

Meeting minutes

HS2 Ltd Board

Meeting date Wednesday, 18 December 2019
Meeting location Room 6.1, Two Snowhill
Meeting time 09:00-15:15

Members	Attendees	Apologies
Allan Cook (Chairman) Non-Executive Director	[REDACTED] Delivery Director	
Michael Bradley Chief Financial Officer	[REDACTED] DfT Observer	
Mel Ewell Non-Executive Director	Nicole Geoghegan General Counsel	
Judith Hackitt Non-Executive Director	[REDACTED] Programme Director (change programme)	
Stephen Hughes Non-Executive Director	[REDACTED] Advance Consultancy Ltd	
Roger Mountford Non-Executive Director	[REDACTED] Civils Client Director	
Ed Smith Non-Executive Director	[REDACTED] Programme Management Office Director	
Mark Thurston Chief Executive Officer	Non Owen (minutes) Company Secretary	
	Aileen Thompson (items 01 to 04) Strategic Director of Stakeholder Engagement	

1 Welcome, Declarations of Interest and Values Moment

- 1.1 There were no additional declarations of interest to record on the register.
- 1.2 The Board welcomed [REDACTED] to the meeting in the capacity of Board Observer from the Department for Transport. The Board noted apologies from [REDACTED] due to attendance at a meeting with the Secretary of State for Transport.
- 1.3 The Board received a values moment from Stephen Hughes regarding a previous experience regarding leadership and the importance of engagement with the workforce. The Board discussed this in the context of [REDACTED] and the recent statistics on the work done

recognising that it is key for the workforce to have a positive perception of how the Project Evolve has been received.

2 Minutes of the previous meeting and matters arising (HS2B_19-106 and HS2B_19-107)

2.1 The Board agreed the minutes of the meeting on 27 November 2019 as a true record, subject to the following changes:

2.1.1 Minute 7.2.4 **from** "The Board noted, that in line with the Commercial and Investment Committee taking on more delegations on behalf of the Board, the recommendation of the Committee to the Board was that approval should be given" **to** "The Board noted the recommendation of the Committee to the Board was that approval should be given and that this decision was an example of those which could in future be delegated to the Committee to make on behalf of the Board."

2.1.2 Minute 8.4 **from** "The Department for Transport have approved the [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] **to** "The Department for Transport have approved the [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]"

2.1.3 Minute 10.10 **from** "The Board discussed the previous investment authority which was approved by the board in June 2019. [REDACTED]
[REDACTED]
[REDACTED] **to** "The Board discussed the previous investment authority which was approved by the Board in June 2019. [REDACTED]
[REDACTED]
[REDACTED]"

2.2 The Board noted the status of the actions. The following key points were raised and noted:

2.2.1 **Action 19/064 – External Board Attendance:** The Board noted future attendance to the Board meetings from external attendees and suggested that invitations be extended to Network Rail Chief Executive Officer and Chairman, the Permanent Secretary at the Department for Transport, the Secretary of State for Transport and Stakeholders from the West Coast Partnership.

2.2.2 **Action 19/085 – Strategic & Stakeholder Engagement Assessment and Recommendations:** The Board discussed the change to the external engagement environment which will occur following publication of the Oakervee Review.

2.2.3 The Board discussed the abridged version of the HS2 Ltd narrative and requested further development to include stronger messaging about the broader community and benefits.

2.3 The updates were noted.

3 Chair Report (HS2B_19-110)

3.1 The Chairman gave the Board an overview of his engagement activities over the month.

3.2 The organisation awaits the release of the Oakervee Review. The Chairman had provided a verbal update following a meeting with Doug Oakervee at the combined Board and Executive Committee session the previous day.

3.3 The status of the actions from the Board Effectiveness Review was noted. Updates will continue to be reported to the Board on a quarterly basis.

3.4 The Board discussed the continued delay to the Non-Executive Director recruitment campaign following closure of the initial application window on Sunday 14 July 2019. It was agreed that there should be a review of the timings and expectations agreed with the Department for Transport due to the urgency and importance to increase the number of Board Members as the organisation enters this next critical stage for the Programme.

3.5 The Board received a verbal update from the Department for Transport Observer. The following key points were raised and noted:

3.5.1 An update has been taken to the Department for Transport Board Investment and Commercial Committee (BICC) regarding Euston, following sessions to review an optimal delivery model;

3.5.2 Updates have been provided and shared with the Department for Transport regarding the latest view of Phase 2a and Phase 2b cost and schedule, recognising that full assurance is not yet complete; and

3.5.3 The Board noted that confirmation of [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

3.6 The Board noted the updates.

4 CEO Report (HS2B_19-108 and HS2B_19-109)

4.1 The Board noted the Management Information and report from the CEO for activity over November.

4.2 The following key points were raised and noted:

4.2.1 The Board received a verbal update regarding the National College for Advanced Transport & Infrastructure;

- 4.2.2 Weekly Notice to Proceed calls continue to be held with Senior Leaders in the business. The calls will be repurposed in the New Year for Management oversight of Integrated Project Team readiness and change control;
- 4.2.3 A paper will be taken to [REDACTED];
- 4.2.4 Gateway 6 submissions have been made by the Joint Ventures in the week commencing 10 December 2019. Further to publication of the CEO summary, it has been agreed that the finalised paper will be submitted to the HS2 Ltd Board meeting on 29 January 2020;
- 4.2.5 [REDACTED]
- 4.2.6 Final comments have been submitted to the National Audit Office and publication of the Value for Money study is anticipated on 15 January 2020;
- 4.2.7 Discussions continue between HS2 Ltd, the Department for Transport and the Director of Infrastructure Delivery in preparedness of the Major Project Review Group in the week commencing 24 February 2020;
- 4.2.8 The Board noted an update from the Land and Property Department regarding progress to conclude a [REDACTED]. The Executive Committee will consider the matter in the week commencing 13 January 2020 and an update will be provided to the Board following this. The Board noted that due to timing requirements this may need to be done via correspondence prior to the January Board;
- 4.2.9 The Chairman advised of his visit to Lendlease to review progress on the masterplan for Euston. During the visit the Chairman had seen the modelling of the site on a 1:100 scale and encouraged Board Members to arrange a visit to review the plans. The Company Secretary will support facilitation of visits;
- 4.2.10 The Board noted the status of [REDACTED] with Directorate level briefings held and [REDACTED]. Collective consultation is due to conclude on 26 December 2019, continuing in parallel with individual consultations; and
- 4.2.11 Management confirmed to the Board that any redundancies were being reviewed to ensure alignment with statutory terms and not in excess of £95,000. In extreme circumstances, if this was NOT the case, and in accordance with the Framework Document, approval must be achieved with the Department for Transport. Further, any novel and contentious issues would be escalated for approval from the Secretary of State and HM Treasury.
- 4.3 The Board received a verbal update from the Strategic Director of Stakeholder Engagement on external and internal communications over the month, noting the reduced proactive input due to the election period.
- 4.4 The Board received a verbal update from the Chief Financial Officer regarding finances in the month.

4.4.1 The Board noted November spend as the highest in the financial year. [REDACTED]

4.5 The Board received a verbal update from the Delivery Director on Programme Highlights in the month. The following key points were raised and noted:

4.5.1 The Board discussed the Health, Safety and Environment performance in the month, noting the High Potential incidents in the period;

4.5.2 The Board reflected on the afternoon briefing session held on 17 December 2019 including what aspiration the HS2 Ltd Board has on the vision for health and safety in the organisation and through the supply chain;

4.5.3 The Board noted that as the Programme enters the next stage, the focus of Board discussion will shift to the performance against the Programme;

4.5.4 It is key that fit for purpose Key Performance Targets are identified and tracked at the appropriate levels to drive effective discussions and decisions for the Programme;

4.5.5 Development of the information to provide more detailed leading indicators rather than lagging is required; and

4.5.6 The Board noted the good progress of works at stations sites.

4.6 The Board noted the updates.

5 Report from Audit and Risk Assurance Committee 09 December 2019 (HS2B_19-111)

5.1 The Board received an update from the Chair of the Audit and Risk Assurance Committee following the meeting held on 09 December 2019.

5.2 The Committee meeting had followed an extraordinary meeting in October to consider the progress of [REDACTED] and the HS2 Improvement Programme given their importance.

5.3 The following topics were discussed at the December Committee meeting:

5.3.1 The strategic risks will be updated into Management Information reporting, and a series of deep dives will be agreed with the Committee Chair;

5.3.2 The Committee have reviewed assurance processes and discussed the necessity for Audit and Risk Assurance Committee or Board to commission independent expertise to provide audit assurance in the supply chain;

5.3.3 The Committee had received and noted the Audit Planning Report on the 2019-2020 Financial Statement Audit from the National Audit Office (NAO);

5.3.4 The Board noted that the company Policy on Gifts and Hospitality is under review and will be escalated back to the Committee and HS2 Ltd Board;

7.7 **The Board discussed the time required to transition to functioning and integrated organisations and requested further visibility of any potential risk implications and plans to mitigate in the time required for the organisations to embed.**

7.8 **Management advised that the spend profile for the Joint Ventures could also be provided with the timelines for integration.**

Actions: [REDACTED]

7.9 **The Board further discussed the requirement for an independent assurance process to provide robust oversight in the supply chain and requested Management provide an update on the plan to resource this.**

Action: [REDACTED]

7.10 **The Board requested that Management provides clear audit trails for the processes to verify and validate information.**

Action: [REDACTED]

7.11 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

7.12 **The Board further offered support and engagement if and when required should Management need Board support to progress development.**

7.13 **The Board requested Management provide thought and clarity of how the work from the HS2 Improvement Programme aligns with the Integrated Project Teams.**

Action: [REDACTED]

7.14 **The Board noted the update.**

8 HS2 Improvement Programme (HS2B_19-114)

8.1 **The Board received and noted the paper providing an update on the HS2 Improvement Programme (HIP), with particular focus on the progress to close out the Conditions Precedent, and the plans for Enterprise Capability in 2020 and beyond.**

8.2 **The Board noted that further to the Conditions Precedent regarding Project Atlas there had been two internal audits conducted independently for Project Controls and Project Management, both of which have reported as substantial.**

8.3 **Management have completed the first upload of [REDACTED] into the project controls system. A data review and cleanse will be concluded by 14 January 2020.**

8.4 Management confirmed that the Executive will continue to have visibility of the project following transfer of accountability and ownership to the HR Director. There will also be continuation of personnel involved in delivering the project to date.

8.5 **The Chair of the Audit and Risk Assurance Committee suggested that the Committee conduct a deep dive in May 2020.**

Action: Company Secretariat for planning

8.6 **It was agreed that the HR Director would return to the Board with an update on the continuation of momentum.**

Action: Neil Hayward

8.7 The Board noted the update regarding enhancing capability to achieve level four, noting these as sufficiently ambitious due to the exponential effort and evidence required to demonstrate level four capabilities.

9 Priorities for January 2020 Board (HS2B_19-115)

9.1 The Board noted the forward look of topics to be considered by the Board. Content for the January 2020 Board will be considered and agreed with the Chairman.

9.2 The Board noted that a proposal has been submitted to the Department for Transport regarding the Corporate Plan, suggesting that the document be split to better define a backward one-year view of the organisation, and a separate three-year Corporate Plan, detailing the ambitious programme of works over the next 2-3 years, plus the legacy which will be left for Britain for generations to come.

9.3 The Board noted the date of the next meeting as 29 January 2020. It was agreed that should any update be required to the Board prior to this, then this would be done out of cycle.

10 AOB and Close

10.1 The Chairman and CEO acknowledged the work completed in the year and reflected on the amount of discretionary effort in the organisation.

10.2 **It was agreed that the Terms of Reference for the Commercial and Investment Committee would be reviewed at the next Committee meeting.**

Action: Non Owen

10.3 The Board received a verbal update from the General Counsel regarding [REDACTED]

10.4 There were no additional items of business raised.

10.5 The Chairman, Non-Executive Directors and the Board Observer had a closed meeting to discuss the day's business.