



CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 12 October 2017 at 13.30
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>	Mark Fell <i>Legal Services Director and Company Secretary</i>
Pam Alexander <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Michael Cassidy <i>Non-executive Director</i>	Paul Grammer <i>Commercial Director</i>	
Mathew Duncan <i>Finance Director</i>	Will Parkes <i>External Affairs Director</i>	
Phil Gaffney <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Terry Hill <i>Non-executive Director</i>	Valerie Todd <i>Talent and Resources Director</i>	
Robert Jennings <i>Non-executive Director</i>		
Mark Wild <i>Non-executive 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>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 of the Board 12 October 2017</p> <p>It was NOTED that an informal session of the Board had been held earlier in the day covering: a programme schedule update; plans for Org 5 and transition; and dynamic testing readiness.</p> <p>With respect to the plans for Org 5 the Board re-iterated the importance of ensuring that the appropriate people would be retained to see the project through to completion.</p>
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BD MIN 170914	<p>Minutes of the Meetings of the Board held on 14 September</p> <p>The Board APPROVED the minutes of the meeting held on 14 September for signature.</p>
BD AC 171012	<p>Actions and Matters Arising</p> <p>The Board NOTED the completed actions due.</p> <ul style="list-style-type: none"> • 18.050 – Fire Safety Procedures. An update note was presented with the Action Sheet. <p>Otherwise, there were no other actions due that were not closed or not covered by the agenda for the meeting.</p>
BD CBR 171012	<p>Crossrail Board Report Period 6</p> <p>Andrew Wolstenholme introduced the Board Report for Period 6 highlighting that:</p> <ul style="list-style-type: none"> • The key focus for the Period had been preparation for energisation and dynamic testing in Zones 1 & 2; • Significant achievements in the Period had included; the completion of line-wide supervisory control and data acquisition (SCADA) in Zones 1 & 2; and the eastern ticket hall at Tottenham Court Road; • Health and Safety performance had remained positive in the Period with HSPI, RIDDOR and LTC metrics holding their positions from the previous Period; and • The P50 AFCDC was £391m above IP1 at £12,303bn, an increase of £15.2m on Period 5; and • Sponsors had requested an update from CRL in response to the Adverse Event Noticed issued because of uncertainty in the train software delivery from BT. A follow up discussion would take place at the next Sponsor Board meeting on 30 October. <p>Are We Safe?</p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • In Period 6, the HSPI had remained at 2.49 with all 12 key contracts achieving an HSPI score of 2.20 or above (100%); • The RIDDOR rate had remained at 0.08 and the lost time case AFR at 0.15; • 3 RIDDOR incidents and 4 LTIs had been reported in the Period, with 6 near misses and 1 injury to a member of the public also captured this Period; and • Health and Safety activity had been focused on readiness for energisation and dynamic testing.

Are We Within Funding?

Mathew Duncan presented a summary of financial performance for the Period **NOTING** that:

- In Period the P50 AFCDC had increased by £15.2m to £12,303m, with headroom to IP2 reduced to £209m. [REDACTED]
- The P80 AFCDC was £12,356m which was £444m above IP1. The gap between P50 and P80 AFCDC had been reducing since the beginning of the financial year and was expected to continue doing so. However, the Finance team had re-evaluated some of the underlying assumptions for the P80 calculation resulting in a slowing down in the rate of convergence than had been indicated in previous periods.
- [REDACTED] offset by apparent unspent programme risk due to cost being reported in the sectors (£10.8m);
- The QRA process had been carried out in P6 resulting in a revised amount of £378m (£382m in P5), of which £270m was currently programme risk not allocated to projects. There were a number of further risks that might need incorporating into the QRA in the future. No provision was being made at this stage because the quantum was not clear - either because CRL was making every effort to mitigate those risks as much as possible or discussions were unresolved between parties as to who should provide the funding, for example, for the Old Oak Common second link; and
- The overall contingency budget of £243 was inadequate to cover the P50 risk exposure of £378m by £135m (a £71m decrease from Period 5).

Commercials Update

It was **NOTED** that the total gap between CRL's and its contractors' views of target decreased by [REDACTED] and the total forecast gap in forecast defined cost decreased by [REDACTED]

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; C610 Systemwide; C828 Ilford Yard; C530 Woolwich; C620 Signalling; C660 Communications; and C360 Portals and Shafts.

It was also **NOTED** that [REDACTED]

NR Funding

It was **NOTED** that the estimated forecast final outturn cost (FFOC) of all scope using NR's current AFC was unchanged in the period at £2,450m - exceeding the DfT intervention amount by £150m. The total funding being requested by NR was £154m (£139m for CP5, £15m for CP6). Agreement had been reached on the £28m grant funding from the DfT, from Sponsors regarding the £22m funding contribution from the delivery incentives agreement and Network Rail having secured £20m funding. The funding of the remaining £84m was expected to be confirmed by DfT during October. CRL was continuing to challenge cost targets presented by NR.

It was also **NOTED** that the Transport Minister had, in the past, stated in Parliament that the cost of the Crossrail project was less than the agreed funding envelope amount of £1.48bn. The Board **REQUESTED** that a check be carried out to ensure that this mistake had not been repeated at subsequent parliamentary sessions – and therefore that the public record was consistent.

Action: Will Parkes

Are We on Time?

Simon Wright had presented an overview of delivery performance in the informal session, in relation to which the following issues were **NOTED**:

- The programme had remained at 86.9% complete. Paddington and Bond Street stations contracts had been reassessed in Period 6 as being 77% and 71% complete respectively. This represented a reduction of 0.35% to the overall project per cent completion against progress of 0.37%, the net result being just a 0.02% increase overall. The result was due partly to schedule pressures for both stations but also because the metric was now calculated using milestones which had been narrowly missed in the Period. Those milestones were expected to be achieved in Period 7;
- The ONW were now 90% complete, including variation notices. The new station building at Abbey Wood was on target to open for public access on 23 October with some work continuing in segregated zones. At Pudding Mill Lane, 202m of track had been installed ready for connection to the central section. At Old Oak Common, the temporary second connection had been removed and permanent track works were underway. DOO CCTV at West Ealing for Stage 2 system testing had started;
- For Stage 2, the most critical aspect of regulatory approvals was BT's on-board signalling approval, which would remain 'red' until BT's approval approach was agreed formally with the NoBo and the ORR. BT had begun discussions with the NoBo on 19 September;
- Works towards completion of critical activities that would lead to the commencement of dynamic testing in Zones 1 and 2 had seen delays to the start of energisation but the start of dynamic testing remained on plan. Progress towards completion of essential linear works (e.g. OHLE, cable pulling etc.) had been maintained through the period. A design issue with Traction Power M&E had been identified as part of the testing and

	<p>commissioning process. Swift redesign and reinstallation had mitigated the risk of this issue, thus maintaining start of dynamic testing in November; and</p> <ul style="list-style-type: none"> • For Stage 3, the most critical aspect remained the issue by ORR of authorisation for placing into service (APIS) for the central operating section. Crossrail intended to de-risk the approvals programme through progressive assurance from the NoBo and AsBo - the bodies which would submit the Technical File to the ORR. The Period 6 Programme Delivery Board had included a detailed review of the Crossrail submissions to RAB(C). In Period 7 the review would include the RfLi RAB(C) submission programme also. <p>Operations</p> <p>Howard Smith provided an update on key operations matters highlighting some of the issues relating to Stages 1, 2 and 3 opening.</p> <p>The Board NOTED that the P80 date of 9 September for the start of dynamic testing for Stage 2 at Melton had been missed. This placed additional risk on meeting the start of ETCS integration Testing. Weekly progress tracking was in place, together with additional supervision of the process by senior staff from CRL and BT.</p> <p>The Board REQUESTED that a future site visit and Board meeting be arranged at the Old Oak Common Depot.</p> <p>Action: Secretariat</p> <p>Are we world class?</p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • Crossrail had marked the completion of the permanent track laying for the Elizabeth line with an event at Whitechapel; the Secretary of State for Transport, Chris Grayling, the Deputy Mayor for Transport, Val Shawcross, BBC London, ITV London, Press Association, Bloomberg and Getty Images had attended the event; • A meeting with Mayor of London and senior representatives from CRL and TfL was planned for the week beginning 16 Oct to provide an update on the project; and • The Art Fund had confirmed its share of funding for the artwork at Whitechapel Station. <p>The Board NOTED the Board Report for Period 6.</p>
<p>25/18</p>	<p>CRLB 25/18 – Project Representative (P-Rep) Reports</p> <p>The Board reviewed and NOTED the P-Rep Report for Period 5. Andrew Wolstenholme provided a verbal summary of the issues that were expected to be raised in the Period 6 report, including: Health and Safety Performance; finance and costs; schedule and progress; assurance and approvals; rolling stock and depot; and other issues relating to each of the staged openings.</p>

<p>26/18</p>	<p>CRLB 26/18 – CRL Rail Pension Scheme (RPS) Valuation Results</p> <p>Valerie Todd presented a paper setting out the outcome of the 2016 actuarial valuation of the CRL Railways Pension Scheme.</p> <p>The CRL Board:</p> <ol style="list-style-type: none"> a. NOTED the actuarial valuation results, in particular, that the Scheme had a surplus of £5,872m as at the 31 December 2016 valuation date; b. APPROVED the proposal to use some of this surplus to maintain the current level of annual contribution at 25.9% (i.e. 5% employee contribution and 20.9% employer contribution) thus avoiding a cost increase of £0.466m; c. APPROVED the plan to use an element of the surplus to extinguish the deficit repair from the 2013 valuation thus reducing indirect expenditure by approximately c£1.394m; d. APPROVED the continuation of the current investment strategy; e. AUTHORISED the Talent and Resources Director to notify the RPS Trustee of the CRL Board’s decisions; f. NOTED TfL’s support for the aforementioned approvals; and g. NOTED the memorandum of understanding for the CRL-RPS transition as appended to the paper presented. 									
	<p>Minutes of Board Committees for Reference</p> <p>The Board received the following minutes for reference:</p> <table border="1" data-bbox="379 1256 1356 1384"> <tr> <td data-bbox="379 1256 844 1384"> <p>Executive and Investment Committee Health and Safety Committee</p> </td> <td data-bbox="844 1256 1102 1384"> <p>EIC MIN 170906 HS MIN 170904</p> </td> <td data-bbox="1102 1256 1356 1384"> <p>Andrew Wolstenholme</p> </td> </tr> </table> <p>Verbal Updates of Recent Board Committee meetings</p> <table border="1" data-bbox="379 1480 1356 2031"> <tr> <td data-bbox="379 1480 852 1877"> <p>Executive and Investment Committee 4 October 2017 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> • Dynamic Testing Readiness • Resourcing Plans – Org 5 • CRL Rail Pension Scheme Valuation result • Whistleblowing Update • Public Sector Exit Payment Cap </td> <td data-bbox="852 1480 1107 1877"> <p>EIC MIN 171004</p> </td> <td data-bbox="1107 1480 1356 1877"> <p>Andrew Wolstenholme</p> </td> </tr> <tr> <td data-bbox="379 1877 852 2031"> <p>Health and Safety Committee 2 October 2017 Matters covered by the Committee were:</p> </td> <td data-bbox="852 1877 1107 2031"> <p>HS MIN 171002</p> </td> <td data-bbox="1107 1877 1356 2031"></td> </tr> </table>	<p>Executive and Investment Committee Health and Safety Committee</p>	<p>EIC MIN 170906 HS MIN 170904</p>	<p>Andrew Wolstenholme</p>	<p>Executive and Investment Committee 4 October 2017 Matters covered by the Committee were:</p> <ul style="list-style-type: none"> • Dynamic Testing Readiness • Resourcing Plans – Org 5 • CRL Rail Pension Scheme Valuation result • Whistleblowing Update • Public Sector Exit Payment Cap 	<p>EIC MIN 171004</p>	<p>Andrew Wolstenholme</p>	<p>Health and Safety Committee 2 October 2017 Matters covered by the Committee were:</p>	<p>HS MIN 171002</p>	
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	<ul style="list-style-type: none"> • Period 6 Health and Safety Report • Readiness for Dynamic Testing – Safety Arrangements • C630 Eleanor Street and mile End Shafts Civil Works – Lessons Learned from Handover 		
AOB	There was no other business.		
NEDs Only Session	Non-executive Directors provided feedback on the day's meeting.		

Signed by:

Terry Morgan
Non-executive Chairman

