






HS2 Ltd Board Meeting Minutes

01 March 2018

Boardroom, 2 Snowhill, Birmingham

Members	In Attendance	Apologies
David Higgins Chairman	Nicole Geoghegan General Counsel and Company Secretary	
Richard Brown Non-executive Director	 Director of Railway Systems Engineering	
Steve Allen Chief Financial Officer	Tom Kelly (for Item 10) Strategic Director for Stakeholder Engagement	
Christine Emmett Non-executive Director	Clive Maxwell Department for Transport, Observer	
Mel Ewell Non-executive Director	 Deputy Company Secretary	
Neil Masom Non-executive Director	Chris Rayner (items 09 and 10) Railway Operations Managing Director	
Roger Mountford Non-executive Director	 Director of Commercial Management	
Duncan Sutherland Non-executive Director		
Mark Thurston Chief Executive Officer		
Jo Valentine Non-executive Director		

Signed:

Chair:

Date:

Security classification: OFFICIAL

1 DECLARATION OF INTERESTS AND VALUES MOMENT

- 1.1 There were no additional interests to those previously declared.
- 1.2 The Board thanked Steve Allen for his work and contribution to HS2 Ltd noting this as his final Board meeting.
- 1.3 The Board noted the announcement for the appointment of incoming Non-executive Director Andrew Wolstenholme.
- 1.4 The Board noted that the Department for Transport (DfT) will be appointing a head-hunter for the Chairman replacement.

2 NOMINATIONS COMMITTEE UPDATE

- 2.1 The Board received an update from the Chair of the Recruitment Committee who provided further information on the activity regarding recruitment of the Chair.
- 2.2 [REDACTED]
- 2.3 The Committee noted that either the Chair of the Remuneration Committee or Chair of the Nominations Committee will be appointed to the selection panel.
- 2.4 The Board discussed the importance of involving remaining Board members in emerging discussions and recommendations in order to provide comment on the strength of the long list.
- 2.5 The Board noted the timescales on Non-executive Directors' terms of appointments and that [REDACTED].

3 MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING

- 3.1 The minutes of the meeting of 11 January 2018 and 08 February 2018 were agreed as a true record.
- 3.2 The status of the actions were noted.

4 CEO MONTHLY REPORT

- 4.1 The Board noted the CEO Summary and the monthly Board report for January 2018.
- 4.2 The following key points were raised and noted:

- 4.2.1 The Board noted the project snapshot providing updates on stakeholder management, the Health and Safety Passport procurement and the implementation of the new Drugs and Alcohol Policy.
- 4.2.2 The Board noted that hours worked in the month are approaching one million and there is scrutiny being applied to the reporting of safety incidents and near miss reporting. This will be considered at the Health and Safety Committee.
- 4.2.3 The Board noted the Second Reading of the Phase 2a hybrid Bill was passed at the end of January and the commencement of the petitioning period.
- 4.2.4 The Board noted updates on the recruitment for the Chief Operating Officer and Chief Financial Officer.
- 4.2.5 David Higgins and Jo Valentine left the meeting whilst the Board discussed the latest position with regard to [REDACTED]
- 4.2.6 The Board requested management include a preferred option as part of Baseline 7.0 for Phase 1.
- 4.2.7 David Higgins and Jo Valentine re-joined the meeting.

5 MAIN WORKS CIVILS CONTRACT UPDATE

- 5.1 The Board received the paper outlining progress against the Gateway process currently being undertaken across the Phase 1 Main Works Civils Contracts (MWCC) to mature the key deliverables to achieve Notice to Proceed, with a look forward to future Gateways and the interface and input to Baseline 7.
- 5.2 The update provided context of the purpose of the Stage One Gateway process to achieve Notice to Proceed (NTP), a description of the objective of each of the 6 Gateways, summary of progress, concerns and successes to Gateway 2, benchmarking and assurance activities at Gateway 3, 4 and 5 to deliver 7 robust target prices and development of the understanding of the MWCC products required to be incorporated into Baseline 7.
- 5.3 The Board noted that the timing for Gateway 3 is June 2018.
- 5.4 The following key points were raised and noted:

- 5.4.1 The Board noted the work which has been done to challenge British standards and align with European standards. The Board discussed the liquidation of Carillion and reflected on the importance of working with the supply chain.
- 5.4.2 The DfT Observer encouraged wider communication to stakeholders on both the supply chain and the successes.
- 5.4.3 The Board discussed the Main Works Contract awards and that the notice to proceed can be staggered to contractors provided there is permission from the DfT for each.
- 5.4.4 The Board noted there will be a test applied to HS2 Ltd in regards to collaborative behaviours in the organisation.
- 5.4.5 **The Board queried** [REDACTED]

Action: Nicole Geoghegan

5.5 The Board noted the update.

6 PROJECT PROCEED

- 6.1 The Board received the paper on the programme of work known as 'Project Proceed' comprising of Baseline 7.0 and Final Business Case (FBC) for Phase 1 and the Enterprise Capability work that spans across the whole of the HS2 Ltd organisation.
- 6.2 The Board were asked to note the workstreams and management arrangements for Project Proceed, and the matters for agreement with DfT.
- 6.3 The following key points were raised and noted:
 - 6.3.1 Management have conducted a review of the approach and the maturity model.
 - 6.3.2 A line of defence (LOD)2 review will be conducted later in the year and the HS2 Ltd Board will take ownership of the LOD3 review with an independent panel.
 - 6.3.3 The Board discussed the assessment model noting that there are some difficult models in the market but that the approach for the model will be a review for a better application to HS2 Ltd.

- 6.3.4 The Board approved the selection of a [REDACTED] as the appropriate method to measure HS2 Ltd capability.
- 6.3.5 The DfT observer encouraged early discussion with wider stakeholders on the approach.
- 6.3.6 The Board noted that it will receive updates on progress as and when required, with headlines being reported in the CEO update where appropriate.
- 6.3.7 The Board supported that a third line of defence will be set up involving [REDACTED] David Higgins, Mark Thurston and Richard Brown.
- 6.3.8 The Board approved the overall approach to assessing HS2 Capability between now and Notice to Proceed.

7 CORPORATE PLAN

- 7.1 The Board received the paper providing an update on progress with developing the Corporate Plan for 2018 (and beyond) and to providing early draft material for comment.
- 7.2 The Board noted the update and that the approval will return to the Board on 05 April 2018.

8 2018/2019 BUDGET

- 8.1 The Board received the paper on the progress towards finalising an agreed Business Plan for the years 2018/19 to 2020/21.
- 8.2 Following further discussion and agreement of the business plan assumptions with DfT, a final agreed Business Plan is awaiting HM Treasury approval of funding requirements.
- 8.3 The Board noted the content and expected final position, which will be included in the Corporate Plan presented to the Board for approval.
- 8.4 Should any issues arise from HM Treasury approval of the Business Plan funding, the Board will receive an update on outcome and impact on HS2 budgets for 2018/19.

9 WCP COLLABORATION AGREEMENT

- 9.1 The Board received the paper seeking approval to enter into a Tripartite

Collaboration Agreement, subject to subsequently agreeing the detail of the changes that will be required to the Development Agreement as outlined later in this paper, and endorsement of the principles outlined, setting the parameters within which the changes to the Development Agreement will be negotiated and agreed with DfT.

- 9.2 The Board approved the Tripartite Collaboration Agreement. It was agreed that the relevant personnel from the West Coast Partnership work stream will be invited to attend the next Board meeting.

10 NOISE UPDATE

- 10.1 The Board received the briefing note on the progress HS2 Ltd is making towards meeting its operational airborne noise policy that will ensure the Phase One railway can be brought into use under the provisions within the Act.
- 10.2 The Board discussed the cross-cutting nature of noise and noted the cross directorate/ discipline Noise Working Group established to develop a range of mitigation measures that together will ensure that the noise emission values along the line of route are compliant with the values set out in the Environmental Minimum Requirements (EMRs).
- 10.3 The Board noted the briefing.

11 PROGRAMME COMMITTEE

- 11.1 The Board noted the minutes from the Programme Committee on 29 January 2018.
- 11.2 The following key points were raised and noted:
- 11.2.1 The Chair of the Committee advised that an operational tour of Euston is encouraged having attended and been assured following the visit;
 - 11.2.2 The Committee were asked to look at noise insulation and St James' Gardens prior to the next Board meeting.**

Action: Jim Crawford

- 11.3 The Board noted the update.

12 COMMERCIAL AND INVESTMENT COMMITTEE REPORT

- 12.1 The Board noted the findings of the Commercial and Investment Committee meeting on 21 February 2018.

13 AUDIT AND RISK ASSURANCE COMMITTEE

13.1 The Board received the update from the Audit and Risk Assurance Committee meeting on 22 February 2018. Last Thursday – Feb ARAC always a heavy agenda so interim inputs to the year end.

13.2 The Board noted:

13.2.1 The positive direction of travel advised by both NAO and Internal Audit in the completion of the Interim Audit and the completion status of the 2017/18 Internal Audit Plan, and the resultant upward trend from Red to Amber on the Assurance Dashboard RAG rating;

13.2.2 That the 9 month MAS was endorsed by ARAC for onward submission to DfT with recommendations for further strengthening the 12 month input;

13.2.3 That the Executive and ARAC have approved the 21 reviews proposed in the 2018/2019 internal audit plan with contingency planned for additional management requested reviews. The Board were asked to contact the Committee Chair of any omissions or additionally requested reviews and any audits they may wish specifically to be involved in scoping Terms of References; and

13.2.4 The actions arising from the Committee annual effectiveness review and specifically those relating to financial experience of members, sponsor representation at the meeting and risk management.

13.3 The Board noted the update.

14 REVIEW OF TERMS OF REFERENCE

14.1 The Board received the paper submitted following the Board Effectiveness Review recommendation for the Board to review the Terms of Reference of Board Committees on a regular basis.

14.2 The Board approved the key points highlighted against the Terms of Reference subject to additions made by the Commercial and Investment Committee and Health, Safety and Environment Committee Chairs.

Action: Nicole Geoghegan

15 CORPORATE AFFAIRS REPORT

15.1 The Board noted the corporate affairs report now including the community engagement. Management asked for any feedback to the revised format.

16 BOARD FUTURE WORKLOAD

16.1 The Board noted the forward workload for the Board.

17 CHAIRS REPORT

17.1 The Board noted the update from the Chair.

18 ANY OTHER BUSINESS

18.1 There were no additional items of business raised for discussion.