

# Meeting minutes

## HS2 Ltd Board

**Meeting date** Wednesday, 30 September 2020

**Meeting location** MS Teams Meeting

**Meeting time** 09:00-15:00

Members	Attendees	Apologies
Allan Cook (Chairman) Non-Executive Director	[REDACTED] Controls Director	
Michael Bradley Chief Financial Officer	David Bennett (item 05) Delivery Director	
Mel Ewell Non-Executive Director	[REDACTED] (item 09)	
Tom Harris Non-Executive Director	[REDACTED] Phase One Project Controls Director	
Judith Hackitt Non-Executive Director	Nicole Geoghegan General Counsel	
Elaine Holt Non-Executive Director	[REDACTED] Head of Environment Policy (item 08)	
Stephen Hughes Non-Executive Director	[REDACTED] (item 03 and item 08) DfT Observer	
Ian King Non-Executive Director Secretary of State for Transport's Representative	Non Owen Company Secretary	
Roger Mountford Non-Executive Director	[REDACTED] (minutes) Company Secretariat Adviser	
Ed Smith Non-Executive Director	Aileen Thompson (item 04) Strategic Director of Stakeholder Engagement	
Mark Thurston Chief Executive Officer	[REDACTED] (item 10) Commercial Development Director	

## 1 Welcome, Declarations of Interest and Values Moment

- 1.1 Ed Smith declared an interest due to previously holding the position of Chair at the University of Birmingham. This interest was declared in relation to agenda item 4 (CEO Report) where the National College for Advanced Transport and Infrastructure (NCATI) was reported.
- 1.2 There were no additional declarations of interest to record on the register.

- 1.3 The Board received a values moment from Tom Harris regarding the importance of the continuing revolution of rail transportation.

## **2 Minutes of the previous meeting and matters arising (HS2B\_20-079, HS2B\_20-080 and HS2B\_20-081)**

- 2.1 The Board agreed the Minutes of the meeting on 26 August 2020 as a true record;
- 2.2 The Board agreed the Minutes of the meeting on 23 September as a true record;
- 2.3 The Board noted the status of the actions.

## **3 Chair Report (HS2B\_20-082)**

- 3.1 The Department for Transport (DfT) Senior Responsible Officer (SRO) joined the meeting;
- 3.2 The Board noted the report from the Chairman of the Board covering his engagement activities over the month;
- 3.3 The following key points were raised and noted:
  - 3.3.1 The fifth meeting of the Ministerial Task Force (MTF) for Phase One & 2a was held on Thursday, 24 September chaired by the HS2 Minister, Andrew Stephenson;
  - 3.3.2 Information submitted to the MTF was well received;
  - 3.3.3 The second MTF meeting for the Integrated Rail Plan (IRP) was held on 03 September 2020;
  - 3.3.4 It was noted that publication of the IRP is being targeted for December 2020 prior to Christmas Parliament recess; and
  - 3.3.5 The Board noted ongoing engagement with the DfT for [REDACTED]
- 3.4 The Board noted the updates.
- 3.5 The DfT SRO provided a verbal update on key activities across the Department, including:
  - 3.5.1 The Board noted the significant amount of work being undertaken by the Department in relation to the forthcoming Spending Review;
  - 3.5.2 Work continues regarding Euston station including interactions with the conventional station and Over Site Development (OSD);
  - 3.5.3 The Board noted that there had been a quarterly update provided to the Investments, Programmes and Delivery Committee (IPDC). It was agreed that a copy of this report would be made available to Board Members;**  
**Action: [REDACTED] / Non Owen**
  - 3.5.4 The Board noted continued engagement from the DfT regarding communications and messaging on benefits, Euston, Phase 2a petitions and the Delivery Model, and

progression of Phase 2b including alignment with the work on the Design Refinement Consultation (DRC) and Integrated Rail Plan (IRP); and

- 3.5.5 The Board noted continued collaboration and Parliamentary engagement to prepare for the first HS2 Ministerial Report.
- 3.6 The Board noted the updates.
- 3.7 The DfT SRO left the meeting.

## **4 CEO Report (HS2B\_20-083 and HS2B\_20-084)**

- 4.1 The Strategic Director of Stakeholder Engagement joined the meeting to support this item.
- 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 Board noted that following momentum to increase staff back in the workplace, Governmental advice has since changed. The organisation has advised, in line with Government Guidance, employees work from home where possible, but that the workplace remains open;
  - 4.3.2 The Board received an update on the latest HS2 staff well-being survey results, noting that line manager engagement remains positively received in the business and that there is a greater sense of trust between employees and leadership in this remote working environment;
  - 4.3.3 The Board noted that the latest cohort of graduates and apprentices have been inducted into the business;
  - 4.3.4 The Board queried with Management as to what activity is being undertaken with those applicants who have not been successful in the apprentice and graduate schemes;**

**Action: Neil Hayward**
  - 4.3.5 The Board noted positive progression regarding HS2 Ltd talent, noting the ongoing recruitment drive, including [REDACTED]
  - 4.3.6 The Board noted that the recruitment campaign also seeks to offer internal progression and movement, including maternity, parental and extended leave;
  - 4.3.7 The Board noted the establishment of a working group to review the levels of ongoing protester activity;
  - 4.3.8 The Board noted scheduled engagement between the HS2 Ltd CEO and CEOs of Enabling Works and Main Works Civils Contractors;
  - 4.3.9 The Board noted the scheduled workshop between HS2 Ltd Executive and the DfT Executive on 15 October 2020;

- 4.3.10 The Board received a verbal update from the General Counsel regarding ongoing live litigation matters;
  - 4.3.11 The organisation continues engagement with regard to Euston delivery arrangements, including continued Euston Partnership Meetings;
  - 4.3.12 The Euston Board Champion provided a verbal update on the options Non-Routine Advice & Policy Support Functions Record (NRAPSI) considered by the Board in August 2020;
  - 4.3.13 The Board noted that the next quarterly update on Enterprise Capability would be reported to the October Board meeting; and
  - 4.3.14 The Board noted that a Human Resources update would be tabled for the November 2020 Board Meeting to appraise Board Members on all activities across the Department including Talent and Succession Planning.
- 4.4 The Board noted the updates.
- 4.5 The Board received an update from the Strategic Director of Stakeholder Engagement, noting the following:
- 4.5.1 The Board noted there has been a positive month of media coverage and the pipeline for future coverage including construction and milestones;
  - 4.5.2 The Communications Team are preparing for publication of the Land and Property and HS2 Ministerial Report;
  - 4.5.3 The Board noted a future update will be provided on the planned suite of public communications documents due to be published;
  - 4.5.4 The careers page and HS2 Ltd website remains popular;
  - 4.5.5 The Board queried whether there was a succinct document available to focus areas of activity of the HS2 Programme for sharing with key Stakeholders. Management advised a response would be brought to the October Board meeting;**
- Action: Aileen Thompson**
- 4.5.6 The Board suggested a review of timing of any publications from HS2 Ltd to ensure that this aligns with wider stakeholder reporting.
- 4.6 The Board noted the updates.
- 4.7 The Board received an update from the CFO covering finance and spend in the month, noting the following:
- 4.7.1 The Board noted reporting as the fifth successive month with increased spend;
  - 4.7.2 The Board noted [REDACTED]
- 4.8 The Board noted the update.

- 4.9 The Board commented that the Client Report contains a level of overlap between the CEO update and Phase One Delivery Performance Report. It was agreed that Client Report could be added to the Reading Room in future.

## **5 Phase 1 Delivery Performance (HS2B\_20-085)**

- 5.1 The Delivery Director and the Phase One Project Controls Director joined the meeting;
- 5.2 The Board received an update from the Delivery Director on Programme Delivery in the month, noting the following:
- 5.2.1 The Board noted ongoing engagement and review of Health and Safety performance as a priority for the Delivery Directorate, including review at the Health, Safety, Security and Environment Committee;
  - 5.2.2 The Board received oversight of schedule performance during the month;
  - 5.2.3 The Board commented on the evolving style of reporting from the Delivery Directorate;
  - 5.2.4 Management provided the Board with an update on the Bottom up Forecast being developed with Contractors on schedule. The Board suggested practicality and handling to educate wider Stakeholders on this be considered;
  - 5.2.5 The Board received an oversight of cost performance during the month;
  - 5.2.6 The Board recommended to [REDACTED]
  - 5.2.7 Management continue to refine cost reporting, and this will be incorporated into a pre-report exercise to inform the six monthly Ministerial Reports;
  - 5.2.8 The Board noted that there was ongoing analysis of the impact of COVID-19;
  - 5.2.9 The Board expressed continued interest with Management on the development of opportunities and efficiency savings. Management confirmed that this would be made available to the Board following Executive level review; and
  - 5.2.10 The Board commended the continued level of presentation received on this topic.
- 5.3 The Board noted the updates.

## **6 Report from the Commercial and Investment Committee 10 September 2020 (HS2B\_20-086)**

- 6.1 The Board received and noted the report from the Chair of the Commercial and Investment Committee (the Committee) held on 10 September 2020.
- 6.2 The following key points were raised and noted:

- 6.2.1 Under delegated authority from the HS2 Ltd Board, the Committee had been requested to approve the proposed changes to the [REDACTED]
  - 6.2.2 The Board noted that, whilst the Committee have confirmed agreement to the principle of [REDACTED], Management have been commissioned to return to Committee Members following analysis of the [REDACTED]
  - 6.2.3 The Committee continues to receive regular updates on the [REDACTED]
  - 6.2.4 The Committee noted the ongoing work with the [REDACTED] and engagement with the DfT following a red team review;
  - 6.2.5 Management continue to review and respond to the recommendations together with providing assurance of the option pursued being value for money and within agreed delegations from the DfT;
  - 6.2.6 The Board noted that the Committee had received a presentation on Procurement Assessment Methodologies which had been positively received by the Committee; and
  - 6.2.7 The Board noted that the Committee has undertaken a review of the Terms of Reference and Committee operations including consideration with the Audit and Risk Assurance Committee, the appropriate level of assurance oversight;
  - 6.2.8 A further update will be considered at the October Committee and further reported to the HS2 Ltd Board.
- 6.3 The Board noted the update.

## **7 Report from the Audit and Risk Assurance Committee 21 September 2020 (HS2B\_20-087)**

- 7.1 The Board received and noted the report from the Chair of the Audit and Risk Assurance Committee (the Committee) held on 21 September 2020.
- 7.2 The following key points were raised and noted:
  - 7.2.1 The Board noted that work continues to progress the Management Information considered by the Panel and Committee;
  - 7.2.2 The Committee Chair has issued correspondence to the Land and Property and Finance teams to congratulate them on the positive findings of the National Audit Office (NAO) audit work on High Speed 2 Land and Property;
  - 7.2.3 The Committee have noted that data analytics will be reported in the Fraud and Business Ethics department and have commissioned an update on the output of this;
  - 7.2.4 The Committee held a deep dive session on Project Management Enterprise Capability to achieve Level 4 and will conduct a deep dive with the Integrated Project Teams in the first quarter of 2021;
  - 7.2.5 The Committee continues to consider the review of Crossrail lessons learned; and

7.2.6 A meeting will take place out of cycle to review the Phase 2a Baseline 2 assurance.

7.3 The Board noted the update.

7.4 The Chairman advised the newly appointed Non-Executives that, should they wish to observe any of the Committee meetings, they were welcome to do so. Non -Executives will liaise with the Company Secretary in the first instance for dates and arrangements.

## **8 Environmental Sustainability Committee – Terms of Reference (HS2B\_20-088)**

8.1 The Head of Environment Policy joined the meeting.

8.2 The DfT SRO re-joined the meeting.

8.3 The Board received and noted a proposal for the establishment of a new Environmental Sustainability Committee as a Sub-Committee of the HS2 Ltd Board and the Terms of Reference to support the same.

8.4 The Board noted the proposed scope of the Committee, with focus on the strategic direction of HS2 Ltd's activities on environmental sustainability, including review of the Environmental Policy and its objectives.

8.5 The Board noted that the Committee will be chaired by the HS2 Ltd Chairman, with Board Member representation from Judith Hackitt, Tom Harris and Ed Smith.

8.6 It was noted that all Board Members have expressed a high level of interest with the Committee and its activities and the Chairman reiterated that attendance would be invited from wider Board Members at various stages.

8.7 The Board discussed external attendance at the meeting from subject matter experts including the Environment Agency and Natural England and it was agreed that such attendance would be further explored.

8.8 The Board requested that diversity of candidates for external attendance is considered.

8.9 The Board noted the importance of the Committee to help UK wide delivery of carbon and biodiversity targets.

8.10 **It was agreed that a DfT Observer will be appointed to attend the Committee and the DfT SRO will suggest an appropriate attendee.**

**Action:** [REDACTED]

8.11 The Board approved the Terms of Reference for the Environmental Sustainability Committee for adoption at the inaugural meeting in November 2020.

## 9 Phase 2b Update (HS2B\_20-089)

- 9.1 The Phase Two Project Controls Director and Phase Two Delivery Director joined the meeting.
- 9.2 The Board received and noted an update on the progress of Baseline 2 (BL2) for Phase 2B and the hybrid Bill for Phase 2B Western Leg (Crewe-Manchester).
- 9.3 The Board noted:
- 9.3.1 Completion of the BL2 (full Y-network) during August and subsequent submission of the full suite of Baseline deliverables to DfT on 04 September 2020;
  - 9.3.2 BL2 forms the basis for disaggregating western leg costs to establish the estimate of expense for a western leg Bill deposit;
  - 9.3.3 Work is progressing on the preparation of a hybrid Bill for the Western Leg; and
  - 9.3.4 The organisation continues support work for the Integrated Rail Plan (IRP) ahead of its publication to Parliament in December 2020.
- 9.4 The Board noted that the Design Refinement Consultation (DRC) for Phase 2b would be launched on 7<sup>th</sup> October 2020.
- 9.5 The Board noted that this will be a public consultation and will run for ten weeks.
- 9.6 The Board noted the planned timescale for the IRP publication and that Bridget Rosewell and James Heath would attend the October Board meeting to provide an update on the work being carried out by the National Infrastructure Commission.
- 9.7 **It was agreed that a briefing will be provided to the HS2 Ltd Board on the DRC and hybrid Bill process.**

**Action: Tim Smart**

- 9.8 The Board noted the update.

## 10 Priorities for September 2020 Board to be agreed with the Chair and CEO (HS2B\_20-090)

- 10.1 The Board noted that it was proposed for the October 2020 meeting to be held off-site, with a critical thinking session taking place on Tuesday, 27 October.
- 10.2 Provided it could be accommodated, both meetings in October would be face-to-face sessions.
- 10.3 Possible topics for consideration and discussion were [REDACTED]
- 10.4 The forward look will be updated to reflect recommencement of the technical briefing sessions.



## **11 Any Other Business and Close**

11.1 There were no additional items raised for discussion.