

Meeting minutes

HS2 Ltd Board

Meeting date Wednesday, 28 October 2020

Meeting location MS Teams Meeting

Meeting time 08:30-15:00

Members	Attendees	Apologies
Allan Cook (Chairman) Non-Executive Director	[REDACTED] Phase 2 Project Controls Director	
Michael Bradley Chief Financial Officer	David Bennett (items 04, 06, 10 and 11) Delivery Director	
Mel Ewell Non-Executive Director	[REDACTED] Phase 2 Delivery Director	
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	
Stephen Hughes Non-Executive Director	[REDACTED] CEO, National Infrastructure Commission	
Ian King (items 01-06) Non-Executive Director Secretary of State for Transport's Representative	[REDACTED] DfT Observer	
Roger Mountford Non-Executive Director	Non Owen Company Secretary	
Ed Smith Non-Executive Director [Senior Independent Director]	[REDACTED] Client Services Director	
Mark Thurston Chief Executive Officer	[REDACTED] National Infrastructure Commission Member	
	Aileen Thompson (item 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 received a values moment from Elaine Holt on leadership and respect following a site visit to Euston and observing the positive work on site whilst balancing the support required for new joiners into the business in the current environment.

2 Minutes of the previous meeting and matters arising (HS2B_20-091 and HS2B_20-092)

- 2.1 The Board agreed the minutes of the meeting of the 30 September 2020 as a true record.
- 2.2 The Board noted the status of the actions.

3 Chair Report and Senior Responsible Officer Update (HS2B_20-093)

- 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 Board noted continuing meetings of the Ministerial Task Force (MTF) and agreed that relevant papers would be shared with Board Members;

Action: Company Secretariat

- 3.3.2 The Board noted ongoing dialogue with the DfT regarding the Quantitative Cost Risk Analysis (QCRA) and that the exercise will be repeated at six-monthly intervals;
- 3.3.3 The DfT SRO confirmed that the materials for the MTF meeting had been well received;
- 3.3.4 The Chairman summarised the current position with regard to senior level appointments; and
- 3.3.5 A Non-Executive only call was held on 21 October 2020, with discussions covering:
 - 3.3.5.1 Feedback from the September HS2 Ltd Board Meeting;
 - 3.3.5.2 Planning for the Strategic Risk briefing session as held on 27 October 2020;
 - 3.3.5.3 Euston;
 - 3.3.5.4 Board evaluation and Board composition; and
 - 3.3.5.5 The DfT / HS2 working relationship following the meeting that took place on 22 October 2020 with HS2 Executives and DfT.
- 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 Spending Review submission from HS2 Ltd, with thanks to the HS2 Finance Department for contribution to support the submission;
 - 3.5.2 Rail capacity and prioritisation required over the coming months with the ongoing COVID-19 position and the required resources required to support the DfT portfolio;
 - 3.5.3 The Board were pleased to note the first submission of the six-monthly Ministerial Report;
 - 3.5.4 The DfT SRO had attended the workshop between HS2 and DfT and provided positive feedback that the session has highlighted opportunity for ways of working and partnership working;
 - 3.5.5 The Board noted that the DfT Investments, Programmes and Delivery Committee (IPDC) will further consider the Phase 2b Baseline (BL) 2;
 - 3.5.6 The Board discussed matters being actively considered at Euston; and
 - 3.5.7 The Board noted ongoing engagement for the Integrated Rail Plan (IRP), commenting that the timetable for delivery is very ambitious.
- 3.6 The Board noted the updates.
- 3.7 The DfT SRO left the meeting.

4 CEO Summary and Quarterly Business Review (HS2B_20-094 and HS2B_20-095)

- 4.1 The Strategic Director of Stakeholder Engagement, Delivery Director and Phase One Project Controls Director joined the meeting to support this item.
- 4.2 The Board noted the Management Information and report from the CEO and Quarterly Business Review (QBR).
- 4.3 The following key points were raised and noted:
 - 4.3.1 The Board noted CEO report and business updates reported including:
 - 4.3.1.1. Progress with the All Staff Engagement Survey;
 - 4.3.1.2. Numbers reported attending the workplace during the current COVID-19 situation;
 - 4.3.1.3. Senior Leadership Team (SLT) book club. It was agreed that the dates for remaining book clubs would be shared with the Board;**
Action: Non Owen
 - 4.3.1.4. The Board discussed equality, diversity and inclusion (EDI) at HS2 and the activities to improve recruitment and internal development. The CEO will work with the EDI Board Champion for future engagement opportunities;

4.3.1.5. The Board received a verbal update from the General Counsel on active litigation matters; and

4.3.1.6. A Board update on protester and activists will be tabled at a future Board meeting.

Action: Non Owen

4.3.2 The Board noted that Management have held the inaugural QBR meeting chaired by the CEO.

4.3.3 The following key points were raised:

4.3.3.1. The Board noted Health, Safety, Security and Environment metrics, including Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), in comparison to the number of hours worked in the period;

4.3.3.2. The Board requested explanation of Level 1 and Level 2 reporting against Environment and Security;

Action: David Bennett

4.3.3.3. The Board noted the quarterly benefits reporting against the Strategic Goals;

4.3.3.4. The Board noted schedule performance for the period covering float analysis, headline status, business plan milestones and baseline delivery schedule;

4.3.3.5. The Board noted revised presentation of reporting to illustrate trends for interface milestones;

4.3.3.6. A briefing will be offered to explain the revised reporting to Non-Executive Directors;

Action: Rob Doran

4.3.3.7. Management advised that the level of information being provided by the supply chain on milestones is considered high quality;

4.3.3.8. The Board commented on the need for the Non-Executive Directors to have confidence in the data reported, presenting a position of performance against the agreed BL;

4.3.3.9. The Board noted that any emerging pressure reported to the schedule is tested at the Management Construction Review together with mitigations available;

4.3.3.10. Management advised that the bottom up forecast for schedule is due to be concluded in the first quarter of the 2021 calendar year;

4.3.3.11. The Board noted the inclusion of a nine month look ahead for deliverable milestones including any risks and mitigations, providing a forward look rather than purely a lag view for the Programme;

- 4.3.3.12. The Board noted cost performance in the period including performance against the both Point Budget, and Point Budget excluding potential external funding;
- 4.3.3.13. Cost reporting at the time of submission to the HS2 Ltd Board excludes any cost pressure resultant of COVID-19 so that the holistic trend position is fully understood;
- 4.3.3.14. Management will continue to prioritise focus on efficiencies and mitigations of risk. It was noted that the efficiency project will be a key component for this;

4.3.3.15. It was agreed that Management will review the presentation of the cost forecast slide;

Action: [REDACTED]

- 4.3.3.16. The Board noted the inclusion of risk exposure reported; and
- 4.3.3.17. The Board noted the reporting for Phase 2a schedule performance and six months look ahead.

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 media coverage reported over the period;
- 4.5.2 The Board noted commencement of capturing content for a series of ecology and environment videos that show how HS2 is delivering Green Corridor commitments;
- 4.5.3 Management are reviewing opportunities to prepare spokespeople for HS2 Ltd including Board Members and subject matter experts, mapping closely with supporting teams to allow holistic focus and continuity of messaging;
- 4.5.4 The Board noted that there will be an update presented to the November Board meeting providing an overview of the suite of corporate publications; and

4.5.5 It was agreed that a fuller update from the Strategic Stakeholder Directorate would be tabled for the November meeting.

Action: Company Secretariat for scheduling

4.6 The Board noted the update.

4.7 The Board received an update from the CFO covering finance and spend in the month, noting the following:

4.7.1 Expenditure reported in the period as detailed in the HS2 Ltd Client Report;

4.7.2 The Board noted [REDACTED];

4.7.3 The Board noted the submission of the Supplementary Estimate to the DfT, as approved by the Executive Committee; and

4.7.4 Management advised that high level desktop modelling has been presented to the DfT on COVID-19 implications. This modelling will be revisited with the supply chain and an update will be provided at a future Board meeting.

4.8 The Board noted the update.

5 Enterprise Capability Quarterly Update (HS2B_20-096)

5.1 The HR Director and Organisational Development Director joined the meeting.

5.2 The Board received an update on the progress of the Enterprise Capability programme against the objectives to enhance cross-enterprise capability this financial year.

5.3 The following key points were raised and noted:

5.3.1 Non-Executive Directors commented that following attendance at Steering Group meetings, there is a commendable level of work and energy being given to drive progress and functionality across capability areas;

5.3.2 Board Members commented that nearing the target there is a level of challenge to conclude the work and understand clearly how the functional capability supports delivery;

5.3.3 Continued targeted focus is key, together with the right balance for delivery;

5.3.4 The Board noted the planned deep dive with the Audit and Risk Assurance Committee to review the Integrated Project Teams' Full Operating Capability;

5.3.5 The Board noted the update against Project Management capability and commented that as a multi phased organisation there will naturally be phased levels of capability;

5.3.6 There should be ongoing review of capability, managed with a view of milestones;

5.3.7 The Board noted the challenge to review enterprise capability in the remote working environment and that strong leadership is key; and

5.3.8 Board Members commented that translation to the business is important for how the workstream supports delivery.

5.4 The Board noted the updates.

6 Client Services Portfolio Update (HS2B_20_097)

6.1 The Delivery Director re-joined the meeting to support this item.

6.2 The Client Services Director joined the meeting to support this item.

6.3 The Board received a presentation in order to:

6.3.1 Describe the Client Services portfolio and its importance to the Phase 1 Programme;

6.3.2 Demonstrate the scale of the work being undertaken;

6.3.3 Highlight the complexity of the stakeholder landscape; and

- 6.3.4 Raise some of the challenges faced during delivery.
- 6.4 The Board noted the presentation providing an overview of:
 - 6.4.1 The background and purpose of the Client Services portfolio;
 - 6.4.2 Enabling Works;
 - 6.4.3 Utilities;
 - 6.4.4 On Network Works; and
 - 6.4.5 Logistics
- 6.5 The Board raised the following key points:
 - 6.5.1 The presentation quality was commended in order to give a representation of the scale of works being completed;
 - 6.5.2 The Board requested consideration be given to how these examples can be used with Stakeholders to demonstrate what is being achieved in the Programme; and
 - 6.5.3 The Board commented on the engineering solutions being achieved across the portfolio.
- 6.6 The Board noted the update.
- 6.7 Ian King left the meeting as agreed in advance of the meeting with the Chairman, in order to attend a prior commitment.

7 Rail Needs for the Midlands and the North (HS2B_20_098)

- 7.1 The Board were joined by [REDACTED] and [REDACTED] who attended the Board in order to update on the HM Treasury commissioned work to establish rail needs for the Midlands and North.
- 7.2 The Board noted the activity is separate but intrinsically linked to the Integrated Rail Plan workstream being led by the DfT.
- 7.3 The Board noted that the interim report produced by the National Infrastructure Commission (the Commission) was published in July 2020 and that the final assessment is targeted for publication in November 2020.
- 7.4 The Board noted and discussed the options being considered by the Commission including:
 - 7.4.1 Accelerating delivery;
 - 7.4.2 Getting the timing and mix of interventions right; and
 - 7.4.3 Delivering confidence by agreeing plans.
- 7.5 The Board noted that key themes from Stakeholder Engagement have been:
 - 7.5.1 Prioritisation and sequencing;

- 7.5.2 Local impact;
 - 7.5.3 Resilience and reliability;
 - 7.5.4 Providing certainty; and
 - 7.5.5 Environmental impact
- 7.6 The Board noted the criteria that will be used to assess packages against economic growth and competitiveness, as well as sustainability and quality of life.
- 7.7 The Board thanked [REDACTED] for their attendance at the HS2 Ltd Board and offered further support from Board Members should it be required.

8 Report from the Health, Safety, Security and Environment Committee 19 October 2020 (Hs2B_20_099)

- 8.1 The Board received and noted the report from the Chair of the Health, Safety, Security and Environment Committee (the Committee) following the meeting held on 19 October 2020.
- 8.2 The following key points were raised and noted:
- 8.2.1 The Committee are supporting a review of using Health and Safety Performance Index (HSPI) as a metric, with consideration being given to a more blended reporting approach including lead and lag indicators;
 - 8.2.2 The Committee had received an update on the Safe at Heart Transformation Plan. This will be reported to the HS2 Ltd Board and added to the forward look;**
Action: Company Secretariat for planning
 - 8.2.3 The Committee had noted an update on the current Health and Safety Risks in Construction; and
 - 8.2.4 The Committee continue to oversee Health, Safety, Security and Environment issues reported in the supply chain and root cause analysis of the same, together with any comparable lessons learned;
- 8.3 The Board noted the update.

9 Report from the Remuneration Committee 21 October 2020 (HS2B_20_100)

- 9.1 The Board received a verbal update from the Chair of the Remuneration Committee (the Committee) following the meeting held on 21 October 2020.
- 9.2 The following matters had been considered by the Committee:
- 9.2.1 An interim assessment of the COVID-19 position regarding HS2 Ltd staff including the approach taken to date, management of facilities and the wellbeing of staff;

- 9.2.2 An overview of Management Information as reported in the HR dashboard. The Board noted a fuller HR update will be reported in the November meeting cycle;
- 9.2.3 The review of the flexible benefits provider, with Committee focus on fit for purpose capability from any awarded provider; and
- 9.2.4 An update regarding [REDACTED] It was agreed that should a decision be reached on [REDACTED] ahead of the next Board meeting; Board Members would be advised.

9.3 The Board noted the update.

10 Report from the Commercial and Investment Committee 21 October 2020 (HS2B_20-101)

- 10.1 The Delivery Director and the Client Services Director re-joined the meeting to support this item and item 11.
- 10.2 The Board received and noted the report from the Chair of the Commercial and Investment Committee (the Committee) following the meeting held on 21 October 2020.
- 10.3 The following key points were raised and noted:
 - 10.3.1 The Committee has conducted a review of its effectiveness including delegations given to the Committee. Revised Terms of Reference for the Committee will be submitted to a future HS2 Ltd Board meeting;
 - 10.3.2 In line with the agreed principle for the Committee to have early engagement on more complex procurements, the Committee continue to review the Rail Systems Commercial Model Principles; and
 - 10.3.3 The Committee had considered the Enabling Works Contract Portfolio interim budget request prior to submission for HS2 Ltd Board approval.
- 10.4 The Board noted the update.

11 Enabling Works Contract Portfolio: Interim additional budget (HS2B_20_102)

- 11.1 The Board received and noted the paper seeking an interim request for additional budget for the Enabling Works Contract (EWC) portfolio and providing an overview of [REDACTED].
- 11.2 The Board noted the next steps being undertaken in preparation for the December Board meeting and the options being progressed to [REDACTED].
- 11.3 The Board noted the key points of discussion in the Commercial and Investment Committee, as detailed in the report.

11.4 The following key points were raised and noted:

- 11.4.1 The Board noted that [REDACTED]
- 11.4.2 The Board noted that the DfT have been briefed on the matter and have requested an exchange of correspondence to confirm HS2 Ltd Board approval, or otherwise;
- 11.4.3 The Board noted the additional budget requested is to maintain the current schedule of works;
- 11.4.4 The Board noted that the request has received a high level of Management oversight and challenge, prior to receiving approval for progression through governance, including an [REDACTED]
- 11.4.5 The Board noted that the part of the request will be funded [REDACTED]
- 11.4.6 The Board requested detail on what mitigations and efficiencies are being reviewed, and it was agreed that an update on the Efficiency Challenge Programme would be reported to a future Board Meeting;**

Action: Company Secretariat for scheduling

11.5 The HS2 Ltd Board approved:

- 11.5.1 [REDACTED] and
- 11.5.2 Commencement of negotiations with [REDACTED], to be consistent with what is already in place with [REDACTED] and focussing [REDACTED].

12 Phase 2a Baseline 2 (HS2B_20_103)

- 12.1 The Phase 2 Project Controls Director and Phase Two Delivery Director joined the meeting.
- 12.2 The Board received and noted a paper presenting the current status of Baseline 2 (BL2) for Phase 2a, in preparation for formal Board submission, planned for 25 November 2020.
- 12.3 The Board received the paper further to an informal briefing presented at the session on 27 October 2020.
- 12.4 The following key points were raised and noted:
 - 12.4.1 Further to the comments provided by Board Members at the briefing session, Management provided an update on the status of assurance activities. Assurance for the BL has been running since Autumn 2019 and at the time of submission of papers, was due to conclude on 26 October 2020;
 - 12.4.2 The Board noted that the benefits baseline has been updated and will be presented through November 2020 governance;

- 12.4.3 The status of assurance findings will be reviewed by the Audit and Risk Assurance Committee on 05 November 2020;
- 12.4.4 The Board noted the position of the banked opportunities included in the BL and future identified opportunities. The Board reiterated the importance of clear representation and narrative provided with efficiencies identified in the BL process;
- 12.4.5 The Board noted the current recommended ranges for cost and schedule risk in the BL noting that cost risk has been set considering Quantitative Risk Analysis (QRA), Reference Class Forecasting (RCF) and WebTAG to quantify risk / contingency levels for Phase 2a. Current schedule contingency uses QRA and RCF to inform the schedule confidence range around Delivery into Service for Phase 2a;
- 12.4.6 Management advised that Executive Committee direction is to include additional scope advised by DfT letter on 13 July 2020 in the final position for BL2. This will be reported in the November materials; and
- 12.4.7 The Board noted next steps for the final [REDACTED], ARAC attendance on 05 November, Executive approval of the BL on 11 November and a further submission to the Board on 25 November 2020. Should the Board recommend onward submission, the BL will be submitted to the DfT Investments, Programmes and Delivery Committee (IPDC) in January 2021.

12.5 The Board noted the update.

13 Priorities for November 2020 Board to be agreed with the Chairman and CEO (HS2B_20-104)

13.1 The Board noted Forward Look and items planned to the end of the calendar year.

13.2 The following comments were made:

- 13.2.1 The date of the December Board meeting will be reviewed in line with business decisions needed;**
- 13.2.2 A briefing/ update on the Efficiency Programme will be planned to a future Board meeting;
- 13.2.3 The Board requested that the operating concept assumptions should be reviewed. It was suggested that this might be delivered at the same time as an update from the West Coast Partnership;**
- 13.2.4 Attendance at the Board will be explored and planned against the forward look with:**
 - 13.2.4.1 [REDACTED]**
 - 13.2.4.2 [REDACTED]**
 - 13.2.4.3 [REDACTED] and**
 - 13.2.4.4 Andrew Stephenson.**

Actions: Non Owen

14 Any Other Business and Close

14.1 The Board noted the scheduled radio interview between the CEO and BBC Coventry and Warwickshire Radio as part of the station's £10million jobs campaign; and

14.2 **The Board noted that the CEO will meet with one of the MWCC JV's in November and will provide a summary of the output to the Board at the November meeting.**

Action: Mark Thurston