

Meeting minutes

HS2 Ltd Board

Meeting date Wednesday, 29 April 2020

Meeting location Skype Meeting

Meeting time 09:00-14:30

Members	Attendees	Apologies
Allan Cook (Chairman) Non-Executive Director	David Bennett (item 04) Delivery Director	
Michael Bradley Chief Financial Officer	[REDACTED] Chief of Staff	
Mel Ewell Non-Executive Director	[REDACTED] Land and Property Director	
Judith Hackitt Non-Executive Director	[REDACTED] Senior Business Manager	
Stephen Hughes Non-Executive Director	Nicole Geoghegan General Counsel	
Roger Mountford Non-Executive Director	Neil Hayward (item 08) HR Director	
Ed Smith Non-Executive Director	[REDACTED] Head of EDI	
Mark Thurston Chief Executive Officer	[REDACTED] DfT Observer	
	Kevin McGreal (item 06) Interim Safety and Assurance Director	
	Non Owen (minutes) Company Secretary	
	Tim Smart (item 09) Phase Two Managing Director	
	Aileen Thompson (item 04) Strategic Director of Stakeholder Engagement	
	[REDACTED] Commercial Development Director	
	[REDACTED] Senior Sponsor	
	[REDACTED] Euston Area Client Director	

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 received a values moment from Mel Ewell regarding his experience of the COVID-19 virus during the lockdown period and noted the importance not to get lost in the media and numbers being reported but to reflect on the personal aspect.

2 Minutes of the previous meeting and matters arising (HS2B_20-001, HS2B_20-002, HS2B_20-003 and HS2B_20-004)

- 2.1 The Board agreed the minutes of the meetings held on 20 March 2020, 25 March 2020 and 09 April 2020 as a true record.
- 2.2 The Board noted the status of the actions. The following key points were raised and noted:
 - 2.2.1 Action 19/115: National Audit Office Progress Update: The Board noted that the workshop will be coordinated by the DfT. The Board queried whether there was any expectation from the National Audit Office (NAO) for follow up and response to the observations. It was noted that recommendations from the Public Accounts Committee take primacy for responses and the focus for the NAO report will be to take on lessons.
 - 2.2.2 The Board reiterated the value of the session with the NAO and following the session the Audit and Risk Assurance Committee (ARAC) Chair has shared the output with the Group Audit and Risk Assurance Committee (GARAC) Chair. Dialogue will continue on an informal basis and the DfT will work to arrange a workshop between the NAO; DfT and HS2 Ltd.
 - 2.2.3 Action 19/120: Phase 1 Baseline 7.1: The Committee noted the planned timing to return to the Board in July 2020. The Board challenged Management on the timing to rerun the Quantitative Risk Assessment (QRA). Management confirmed that the commitment has been made to the Major Projects Review Group (MPRG) to be delivered over the summer and in order to deliver the rerun there needs to be prior agreement of the [REDACTED]
- 2.3 The Board noted a briefing on Earned Value will return to the Board in June 2020 and that a reasonable amount of time will need to be allocated to the session.

3 Chair Report including Senior Responsible Owner Update (HS2B_20-005)

- 3.1 The Board noted the Chair Report providing an overview of his engagement activities over the month.

- 3.2 An update was provided from the DfT Senior Responsible Owner (SRO) for HS2 Ltd regarding activities over the month. The following key points were noted:
- 3.2.1 The SRO highlighted the success and importance of delivering the Full Business Case for the HS2 Phase One route from Birmingham to London, including evidence supporting the government's authorisation of Notice to Proceed for Main Works Civils Contracts. The document features:
 - 3.2.1.1. The Strategic Case;
 - 3.2.1.2. The Economic Case;
 - 3.2.1.3. The Financial Case;
 - 3.2.1.4. The Commercial Case; and
 - 3.2.1.5. The Management Case
 - 3.2.2 The Board noted the inaugural Ministerial Task Team meeting will be held on 30 April 2020;
 - 3.2.3 The Board noted the huge area of focus of the DfT in response to the COVID-19 pandemic including potential activity/ restart across the transport sector; and
 - 3.2.4 The SRO welcomed the information provided by the organisation regarding construction site activity across the programme.
- 3.3 The Board noted the updates.

4 CEO Report (HS2B_20-006 and HS2B_20-007)

- 4.1 The Delivery Director, the Chief of Staff, the Land and Property Director and the Strategic Director of Stakeholder Engagement joined the meeting.
- 4.2 The Board noted the Management Information and report from the CEO.
- 4.3 The following key points were raised and noted:
 - 4.3.1 The company has now been operating in a work from home capacity for five weeks. Business activity and IT capability levels remain consistent;
 - 4.3.2 There has been a strong focus of line management dialogue in the business to offer support from the business where required;
 - 4.3.3 Performance reviews for financial year 2019/2020 have been concluded;
 - 4.3.4 Consideration is being given [REDACTED];
 - 4.3.5 **The HS2 Improvement Programme Readiness Steering Group will look to shift focus and become a Capability Working Group, looking at how to sustain at level 3 capability and validate capability timelines with owners to drive further maturity. An update will be provided to the May Board;**

Action: Neil Hayward

- 4.3.6 The Board requested detail with the update as to any potential delays to the schedule and whether this is being driven by achieving capability or providing the evidence required to embed the capability;
 - 4.3.7 A meeting has been held with the HS2 Minister and CEOs in the supply chain which generated good engagement;
 - 4.3.8 The first planned wellbeing survey has concluded with results being reviewed for response into the business;
 - 4.3.9 The Board commented on the positive rate of results and discussed whether the lower rates received for financial wellbeing had been in part due to the timing that the survey was released, following the COVID-19 lockdown;
 - 4.3.10 Management responded that this could have been a factor due to uncertainty regarding organisations enacting furlough schemes around the same time;
 - 4.3.11 The Board note that future short, regular surveys will be circulated to the business and that monitoring of trends will be important to observe; and
 - 4.3.12 The Board noted that the impact of COVID-19 is being explored with contractors, who are being asked to provide evidence as to the level of impact.
- 4.4 The Board received an update on the initial thinking to provide a plan for a post COVID-19 environment and what the organisation needs to do to emerge as a 'refreshed' organisation.
- 4.5 The Board noted the proposed five workstreams to develop planning and the suggested Non-Executive Director engagement with the same, for:
- 4.5.1 Business Operations and Capability;
 - 4.5.2 Construction and Productivity;
 - 4.5.3 Supply Chain;
 - 4.5.4 Communications and engagement; and
 - 4.5.5 Programme framework and integration.
- 4.6 The Board welcomed the update and were encouraged to see that the work will be delivered to build into existing integral workstreams so not to create an additional level of work.
- 4.7 The Board noted that the DfT are looking at maximisation of the pace of restart and potential opportunities to accelerate or begin works earlier than planned and are encouraging HS2 to look for these opportunities where available.
- 4.8 The DfT are keen to understand productivity opportunities and what digital working can be used across the supply chain.
- 4.9 There will need to be a balance for ways of working with the community and handling of Land and Property claims and activities which will involve some sensitive decisions to be made.
- 4.10 The Board noted the link to the Communication Leadership Forum and how this can help drive the focus on community.

- 4.11 The Board noted opportunities to do things differently including how to engage with Stakeholders and sharing lessons of what other organisations have learned and applied.
- 4.12 Due to the lifespan of HS2 the Board discussed the need to also review another workstream of resilience.
- 4.13 The Board noted the update and that a further update will be provided to the May meeting.
- 4.14 The Board received an update from the Strategic Director of Stakeholder Engagement, noting the following:
- 4.14.1 Handling continues with regard to the level of protester activity across sites;
 - 4.14.2 Adaptation of the HS2 narrative is being delivered through publications due to be released over the coming months including the business plan and corporate plan;
 - 4.14.3 The Communications Leadership Forum had met on 28 April 2020 and discussed detail on the evolving narrative, including environmental concerns and the affordability of HS2 Ltd in the current pandemic. The meeting was well received by attending Non-Executive Directors and it was agreed that due to the current environment an additional meeting will be scheduled in June 2020.
- 4.15 The Board received an update from the CFO covering finance and spend in the month, noting the following:
- 4.15.1 A deep dive will be considered by the Programme Review into the [REDACTED] and [REDACTED]
 - 4.15.2 The Board noted the reporting is being developed for presentation to the CORBA¹ Task Team meetings. It will be key that there is consistency of reporting and messaging amongst Ministerial, Departmental and organisational information.
- 4.16 The Board received an update from the Delivery Director on Programme Delivery in the month, noting the following:
- 4.16.1 At the time of reporting 167 of 215 sites are open. The productivity of sites needs careful consideration in addition to acknowledging the number of “open” sites.
 - 4.16.2 The Board queried the rationale for sites which are not open and whether this was driven by a genuine need to pause activity or whether this was reputational risk management. Management confirmed that some closures in the southern sites are due to site congestion and access but that there is a good level of practical discussion and solutions being explored with the supply chain;
 - 4.16.3 The Board noted achievement of Schedule 17 town planning consents for Curzon Street and the anticipated achievement of Schedule 17 for Old Oak Common due in May 2020;
 - 4.16.4 Contractors are making good progress following Notice to Proceed and focus remains on embedding Integrated Project Teams;

¹ The name of the meeting has since changed but correct at the time the reference was made

- 4.16.5 The Board noted the new appointment for the Managing Director in BBV;
 - 4.16.6 The Delivery Director confirmed that there is a good level of attention being provided to key handovers required in the programme in the current climate; and
 - 4.16.7 Management confirmed anticipated guidance on health tracking is being considered for release in the organisation should this become available in a secure way.
- 4.17 The Board received an update from the Land and Property Director, noting the following:
- 4.17.1 At year end there has been possession of 58 square kilometres acquired under compulsory purchase;
 - 4.17.2 Year end was delivered within 1% of the Q3 forecast for Land and Property;
 - 4.17.3 The Board noted the statistics reported against Ready to Pay criteria and that there is a narrative required to support the statistics due to some of delays being claimant led;
 - 4.17.4 The Board noted the level of constituency led Land and Property issues being escalated to the HS2 Minister and there is developing dialogue to agree and manage rules of engagement;
 - 4.17.5 Escalation of the Land and Property dashboard to the DfT and Ministers would be useful to support dialogue; and
 - 4.17.6 The Board are keen for HS2 to have strong focus on keeping the Minister suitably briefed and informed.
- 4.18 The Board noted the updates.

5 Report from the Health, Safety, Security and Environment Committee 20 April 2020 (HS2B_20-008)

- 5.1 The Interim Safety and Assurance Director joined the meeting.
- 5.2 The Board welcomed the incoming Interim Director of Safety and Assurance to the business.
- 5.3 The Board received and noted the report from the Chair of the Health, Safety, Security and Environment Committee held on 20 April 2020.
- 5.4 The following key points were raised and noted:
 - 5.4.1 The Board noted that there has been a Management review of the structure for Health, Safety, Security and Environment reporting resulting in a revision to the Terms of Reference of the Committee which will now receive updates and escalations from five strands of the programme, namely:
 - 5.4.1.1 Delivery;
 - 5.4.1.2 Development;
 - 5.4.1.3 Land and Property

- 5.4.1.4. Engineering Safety; and
- 5.4.1.5. People, Health and Wellbeing

5.5 The Board noted consideration of the following additional topics during the meeting including:

- 5.5.1 A deep dive into HS2's commitment to achieving carbon management in infrastructure;
- 5.5.2 A deep dive into Safety in Design, receiving the Chiltern Tunnel Ventilation Shaft Case Study
- 5.5.3 A deep dive into the Health, Safety, Security and Environment Catastrophic Risk; and
- 5.5.4 Endorsement of the CEOs 2019/2020 HSE Objectives for onward submission to the Remuneration Committee.

5.6 **It was agreed that the paper on carbon management will be submitted to the DfT SRO.**

Action: Non Owen

5.7 The Committee discussed the proposed revision to the Committee Terms of Reference and raised the following key points:

- 5.7.1 The Board noted that the Chair of the Committee will be the CEO. As a Sub-Committee of the Board, usual best practice is for a Committee to be chaired by a Non-Executive Director;
- 5.7.2 The position of the Committee Chair was reviewed and discussed by the Executive Committee, and the proposal for the CEO to Chair is to reiterate the organisational focus and importance of Health, Safety, Security and Environment;
- 5.7.3 The Board noted that there is substantive engagement with the Non-Executive Members of the Committee and the topics and agendas are discussed and agreed in advance of the meetings with Judith Hackitt;
- 5.7.4 The Membership and composition of the Committee will be subject to continuous review and improvement in accordance with best practice;
- 5.7.5 The Board discussed the difficult balance in order to keep focus of environment present at a strategic level and the potential merits of a separate forum to oversee this. Given the COVID-19 pandemic there is growing focus to environment and climate change;
- 5.7.6 Judith Hackitt reassured the Board that there is strong focus to this aspect and that this will continue to be reviewed alongside the effectiveness of the Committee;
- 5.7.7 It was noted that in line with the deep dives conducted by the Committee there is an annual crisis management exercise conducted with the Executive and supply chain; and
- 5.7.8 The Board noted the update provided on the catastrophic risk which is being supported with bow tie methodology.

5.8 The Board noted the updates.

6 Health, Safety, Security and Environment Committee Terms of Reference (HS2B_20-009)

- 6.1 The Board were asked to approve the revised Governance structure (including the Terms of Reference, frequency and membership) of the combined Health, Safety and Environment (HSE) Committee and HSE Panel.
- 6.2 Subject to the comments raised by the Board during discussion at item 05, the Board approved the revised Terms of Reference and noted the next steps.

7 Corporate KPIs and Business Plan 2020/21 (HS2B_20-010)

- 7.1 The Senior Business Manager for the CFO Directorate joined the meeting.
- 7.2 The Board received an update on:
 - 7.2.1 HS2 Ltd's performance against 2019/20 Corporate Key Performance Indicators (KPIs);
 - 7.2.2 Revised KPI proposals for 2020/21; and
 - 7.2.3 Work to develop the 1-Year Business Plan 2020/21.
- 7.3 The following key points were raised and noted:
 - 7.3.1 The Board noted the KPI for the Health and Safety Performance Indicator and referenced that this doesn't capture the environmental performance profile;
 - 7.3.2 The Board were keen to understand the metrics behind the Cost Performance Indicator and whether this captures a Value for Money focus;
 - 7.3.3 Cost and Schedule Performance Indicators are related to Earned Value and this will be explored during the briefing planned for June 2020;
 - 7.3.4 The Board noted that there is a DfT request for a Land and Property related KPI;
 - 7.3.5 A more granular list of milestones was requested in the next iteration; and
 - 7.3.6 The Board discussed the number of KPIs to be reported by the organisation, noting that there will be additional deliverables for achievement by the business which will contribute to the strategic KPIs.
- 7.4 The Board noted the summary of 2019/20 KPI performance and progress of the development of the Business Plan for 2020/2021 and that approval will be sought from the Board at the May meeting.

8 XXXXXXXXXX Close Out (HS2B_20-011)

- 8.1 The HR Director and the Head of EDI joined the meeting.

- 8.2 The Board received an update on the final position [REDACTED] detailing the organisational changes and deliverables, including the associated people impact and [REDACTED]
- 8.3 The Board noted that there will be [REDACTED]. Should individuals give consent their details will be shared with Joint Venture partners for any opportunities available.
- 8.4 [REDACTED]
- 8.5 [REDACTED] The position will be confirmed against the Framework Document and correspondence to confirm the position will be shared with the DfT.
- 8.6 The Board commended the work and were interested to receive a further update on the progress to convert staff to core HS2 status at the relevant time.
- 8.7 The Board noted the update.

9 Phase 2 Update (HS2B_20-012 and HS2B_20-015)

- 9.1 The Phase Two Managing Director joined the meeting.
- 9.2 The Board received an update on the key issues facing Phase 2a, namely the impact of COVID-19 on the programme; [REDACTED]
- 9.3 The Board noted the update on the Phase 2a delivery programme. **It was agreed that a briefing session would be utilised to appraise the Board on 26 May 2020 in order for the Board to have a better understanding of the Phase 2a delivery programme. It was agreed that the programme was complex and therefore warranted a more detailed review session.**
- Action: Non Owen**
- 9.4 As part of the briefing the Board requested:
- 9.4.1 Explanation of the components and acronyms used;
 - 9.4.2 Detail on the programme to be delivered included the scale and any complexities involved together with an explanation of the cost profile;
 - 9.4.3 A summary of lessons learned being incorporated into Phase 2a and how this will be communicated;

9.4.4 The information to be provided for the briefing will be provided to Board Members in advance to allow Board Members to send any queries ahead of the briefing session;

Action: Tim Smart

9.4.5 The governance timeline should incorporate how the Audit and Risk Assurance Panel and Committee will be utilised to assure the information;

Action: Tim Smart

9.5 The Board noted the update.

9.6 The Board received an update on the schedule for hybrid Bill deposit for the western leg.

9.7 The Board were reminded that following the Oakervee Review, in March 2020, the DfT directed HS2 Ltd to proceed with a hybrid Bill for the western leg only.

9.8 Development of the eastern leg will be developed with the Integrated Rail Plan (IRP).

9.9 The schedule for the western leg Bill deposit has been impacted by the COVID-19 pandemic and this is subject to review together with transport assessments and Design Refinement Consultation requirements.

9.10 It was agreed that a further briefing session would be utilised with the Board to understand the requirements to deliver Phase 2b including the interface required with the IRP.

Action: Non Owen

9.11 The Board noted the development of work with the DfT which will remain ongoing to understand and communicate the cost and schedule position.

9.12 The Board noted the update.

10 Euston Station (HS2B_20-013)

10.1 The Commercial Development Director, the Senior Sponsor and the Euston Area Client Director joined the meeting and Delivery Director

10.2 The Board received an update on the key workstreams underway to [REDACTED]

10.3 The Board were asked to note:

10.3.1 An update on the forthcoming [REDACTED] and

10.3.2 An update on progress towards [REDACTED] for Euston Station.

10.4 The following key points were raised and noted:

10.4.1 The Board commended the quality of the information provided;

- 10.4.2 It was agreed that as the work progresses the Board will receive monthly updates;
- 10.4.3 The Board noted the development of the process for change of Euston with the DfT and with support [REDACTED]
- 10.4.4 The Board noted the ten-point plan [REDACTED] which is split into four areas, namely:
- 10.4.4.1. Leadership;
 - 10.4.4.2. Strategy;
 - 10.4.4.3. Funding; and
 - 10.4.4.4. Behaviours.
- 10.4.5 The Board noted the plans for the [REDACTED] to enable an optimum solution;
- 10.4.6 The Board noted the next steps required including [REDACTED] and [REDACTED]
- 10.4.7 The Board noted the timeline planned for delivery which Management confirmed as ambitious but achievable for an [REDACTED]
- 10.5 The Board noted the update.

11 Priorities for May 2020 Board (HS2B_20-014)

- 11.1 The Board noted the forward look of topics to be considered by the Board. Content for the 27 May 2020 Board will be considered and agreed with the Chairman.

12 AOB and Close

- 12.1 The Board received a verbal update from the General Counsel regarding a recent rejected injunction.