



HS2 Ltd Board Meeting Minutes

05 April 2018

Arup Offices, Michael Room, 13 Fitzroy Street

Members	In Attendance	Apologies
David Higgins Chairman	[REDACTED] Hybrid Bill Delivery Director	
Richard Brown Non-executive Director	[REDACTED] Phase 2B Senior Sponsor,	
Christine Emmett Non-executive Director	Paul Griffiths Phase 2 managing Director	
Mel Ewell Non-executive Director	Clive Maxwell Department for Transport, Observer	
Neil Masom Non-executive Director	[REDACTED] Deputy Company Secretary	
Roger Mountford Non-executive Director	Chris Rayner (item 10) Railway Operations Managing Director	
Duncan Sutherland Non-executive Director		
Mark Thurston Chief Executive Officer		
Jo Valentine Non-executive Director		

Signed:

Chair: David Higgins

Date:

Security classification: OFFICIAL

1 WELCOME AND ARUP SAFETY BRIEFING

1.1 The Board received a safety briefing from J [REDACTED] of Arup.

2 DECLARATION OF INTERESTS

2.1 There were no additional interests to those previously declared.

2.2 It was agreed that Duncan Sutherland would be asked to leave the meeting on discussion of the Phase 2b strategic interfaces due to his involvement with Sheffield City Council.

3 MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING

3.1 The minutes of the meeting on 01 March 2018 were agreed as a true record.

3.2 **The Board requested clarification on action 773.**

Action: Nicole Geoghegan

3.3 It was agreed to close actions 776 and 777.

3.4 The following matters arising were discussed:

3.4.1 **The Board agreed that the July Board dinner will be changed to a different date;**

Action: [REDACTED]

3.4.2 **Due to increasing activity around Phase 2, the format of the Board meeting will be revised to have formal business for the full day split into Phase 1 and Phase 2 to allow the Board sufficient time to consider decisions;**

Action: [REDACTED] / David Higgins

3.4.3 **In line with the above, the Commercial and Investment Committee and Programme Committee should review frequency of meetings and Terms of Reference to review decisions prior to the Board;**

Action: Roger Mountford/ Mel Ewell/ [REDACTED]

3.4.4 The Board noted the expiration of term was June 30 2018 for Duncan Sutherland

3.4.5 **The Board requested a decision to deal with the three Non-executive Director contracts which will expire on 14 September 2018**

Action: Clive Maxwell

3.4.6 The Non-executive Directors agreed to a closed session at the end of the Board meeting to discuss Board recruitment.

4 CEO REPORT

4.1 The Board noted the monthly CEO Report and management information.

4.2 The following key points were raised and noted:

4.2.1 The Board noted the agreement regarding [REDACTED]
[REDACTED]
[REDACTED];

4.2.2 David Higgins and Jo Valentine left the meeting whilst the Board received a verbal update from the DfT Observer;

4.2.3 Due to the agreement the Board supported stopping the current work which was conducted in anticipation of an instruction to provide the depot;

4.2.4 **The Board requested the DfT formally write to HS2 Ltd to outline the liabilities and expectations following the [REDACTED]
[REDACTED]
[REDACTED].**

Action: Clive Maxwell

4.2.5 David Higgins and Jo Valentine re-joined the meeting.

4.2.6 The Board noted good progress on enterprise capability works noting the launch of the Integrated Management System.

4.2.7 The Board noted the visit to the Curzon Street station site by new HS2 Minister Nusrat Ghani MP.

4.2.8 The Board noted the recruitment process for the new CFO and COO has progressed to interview stage.

4.2.9 The Board noted engagement in the Prolonged Disturbance Policy is planned with London Borough of Camden. The Board noted that the Programme Committee had reviewed the [REDACTED] and that engagement with Euston residents will happen also.

4.2.10 The Board discussed the opportunity to feedback to Ministers on the lessons from Phase 1 Undertakings and Assurances (U&A's). The Board noted that the Audit and Risk Assurance Committee will receive a review of U&A's and this will be incorporated with this action.

4.2.11 **The Board requested updates on NAO actions due to have been completed as at 31 March 2018.**

Action: [REDACTED]

- 4.2.12 The Board discussed the communication protocol between HS2 Ltd and DfT to formalise the Shareholder relationship through [REDACTED] and the Client relationship through [REDACTED].
- 4.2.13 The Board noted that the Framework Document is yet to be formally agreed which is due to outstanding agreement of the Remuneration Annex.

5 APPROVAL OF CORPORATE PLAN 2018-2021

- 5.1 The Board approved the Corporate Plan for 2018-2021 subject incorporation of comments from Board members via correspondence and with a check to wordings on pages 23 and 24.
- 5.2 **The Board asked for how key stakeholders will be informed about the publication.**

Action: [REDACTED]

6 DEVELOPING THE PHASE 2A BUDGET ENVELOPE

- 6.1 The Board noted the paper seeking approval of the [REDACTED] for the purposes of managing the hybrid Bill on the basis that this will be reviewed and confirmed in November [REDACTED].
- 6.2 The Board discussed the current proposal including the requirement for petition contingency.
- 6.3 The Board noted the proposed design change for [REDACTED] which has been provisioned for in the 'interim' budget envelope. The decision for the case for [REDACTED] has been delegated by the Board to the CEO subject to the conditions set by the Board on 11 January 2018.
- 6.4 The Board did not approve the 'interim' budget envelope.
- 6.5 The petition contingency of [REDACTED] was approved, with the [REDACTED] as the exception.
- 6.6 **The Board requested a monthly update report for committee progress.**

Action: [REDACTED]

- 6.7 The Board requested that should [REDACTED] be directed for adoption there should be consideration of how to this will impact the budget.

7 PHASE 2B BASELINE 1.0

- 7.1 The Board noted the paper and presentation providing headline findings of

Baseline 1.0 in advance of the formal submission of the completed and assured Baseline 1.0 materials, planned for the May 2018 HS2 Ltd Board.

7.2 The Board noted that this is the first bottom up exercise on core scope for the hybrid Bill.

7.3 The following key points were raised and noted:

7.3.1 The Board noted the scope currently assumes powers for station delivery at Manchester Airport, but that funding for these works will be delivered by third parties. The Board encourage dialogue from DfT with potential third parties to share early visibility of commercial and wider opportunities;

7.3.2 The Board requested that the commercial opportunities and stations are considered as one item;

7.3.3 The Board requested a reconciliation against the periodic review;

7.3.4 The Board advised Management to provide further analysis on unit rates and the assumptions underlying the estimates and potential cost savings.

7.4 The Board noted the update.

8 PHASE 2B STRATEGIC INTERFACES

8.1 The Board noted the paper providing key findings of HS2 Ltd.'s work to assess the impacts of potential changes to the scope of Phase 2b beyond the scheme presented at Baseline 1.0, including the DfT instruction to assess the impact of incorporating Midland Main Line electrification south of Sheffield into the scope of Phase 2b.

8.2 Duncan Sutherland left the meeting for discussion of the Midland Mainline Electrification scope of work.

8.3 The Board agreed that the work to date should be shared with the DfT, with the DfT to make a decision as to sharing the information any more widely.

8.4 **The Board requested all exclusions to the current findings should be made clear and that there should be further information returning to the Board on schedule consequences and implications if new connections are requested.**

Action: Paul Griffiths

8.5 Duncan Sutherland re-joined the meeting.

9 REPORT FROM COMMERCIAL AND INVESTMENT COMMITTEE

9.1 The Board noted the report from the Commercial and Investment Committee meeting on 21 March 2018.

10 ROLLING STOCK UPDATE

10.1 The Board received a verbal update from the Managing Director of Railway Operations on correspondence received following submission of the paper to the Board on the ongoing live legal proceedings.

10.2 The Board noted that there will be a mediation meeting on 19 April 2018.

10.3

[REDACTED]

10.4 The Board noted that should [REDACTED] materialise this still enables a full year of trial operations of the fleet in alignment with Baseline 6.1.

10.5 The Board discussed the more mature stage of the procurement documentation due to further consultation with the market for the last 12 months.

10.6 The DfT Observer requested some further information on the merits of the case and schedule impact.

10.7 The Board noted that they will receive Terms of Reference for the procurement process review commissioned by the DfT.

10.8 The newly appointed Procurement and Supply Chain Director will conduct a review of the processes and procedures which should then also be separately reported to the Board in due course in order for the Board members to opine on any further action required.

11 BENEFITS BASELINE

11.1 The Board approved version 1.0 of the benefits baseline and the revised benefits register for onward submission to Client Board.

11.2 The Board noted the areas for further development of the benefits baseline between version 1.0 and version 2.0 and agreed to provide comments and developments to Management for version 2.0 of the benefits baseline via correspondence.

12 REPORT FROM THE PROGRAMME COMMITTEE 03 APRIL 2018

12.1 The Committee received a verbal update from the meeting held on 03 April 2018.

12.2 The following key points were raised and noted:

12.2.1 The Committee have tasked Management to review the collaboration of the supply chain, specifically utilities, in the SSHELT working groups;

- 12.2.2 **The Board noted the updates on noise insulation and excavation at St James' Gardens. The Board requested a check of the action taken at Crossrail.**

Action: Jim Crawford

- 12.2.3 The Committee will receive management information on earned value at the next Committee meeting.

- 12.2.4 The Board requested an update on scope for the western platforms on the mainline at [REDACTED] now there has been a position agreed with [REDACTED]

- 12.2.5 **The Committee had considered the Baseline for Phase 2b and it was agreed that an extraordinary Programme Committee meeting will be held to review the Baseline again prior to submission at the May Board.**

Action: Paul Griffiths/ Mel Ewell

13 REPORT FROM THE HEALTH SAFETY AND ENVIRONMENT COMMITTEE

- 13.1 The Committee noted the update from the Health Safety and Environment Committee on 22 March 2018 noting the request the Committee has made for the promotion of the environmental successes being delivered by HS2 Ltd.

14 REPORT FROM THE REMUNERATION COMMITTEE

- 14.1 This item was discussed in the closed Non-executive only session post meeting.

15 CORPORATE AFFAIRS REPORT

- 15.1 The Board noted the report covering the key activities of the Corporate Affairs and Community Engagement Departments in March 2018.

16 FORWARD LOOK

- 16.1 **As per the earlier discussions regarding the items for decision to the Board it was agreed that the agenda for May should be reviewed to change the meeting into the full day and briefings will be moved to June onwards.**

Action: [REDACTED]

17 CHAIRS REPORT

- 17.1 There were no additional items raised by the Chair.

18 ANY OTHER BUSINESS

- 18.1 There were no further items of business raised for discussion.