive and Investment Committee	HS MIN 161031	Andrew	Health and Safety Committee	EIC MIN 161102	Wolstenholme		
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Health and Safety Committee	EIC MIN 161102	Wolstenholme						
<p>Verbal Updates of Recent Board Committee meetings</p>								
<p>Executive and Investment Committee 30 November 2016 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> 2017/18 Business Plan Notification to Sponsors of Stage 3 Operation Crossrail Programme Cyber Security (to be presented to the Board in January) Changes to the CRL Performance Management System from 2017-18 	<p>EIC MIN 161130</p>	<p>Andrew Wolstenholme</p>						
<p>Health and Safety Committee 28 November 2016 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> Period 8 Health and Safety Report Six monthly 'look ahead' Industry Partner Assurance six monthly report Health and wellbeing update Crossrail driver diesel exposure mitigation study 	<p>HSC MIN 161128</p>	<p>Andrew Wolstenholme</p>						

AOB	It was NOTED that a Crossrail operative from Farringdon had recently helped extinguish a fire in the local area. The Board SUGGESTED the Crossrail worker concerned might be eligible for a values award. Action: Valerie Todd
	NED Only Session Non-executive Directors provided feedback on the day's meeting and received a report on the activities of the joint meeting of the Remuneration and Nominations Committee held on 10 November 2016.

Signed by:



Terry Morgan
Non-executive Chairman

Pre-meeting Board Briefing – Thursday 8 December 2016

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Victoria Burnett <i>Head of Secretariat</i>	
Pam Alexander <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	
Michael Cassidy <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Mathew Duncan <i>Finance Director</i>	James Gray <i>Head of Public Affairs</i>	
Phil Gaffney <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</i>	
Terry Hill <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
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1. Schedule update and look ahead to 2017-18

Simon Wright provided an overview of progress with the schedule for Period 8 including room handovers. Simon also highlighted key activities and critical pathways for 2017/18.

The Board **NOTED** the presentation.

2. Public Affairs Update

Will Parkes and James Gray presented an overview of political events and government activities that had taken place since July 2016.

The Board **NOTED** the presentation.