

# Meeting minutes

## HS2 Ltd Board

**Meeting date** Wednesday, 25 November 2020

**Meeting location** MS Teams Meeting

**Meeting time** 09:00-15:50

Members	Attendees	Apologies
Allan Cook (Chairman) Non-Executive Director	[REDACTED] Phase 2 Project Controls Director	
Michael Bradley Chief Financial Officer	David Bennett (items 06 and 11) Delivery Director	
Mel Ewell Non-Executive Director	[REDACTED] Land and Property Director	
Tom Harris Non-Executive Director	[REDACTED] Phase One Project Controls Director	
Judith Hackitt Non-Executive Director	[REDACTED] Learning Legacy Advisor	
Elaine Holt Non-Executive Director	Nicole Geoghegan General Counsel	
Stephen Hughes Non-Executive Director	[REDACTED] DfT Observer	
Ian King (items 01-06) Non-Executive Director Secretary of State for Transport's Representative	Non Owen Company Secretary	
Roger Mountford Non-Executive Director	[REDACTED] Phase 2a Head of Project Controls	
Ed Smith Non-Executive Director [Senior Independent Director]	Tim Smart (items 09 and 10) Phase 2 Managing Director	
Mark Thurston Chief Executive Officer	Aileen Thompson (item 04) Strategic Director of Stakeholder Engagement	
	[REDACTED] Commercial Development Director	
	[REDACTED] Euston Area Director	

## 1 Welcome, Declarations of Interest and Values Moment

- 1.1 The Chairman declared that he had accepted a position as an Affiliate Member of 601 Squadron for the Royal Air Force. It was confirmed that the interest would be recorded accordingly.
- 1.2 There were no additional declarations made.
- 1.3 The Board received a values moment from Ian King regarding leadership, the importance of teamwork and supporting decisions made by the business.

## 2 Minutes of the previous meeting and matters arising (HS2B\_20-105 and HS2B\_20-106)

- 2.1 The Board agreed the minutes of the meeting of the 28 October 2020 as a true record.
- 2.2 The Board noted the status of the actions and that the scheduling of briefings would be reviewed for the 2021 meeting cycle.

## 3 Chair Report and Senior Responsible Officer Update (HS2B\_20-107)

- 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 third Ministerial Taskforce on the Integrated Rail Plan for the North and Midlands took place on 11 November 2020;
  - 3.3.2 It was noted that the National Infrastructure Commission (NIC) will be in a position to submit [REDACTED];
  - 3.3.3 The Secretary of State for Transport (SoS) has approved [REDACTED];
  - 3.3.4 The Board noted the positive engagement with the DfT in order to progress recruitment;
  - 3.3.5 The HS2 Ltd Minister (the Minister) has accepted an invitation to attend the Remuneration Committee in January 2021. It was agreed that in confirming the agenda, people and the All Staff Engagement Survey results would be suitable topics for discussion;

- 3.3.6 The Board agreed that following the successful briefing session delivered by the Human Resources Directorate to Board Members the previous day, some of this content should also be shared with the Minister;
  - 3.3.7 The Board noted the summary of the Non-Executive Director (NED) only call on 10 November 2020; and
  - 3.3.8 The Phase 2b Board Champion advised the Board that a meeting had taken place with the Minister on Phase 2b, including [REDACTED] in parallel with work progressing with the 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 next Ministerial Task Force will be held on 26 November 2020 on Phase 1 Delivery Performance and Phase 2a;
  - 3.5.2 A Group Audit and Risk Assurance (GARAC) meeting was held on 13 November 2020 with attendance from the HS2 Ltd Audit and Risk Assurance Committee (ARAC) Chair and HS2 Ltd CFO. Positive feedback has been received from the session;
  - 3.5.3 The DfT Investment, Portfolio and Delivery Committee (IPDC) continues to meet to consider HS2 Ltd matters;
  - 3.5.4 The Board requested that where HS2 matters were being considered at IPDC meetings, these specific materials be made available for Board Members;**
    - Action: Company Secretariat for coordination**
  - 3.5.5 The DfT anticipate re engagement with the Office of Rail and Road (ORR) regarding Investment Recovery Charge (IRC);
  - 3.5.6 The IPDC are due to consider the Phase 2a Baseline (BL) 2 paper, subject to agreement from the HS2 Ltd Board for onward submission;
  - 3.5.7 There is due to be a [REDACTED];
  - 3.5.8 The Board noted that delivery arrangements for Euston remain under review following the Non-Routine Advice and Policy Instruction (NRAPSI) response provided by HS2 Ltd in August 2020;
  - 3.5.9 The DfT continue to consider the Phase 2b route and alignment with the Integrated Rail Plan (IRP); and
  - 3.5.10 Board Members noted that HS2 Ltd remain responsible for Euston and Phase 2b aspects of the Programme, and there will be ongoing engagement regarding delivery arrangements.
- 3.6 The Board noted the updates.
- 3.7 The DfT SRO left the meeting.

## 4 CEO Summary (HS2B\_20-108 and HS2B\_20-109)

- 4.1 The Board noted the Management Information and report from the CEO.
- 4.2 The following key points were raised and noted:
- 4.2.1 The HS2 Ltd All Staff Engagement Survey closed on 18 November 2020. The Board noted that at the time of reporting, results were being analysed and would be shared with the Board in December 2020. The Board noted an excellent overall response rate of 82%;
  - 4.2.2 The Board noted that a “Top Talent Pairing” initiative has been launched in month to match top talent with an Executive member for coaching and mentoring as part of development of the future pipeline of leaders;
  - 4.2.3 The annual “Meet the Contractor” event for 2020 is being held virtually across the week of the 23 November 2020, with the CEO to deliver a closing address for the event;
  - 4.2.4 The Board noted the Corporate update including engagement with Crossrail Delivery Director on lessons learned, Delivery, Land and Property and the Phase 1 PAR;
  - 4.2.5 It was noted that the lessons learned from Crossrail will be shared with the ARAC in due course;
  - 4.2.6 Correspondence from the Phase 1 PAR will be circulated to Board Members;**  
**Action: Mark Thurston**
  - 4.2.7 The General Counsel provided a verbal update on active litigation matters;
  - 4.2.8 The Board noted commencement of a Corporate Governance review, due to conclude in April 2021, and that Board Members will be engaged as part of this;
  - 4.2.9 The Board noted the update on the Phase 2a Delivery Model and that a decision to [REDACTED]
  - 4.2.10 The Board requested that part of the materials include a proposed organogram in order to understand the resource requirements;**  
**Action: Tim Smart**
  - 4.2.11 The Board noted the priority activities in the delivery schedule for Phase 2a and suggested that Stakeholder relations should be included in this;
  - 4.2.12 The Board advised consideration be given for how to keep Government apprised on this decision and the timeframe needed to do so;
  - 4.2.13 The Board noted that whilst Compensation Schemes are set by Government, the application of the Policy is crucial;
  - 4.2.14 There will be deployment of a community fund for Phase 2a and lessons learned from Phase 1 will be applied;
  - 4.2.15 Management advised that consideration will also to be given to the oversight and delivery of the Phase 2a route;

- 4.2.16 The Board noted the update on the IRP and that Ministerial decisions will be required on [REDACTED]
- 4.2.17 The Board noted the key implications and risks and that there needs to be clarity from Stakeholders on the role of HS2 Ltd; and
- 4.2.18 The timing of decisions required is also key.
- 4.3 The Board noted the updates.
- 4.4 The Board received an update from the CFO covering finance and spend in the month, noting the following:
  - 4.4.1 The Board noted the finances for October 2020 as detailed in the Client report, [REDACTED]  
[REDACTED]
  - 4.4.2 The Board noted a bottom up forecast is in progress at the time of reporting for Phase 1 to provide an update to integrated schedule and the cost. Following this forecast the organisation will be in a better position to interpret COVID-19 implications to the Programme;
  - 4.4.3 The Chancellor Announcement on the Spending Review will provide confirmation of single or multiyear settlements for HS2 Ltd across the Programme; and
  - 4.4.4 The CFO provided a verbal update regarding the National College for Advanced Transport and Infrastructure (NCATI).
- 4.5 The Board noted the update.

## **5 Communications Update and Corporate Publications (HS2B\_20-110 and HS2B\_20-111)**

- 5.1 The Strategic Director of Stakeholder Engagement and Learning Legacy Advisor joined the meeting.
- 5.2 The Board received and noted:
  - 5.2.1 The Strategic Stakeholder Directorate Update;
  - 5.2.2 A paper on the corporate publications for 2021/2022, including agreement sought for streamlining/ alignment of corporate documents due to be published in late Spring/ early Summer of 2021;
  - 5.2.3 A paper providing an update on the progress for development HS2 Ltd Learning Legacy to date, plans for future content collation, publication and dissemination with industry partners; and
  - 5.2.4 An update on the draft Reputation Barometer as used by the Communications Leadership Forum to review performance against desired reputation.
- 5.3 The following key points were raised and noted:

5.3.1 The Board noted that there will be alignment of which corporate publications will be in the public domain and which are required for internal use;

**5.3.2 The Board requested that in the suite of publications there is inclusion of the risks and challenges facing HS2 Ltd and planned mitigations for these;**

**Action: Aileen Thompson**

5.3.3 The Board discussed the timing of release of the Environmental Sustainability Report, commenting that there should be alignment with the UN Climate Change Conference (COP26, planned for 01 to 12 November 2021 in Glasgow);

5.3.4 Members of the Environmental Sustainability Committee advised the Board that the discussion held at the Committee on the report had included the opportunity to use the report as an engagement document;

5.3.5 The Board discussed further public awareness opportunities for HS2 Ltd and referenced the success of the televised three part archaeology documentary in September 2020;

5.3.6 There is a requirement for choreography of communications, which needs involvement and engagement from the DfT;

5.3.7 The Board noted the progress with the HS2 Ltd Learning Legacy, and that soft launch of the website will be made available to Board Members ahead of formal launch in Spring 2021;

5.3.8 The Board noted the progress of the reputation barometer which requires further alignment with the strategic risks;

5.3.9 The Board noted that there will be further refinement of the barometer, to develop how it can be interpreted as not all of the baselines are numeric; and

5.3.10 The Board received a verbal update on the adaptation of ways of working with the supply chain on community engagement.

5.4 The Board noted the updates.

## **6 Delivery Performance Including Land and Property Update (HS2B\_20\_112)**

6.1 The Land and Property Director, Delivery Director and Phase One Project Controls Director joined the meeting.

6.2 The Board noted the quarterly update on Land and Property including:

6.2.1 Land and Property Programme Assumptions;

6.2.2 Phase 1 progress to date;

6.2.3 Phase 2a progress to date;

6.2.4 Key activities for quarter four of 2020/2021; and

6.2.5 The completed HS2 Land and Property Ministerial Review.

- 6.3 The Board noted that the Land and Property assumptions have been reviewed, as has the organisation of the Directorate, to allow for agility should assumptions change.
- 6.4 Focus continues on deadlines for:
- 6.4.1 End of Powers for Compulsory Purchases in Phase 1;
  - 6.4.2 Phase 2a Royal Assent; and
  - 6.4.3 Phase 2b hybrid Bill deposit.
- 6.5 The Board were reminded of the Phase 2b briefing delivered in October 2020 and that an early warning has been shared with the DfT.
- 6.6 The Board noted that there has been a change in legislation on compensation schemes and that communication of this will be important, but that there is no mechanism for retrospective changes resultant from this.
- 6.7 The Board discussed the HS2 Land and Property Ministerial report including:
- 6.7.1 The balance required for communications to be clear and respectful whilst also needing, in some instances, to provide clarity on technical messages which need to be delivered;
  - 6.7.2 The Land and Property Directorate will continue to strive for continuous improvement in this, and other areas;
  - 6.7.3 **It was agreed that the action plan to respond to the Ministerial Review and associated timeline will be made available on the Board portal;**  
**Action: Company Secretariat**
  - 6.7.4 The Board commended the level of work and capability of the Land and Property Directorate.
- 6.8 The Board noted the update.
- 6.9 The Land and Property Director left the meeting.
- 6.10 The Board noted the Management Information summarising the Phase 1 Performance Overview for October 2020.
- 6.11 The following key points were raised and noted:
- 6.11.1 **The Board received a verbal update from the Delivery Director on an action set by the Board to explain the definition of reportable incidents. It was noted that background reading will be added to the Board portal;**  
**Action: David Bennett/ Company Secretariat**
  - 6.11.2 The Board noted reportable incidents in the month and requested Management review what mechanisms are in place in the event the supply chain are not following required practices;

- 6.11.3 The Board queried whether there were any material issues with the supply chain regarding health, safety, security and environment reporting. Management advised that there can be an increase in incidents for sites at peak output capacity and that early warning mechanisms are in place to monitor the supply chain performance;
  - 6.11.4 The Board noted the Delivery Director and Strategic Director of Stakeholder Engagement are liaising with the supply chain on ways of working;
  - 6.11.5 The Board noted schedule performance for the period covering float analysis, headline status, business plan milestones and baseline delivery schedule;
  - 6.11.6 Management clarified that units reported on potential delays are measured in days;
  - 6.11.7 Schedule, cost performance and key issues continue to be reviewed and challenged at Management level Construction Reviews;
  - 6.11.8 The Board noted cost performance in the period including performance against the Point Budget, and Point Budget excluding potential external funding;
  - 6.11.9 The Board noted that a decision required on the Client Services portfolio will be taken to the December 2020 Board meeting and engagement with the DfT is running in parallel;
  - 6.11.10 Management are currently considering submissions from the supply chain on implications of COVID-19 and this will be compared to the HS2 top down review; and
  - 6.11.11 The Board noted the summary of key concerns reported against the Phase 1 Programme and the mitigations being taken to manage and review these.
- 6.12 The Board noted the updates.

## **7 Report from the Environmental Sustainability Committee (HS2B\_20\_113)**

- 7.1 The Board received and noted the report from the Environmental Sustainability Committee (the Committee) following the inaugural meeting held on 03 November 2020.
- 7.2 The Board noted that the Committee had considered:
  - 7.2.1 Remit and adoption of the Terms of Reference;
  - 7.2.2 External expertise/ subject matter expert attendance at the Committee;
  - 7.2.3 Carbon Management;
  - 7.2.4 Environmental Sustainability Reporting; and
  - 7.2.5 Green Corridor.
- 7.3 Committee Members were supportive of the establishment of the Committee. It was noted that feedback will be provided to Management as the maturity of the Committee grows.
- 7.4 **It was agreed that access to the materials for the Committee, and dates of meetings would be shared with all Board Members.**



7.5 The Board noted the update.

## **8 Report from the Commercial and Investment Committee (HS2B\_20\_114)**

8.1 The Board received and noted the report from the Chair of the Commercial and Investment Committee (the Committee) following the meeting held on 12 November 2020.

8.2 The Board noted that the Committee had considered:

8.2.1 Railway Systems Precast Slab Track Systems Contract Award; and

8.2.2 Third Party Communications: Procurement Approach.

8.2.3 Additionally, the Committee reported to the Board, at the time of reporting, the matters requiring consideration on the Committee forward look.

8.2.4 The Committee had been joined by Tom Harris and Elaine Holt as Observers to the November meeting and Board Members were reminded that they were able to attend the Committee should they wish to do so.

8.3 The Board noted the update.

## **9 Report from the Audit and Risk Assurance Committee (HS2B\_20\_115)**

9.1 The Phase 2 Managing Director, Phase 2 Project Controls Director and Phase 2a Head of Project Controls joined the meeting.

9.2 The Board received and noted the Strategic Assurance Statement for Phase 2a Baseline (BL) 2 from the Chair of the Audit and Risk Assurance Committee (the Committee) following the meeting held on 05 November 2020.

9.3 The report was being submitted to the Board in support of the Phase 2a BL2 as item 10 on the agenda.

9.4 The following key points were raised and noted:

9.4.1 The Committee Chair reiterated the level of work which has been done [REDACTED] which the Committee were very pleased to note;

9.4.2 The Board were reminded that:

9.4.2.1 The design maturity of Phase 2a BL2 [REDACTED];

9.4.2.2 The BL is set out in Quarter 1 2015 prices, and submitted with a range approach for contingency, with a blend of Reference Class Forecasting

(RCF), Quantitative Risk Analysis (QRA) and WebTAG risk methodologies; and

9.4.2.3. A number of assumptions have been made in developing the BL2, including the [REDACTED].

9.4.3 The Board noted that P-Rep would provide a formal briefing note of their observations to DfT prior to Investment, Portfolio and Delivery Committee (IPDC) in January 2021 and so any recommendation from the Board, or otherwise, should be with the caveat that Management must provide responses to those observations.

9.5 The Board noted the update.

## **10 Phase 2a Baseline 2 (HS2B\_20-116)**

10.1 The Board received and noted a paper and presentation presenting the Phase 2a BL2 as recommended by the HS2 Ltd Executive Committee, for recommendation of onward submission to the DfT IPDC.

10.2 The Board noted that the intended outcome of the IPDC will be a new BL, leading to a revised Funding Envelope reflecting anticipated cost and programme for Phase 2a.

10.3 The following key points were raised and noted:

10.3.1 The Board discussed the assumptions included in the BL, one of which being the [REDACTED]

10.3.2 The Board noted that approval of the Delivery Model will be submitted through governance in December 2020;

10.3.3 It was agreed that liaison will continue with the DfT to clarify decisions which are required to be submitted to the IPDC, and other DfT forums, including timing of submissions;

10.3.4 Management reminded the Board of the Phase 2a route overview and highlighted some of the route complexities;

10.3.5 The Board received a verbal update on the hybrid Bill for Phase 2a;

10.3.6 It was noted that DfT queries will be shared with Management;

10.3.7 Management summarised the lessons learned from Phase 1, applied to Phase 2a including:

10.3.7.1. Design/Engineering;

10.3.7.2. Early Works;

10.3.7.3. Main Works;

10.3.7.4. Rail Systems; and

10.3.7.5. BL 7

- 10.3.8 The Board noted the basis of the BL2 cost estimate including a breakdown of changes since BL1.
- 10.3.9 The Board noted the recommended range for cost risk, with [REDACTED]  
[REDACTED].
- 10.3.10 The Board noted the benchmarking of Phase 2a BL2 and discussed the methodology used by [REDACTED].
- 10.3.11 The Board noted the delivery schedule for Phase 2a BL2, and the recommended range for risk, with [REDACTED]  
[REDACTED].
- 10.3.12 The Board noted the summary of assurance for BL2 with circa 15 months of activity.
- 10.3.13 The Board noted the timing and next steps for the Phase 2a timeline, and that there is due to [REDACTED].
- 10.3.14 The Board requested that the choreography of submissions to the DfT on BL2 and the Delivery Model is clear.
- 10.4 The Board recommended submission of the Phase 2a BL2 to the DfT noting ongoing work as requested by the Board on schedule, benchmarking and [REDACTED].
- 10.5 The Phase 2 Managing Director, Phase 2 Project Controls Director and Phase 2a Head of Project Controls left the meeting.

## **11 Euston (HS2B\_20\_117)**

- 11.1 The Delivery Director, Commercial Development Director and Euston Area Director joined the meeting.
- 11.2 The Board received and noted a paper presenting an update activity at Euston further to the August 2020 update.
- 11.3 The Board noted activity focused in three areas:
  - 11.3.1 Schedule and cost of the preferred HS2 station design;
  - 11.3.2 Delivery Arrangements; and
  - 11.3.3 Construction impacts and mitigations for stakeholders.
- 11.4 The following key points were raised and noted:
  - 11.4.1 The Board noted that further updates would be reported to the Board at the appropriate times on the respective focus areas;
  - 11.4.2 The Board noted that following submission of the Non-Routine Advice and Policy Instruction (NRAPSI) response in September 2020, a Red Team Review was commissioned by the DfT, which resulted in some conditions precedent to be reviewed prior to conclusion targeted for April 2021;

- 11.4.3 It is anticipated that there will be correspondence issued from the DfT SRO to the CEO at the appropriate time to formalise the recommendation;
- 11.4.4 The Board noted the key workstreams being developed for the preferred station design;
- 11.4.5 The Board noted that due to the level of complexity and number of interfaces at Euston it is key that there is clarity of accountability, delegations and control between Stakeholders; and
- 11.4.6 The Board Champion for Euston continues engagement with the Euston Partnership Board meetings which continue to run effectively.

11.5 The Board noted the update.

## **12 Priorities for December 2020 Board to be agreed with the Chairman and CEO (HS2B\_20-118)**

12.1 The Board noted Forward Look.

12.2 **It was agreed that there would be no Board briefing delivered in December 2020 and the formal meeting would be proposed to focus on decisions required from the Board only.**

**Action: Company Secretariat**

## **13 Any Other Business and Close**

13.1 The Board reiterated the positive feedback given at the briefings which had taken place the previous day on HR and Construction Engineering.