

Meeting minutes

HS2 Ltd Board

Meeting date Wednesday, 28 April 2021

Meeting location MS Teams Meeting

Meeting time 09:00-16:00

Members	Attendees	Apologies
Allan Cook (Chairman) Non-Executive Director	[REDACTED] Head of Enterprise Capability	
Michael Bradley Chief Financial Officer	Nicole Geoghegan General Counsel	
Mel Ewell Non-Executive Director	Neil Hayward (items 09 and 10) HR Director	
Tom Harris Non-Executive Director	Emma Head (item 06) Safety and Assurance Director	
Judith Hackitt Non-Executive Director	[REDACTED] Head of EDI	
Elaine Holt Non-Executive Director	[REDACTED] DfT SRO	
Stephen Hughes Non-Executive Director	Non Owen Company Secretary	
Roger Mountford Non-Executive Director	[REDACTED] DfT Director of HS2 Phases 1 and 2a, High Speed Rail Projects,	
Ed Smith Non-Executive Director Senior Independent Director	Chris Rayner (item 06) Director of Infrastructure	
Mark Thurston Chief Executive Officer	Tim Smart (item 08) Phase 2 Managing Director	
Ian King Non-Executive Director	Aileen Thompson (item 04) Director of Communications and Stakeholder Management	
Sir Jon Thompson Non-Executive Director		

1 Welcome, Declarations of Interest and Values Moment

1.1 There were no additional declarations made.

1.2 The Board welcomed Sir Jon Thompson to the HS2 Ltd Board following his appointment on 01 April 2021.

- 1.3 The Board received a values moment from Ian King with regard to leadership and the need to make the right decisions for the long term future of organisations.

2 Minutes of the previous meeting and matters arising (HS2B_21-001 and HS2B_21-002)

- 2.1 The Department for Transport (DfT) Senior Responsible Officer (SRO) and DfT Director of HS2 Phases 1 and 2a, High Speed Rail Projects joined the meeting.
- 2.2 **The Board agreed the minutes of the meeting on 31 March 2021 as an accurate record subject to a typographical error on page two of the record.**

Action: Non Owen

- 2.3 The Board noted the status of the actions.
- 2.4 The Board commended the quality of the briefings delivered on the previous afternoon to the Board on Systems Integration and the HS2 Rail Systems Alliance.

3 Chair Report and Senior Responsible Officer Update (HS2B_21-003)

- 3.1 The Board noted the report from the Chairman of the Board covering his engagement activities over the month, including:
 - 3.1.1 Department for Transport (DfT) and Government communications.
 - 3.1.2 Executive recruitments and the approval from Treasury on the appointment of the Chief Commercial Officer.
 - 3.1.3 The Board noted the Senior Pay Review process across HS2 Ltd, led by Ian King, has been submitted to the Secretary of State. The report had received the full support of Andrew Stephenson and Bernadette Kelly.
 - 3.1.4 The Non-Executive Director meeting held on 14 April 2021.
 - 3.1.5 Non-Executive Director recruitment.
 - 3.1.6 HS2 Ltd Board Effectiveness Review.
- 3.2 The Board received a verbal update from the DfT SRO on activities during the month including good progress on the target cost discussions, the recent Major Projects Review Group (MPRG) on Phase 2a and progress for Phase 2b Baseline (BL) 2.1 West.
- 3.3 The Board received a verbal update from the DfT Director of HS2 Phases 1 and 2a, High Speed Rail Projects following the third quarterly report to the DfT Investment, Portfolio and Delivery Committee (IPDC) on the cumulative delivery performance of HS2 Phase 1 and the Euston project covering January, February and March 2021.

- 3.4 The Board received and noted the third quarterly report to the DfT IPDC which had been included in the Reading Room.
- 3.5 There has been a good response to the continued progress with enabling works.
- 3.6 There has been good progress made on people employed and the drive for diversity.
- 3.7 The DfT note the launch of the Tunnel Boring Machine as a significant milestone for the Programme.
- 3.8 Whilst there are no material affordability issue and Anticipated Final Cost (AFC) remains in line with target cost, there is further work between HS2 and DfT for alignment on risk.
- 3.9 The Board noted the forward look and priorities for the next quarter including but not limited to:
 - 3.9.1 Ensuring completion of handover from enabling works and maximising mobilisation and earthworks season progress for main works.
 - 3.9.2 Schedule mitigation.
 - 3.9.3 Rolling Stock.
 - 3.9.4 Systems packages and the Commercial Strategy.
 - 3.9.5 Euston scope and affordability.
 - 3.9.6 Continued review of schedule and cost.
- 3.10 The DfT Director of HS2 Phases 1 and 2a summarised the meeting having good long range discussions, noting that challenges ahead which will need to be handled with external stakeholders in order to maintain confidence but that it is prudent to set out the issues ahead.
- 3.11 The Board discussed the balance required to communicate positively on the successes of the Programme, whilst being transparent on future risks and the mitigations which will be taken.
- 3.12 The Board discussed the need for Government decisions to be made which will have implications for the Programme and welcome continued engagement form the DfT to progress this.
- 3.13 The Board discussed the comprehensive lessons learned from HS2 Ltd and suggested that these are shared with Government.
- 3.14 The Board discussed the volume of MI due to the scale and complexity of the Programme and that Management are therefore required to draw the Boards attention to the key risks and opportunities.
- 3.15 The Department for Transport (DfT) Senior Responsible Officer (SRO) and DfT Director of HS2 Phases 1 and 2a, High Speed Rail Projects left the meeting.

4 Leadership Organisation Update

- 4.1 The Board received and noted the draft for discussion framing the proposed Executive Operating Model Review.
- 4.2 The Board noted the scope of the review and that this is not a reorganisation but rather movement of the Executive and Senior Leaders in HS2 Ltd aligned with the Integrated Project Team (IPT) Evolve model, which should be expanded to include Phase 2 at the appropriate time.
- 4.3 The review is proposed to allow for:
 - 4.3.1 The span of control and scale of responsibilities of the Phase 1 Delivery Director to be sustainable.
 - 4.3.2 To allow greater Executive focus on delivery.
 - 4.3.3 To develop the Senior Leadership talent internally.
 - 4.3.4 To allow expansion into Phase 2 following Royal Assent for Phase 2a.
 - 4.3.5 To build on the ongoing activities to simplify programme reporting and introduce further efficiencies.
- 4.4 Management confirmed that the controlling mind for delivery is and will continue to be the Executive Committee.
- 4.5 The Chair of the Remuneration Committee requested further understanding of succession planning for the organisation. It was noted that a succession planning session has been scheduled for the July Remuneration Committee meeting.
- 4.6 The Board noted that a further revision to the proposal will be taken to the Remuneration Committee incorporating the feedback received to date from Board Members.

5 Communications and Stakeholder Engagement

- 5.1 The Director of Communications and Stakeholder Management joined the meeting.
- 5.2 The Board received and noted a presentation covering the Strategic Stakeholder Directorate Update for April 2021.
- 5.3 The Board noted activities during the month including:
 - 5.3.1 Helpdesk enquiries by month.
 - 5.3.2 Impact tracking.
 - 5.3.3 Social media usage.
 - 5.3.4 Media coverage.
 - 5.3.5 Internal communication activities.

- 5.3.6 Campaigns.
- 5.3.7 Stakeholder engagement.
- 5.3.8 The forward look of programme milestones, opportunities and external milestones for the next quarter.

5.4 **Management confirmed that the enquiries per month can be presented to show enquiries and complaints and this will be provided in future reporting. The data is being reviewed in order to support the revised Key Performance Indicator (KPI).**

Action: Aileen Thompson

- 5.5 The Board received a presentation slide during the meeting to display the new HS2 Ltd 'We're Building for Birmingham' hoardings.
- 5.6 The Director of Communications and Stakeholder Management left the meeting.

6 Lessons Learned from Major Projects, including Crossrail

- 6.1 The Safety and Assurance Director and Director of Infrastructure joined the meeting.
- 6.2 The Board received and noted a paper providing update on progress within HS2 around learning the lessons from Major Projects, including Crossrail.
- 6.3 HS2 Ltd Board were asked to note:
 - 6.3.1 The progress made in embedding lessons from major projects.
 - 6.3.2 The proposal for annual review of the Lessons Learned by Category, in parallel with the Management Assurance Statement review process.
 - 6.3.3 The 6-monthly review of Strategic Lessons Learned, to be reported in the RCA Management Information Report.
 - 6.3.4 Management's assessment of current Control Confidence against each of the Strategic Lessons Learned.
- 6.4 The Board noted the lessons learned and the categorisation of these between critical findings and implied learning.
- 6.5 The Board discussed critical finding number six: 'Skills and Suitability of Board Members' and the key controls including Board Effectiveness Review and ongoing recruitment for further NEDs/Skills to attract the right candidates with infrastructure experience.
- 6.6 The Board discussed how it might also use subject matter experts in a similar way the Independent Assurance Panel (IAP) undertakes peer reviews and provides procurement advice to HS2 Ltd.
- 6.7 The Board discussed systems integration and the relationship with regulators, noting there is a Memorandum of Understanding in place with the Office of Rail and Road (ORR).

6.8 The Board noted the continuous review of the lessons learned and that there will be further review by the NAO which will be considered.

6.9 The Safety and Assurance Director and Director of Infrastructure left the meeting.

7 Quarterly Business Review Update

7.1 The Board received and noted a presentation summarising the Quarterly Business Review (QBR) held in April 2021.

7.2 QBR Summary

7.2.1 Continued improvement in Health and Safety Performance but closely monitoring incident rates on site.

7.2.2 Notable achievements in Benefits reporting with continued improvement in jobs, growth and skills, and significant improvement in reducing forecast embedded carbon in construction.

7.2.3 Excellent position for Year End finance at 0.1% under supplementary estimate, however forecasting in the supply chain is an area of focus.

7.3 Programme focus areas

7.3.1 [REDACTED]

7.3.2 [REDACTED]

7.3.3 The level and pace of change in Main Works Civils Contracts (MWCCs).

7.3.4 Contract award for Rolling Stock.

7.3.5 Following a successful MPRG for Phase 2a BL, next steps are for the Design and Delivery Partner (DDP) Pre Qualification Questionnaire (PQQ), subject to Ministerial approval.

7.4 Top six Phase 1 Risks

7.4.1 The Board noted the update with regard to P-Rep and HS2 Ltd interaction following agreement to development the management of P-Rep findings as discussion at the Audit and Risk Assurance Committee.

7.5 The Board noted the key milestone risks reported in the period, and that a quarterly Land and Property update is scheduled for the 02 June 2021 Board meeting.

7.6 Cost Performance

7.6.1 The Board received and noted the newly introduced slide to show the key numbers and movement in the month and the actual cost of work performed.

7.6.2 The Board received an update [REDACTED]

- 7.6.3 The Board noted the risk exposure and emerging trends data.
- 7.6.4 Management confirmed that the data presented does not include COVID-19 costs but does include Euston costs.

7.6.5 [REDACTED]

- 7.6.6 The Board discussed the current cost presented for point, risk and trends.

7.7 Schedule

- 7.7.1 The Board noted the update on schedule trend by quarter, across route sections, showing the changes through the financial year.
- 7.7.2 The Board noted the MWCC schedule status and the BL7.1 handover profile.
- 7.7.3 The Board noted the [REDACTED]

7.8 Commercial and Contract Management

- 7.8.1 The Board noted a review of management of change with the MWCCs.
- 7.8.2 COVID-19 cost capture continues, with the first tranche of costs being compiled for submission to DfT following an internal review and external oversight by [REDACTED]
- 7.8.3 Curzon Street contract award to be announced mid-May 2021.

7.9 MWCC Technical Overview

- 7.9.1 The Board noted the volume of planned and submitted Schedule 17s.
- 7.9.2 There has been good engagement with Hillingdon in reviewing lorry routes.

7.10 Euston

- 7.10.1 The Board noted the update regarding Euston affordability and the permanent delivery arrangements and emphasised the importance of the CEO as Accounting Officer and the DfT Accounting Officer being clear on the future decisions required.

7.11 Phase 2a Overview

- 7.11.1 The Board noted the Phase 2a BL summary, the key short term milestone risks, and schedule overview.
- 7.11.2 It was noted that following the appointment of the Phase 2a Client Director reporting of Phase 2a activities to the Board will be revised.

7.12 Conclusions and Look Ahead

- 7.12.1 The Board noted the three month look ahead and the Corporate and Programme milestones to be delivered.
- 7.12.2 The CEO summarised that there had been a strong end to the financial year, which has been delivered in challenging circumstances. The Board remain realistic on the challenges ahead.
- 7.12.3 **It was agreed that the Chairman would write to HS2 Ltd employees to thank them for their hard work over the financial year.**

7.12.4 The Board received a verbal update from the General Counsel on active litigation matters.

8 Phase 2b Update

- 8.1 The Phase 2 Managing Director joined the meeting.
- 8.2 The Board received and noted a paper providing an update on management of the future Phase 2b Royal Assent (RA) date through the Baseline and Additional Provision (AP) programme and a near-term timetable of Executive and Board activities as part of the route to acceptance of the Phase 2b Baseline (BL2.1W) in July 2021.
- 8.3 The Board noted that the BL submission will be considered by the Audit and Risk Assurance Committee as [REDACTED] prior to Board submission.
- 8.4 The following key points were raised and noted:
- 8.4.1 The Board noted the update with regard to the AP strategy ahead of the BL submission.
 - 8.4.2 The Board noted the summary of the original route plan and that the BL submission is a deviation from this and therefore the schedule is reflected as such.
 - 8.4.3 Management confirmed that [REDACTED]
 - 8.4.4 The Board noted challenges and complexities for the western route of the BL including [REDACTED].
 - 8.4.5 The Board reflected on the time since the submission of the Phase 1 hybrid Bill and noted that lessons will be incorporated.
- 8.5 Management confirmed this submission to the Board was for noting but the Executive will in future sign off the BL for recommendation to the HS2 Ltd Board for agreement with the DfT. The submission will be made with assumptions, exclusions and caveats in order to meet external stakeholder timescales.
- 8.6 The Board noted that the format of the Ministerial Task Force (MTF) meetings is being reviewed in order to allow time to review the Programme performance and then review Phase 2b activities.
- 8.7 The Phase 2 Managing Director left the meeting.

9 Enterprise Capability – Formal Close

- 9.1 The HR Director and the Head of Enterprise Capability joined the meeting.

- 9.2 The Board received and noted a paper providing an update on the close out of the Enterprise Capability programme following Line of Defence (LoD) assurance on programme outcomes and the next steps and key objectives for Enterprise Capability as it becomes a business as usual function within HS2.
- 9.3 The Board noted the formal close of this task and finish activity and that this will now be dealt with as business as usual which should continue to receive oversight and scrutiny from the Board.
- 9.4 The Board noted that Mel Ewell had been the Board representative at the Capability Steering Group (CSG) who, whilst commending the professionalism and commitment of the process to date, agreed that attention should be kept to the matter.
- 9.5 The Board will continue to receive quarterly updates on Enterprise Capability, including key statistics that have been requested.
- 9.6 The Head of Enterprise Capability left the meeting.

10 People Update – ‘Skilled for Success’

- 10.1 The Head of EDI joined the meeting.
- 10.2 The HS2 People Strategy: Skilled for Success, was approved by the Board in May 2018.
- 10.3 The Board received an update on delivery against the Strategy in November 2020. In response to that session, the Board had asked for regular updates on the delivery of Human Resources (HR) initiatives.
- 10.4 The Board received and noted the paper providing an update on delivery since November 2020, as well key risks and issues for the Board to be sighted on.
- 10.5 The Board discussed the following key points:
 - 10.5.1 Sickness levels in the Management Information appear low and the Board queried whether this was an accurate representation.
 - 10.5.2 Gender pay gap reporting, noting publication of the position of 2020 gender pay gap report published on GOV.UK on 31 March 2021.
 - 10.5.3 Skills shortage and activity in the economy and to what extent HS2 Ltd is reviewing cross-sector activity. It was noted that following Management review at the People Panel a suggestion for a Board briefing will be made.
 - 10.5.4 The significant progress made in the HR Directorate over the previous 12-24 months with regards to the data available for review by Management and the Board, noting that this should be used further for demonstration and collaboration with wider stakeholders.

- 10.5.5 The Board noted that Management continue to explore coalescence of activities, including with the Infrastructure Client Group. Management noted the offer from Judith Hackitt given her High Value Manufacturing Catapult role.
- 10.5.6 **Board Members were encouraged to share any further requests for particular areas of briefing with the HR Director and/ or Company Secretary ahead of the Board briefing.**

Action: HS2 Ltd Board Members/ Non Owen

10.6 The HR Director and Head of EDI left the meeting.

11 Report from the Commercial and Investment Committee 15 April 2021

11.1 The Committee received and noted a paper providing a summary of the discussion of the following items which were considered at the meeting of the Commercial and Investment Committee on 22 April 2021, being:

11.1.1 Actions arising: [REDACTED]

11.1.2 [REDACTED]

11.1.3 [REDACTED]

11.2 **The Board noted** [REDACTED]

Action: Non Owen (to consider with forward planning following arrival of the CCO)

12 Proposed delegations for future Rail Systems ITTs

12.1 The Board received and noted a paper seeking decision for delegation from the HS2 Ltd Board with respect to the issue of up to six Railway Systems Invitations to Tenders (ITTs) in order to ensure greater efficiency in the governance process for the Railway Systems procurements.

12.2 The Board requested that consideration of a 'spot check' on one of the packages might be appropriate e.g. Command & Control System (Signalling), at the discretion of the Commercial and Investment Committee Chair.

- 12.3 The Board noted that delegation is also being sought from the DfT for the ITTs and that Contract Award will continue to return through governance.
- 12.4 The Board approved the delegation subject to satisfactory demonstration of the process of the first Systems Package: Track.

13 Report from the Health, Safety, Security and Environment Committee 21 April 2021

- 13.1 The Board received and noted a paper providing a summary of the matters which were considered at the Enterprise Health, Safety, Security and Environment Committee (the Committee) meeting on 21 April 2021.
- 13.2 The Committee had noted an update from Phase 2 and noted the increasing site presence as Phase 2a moves to construction and requested that reporting in now broken out into Phase 2a and Phase 2b so to provide greater visibility of delivery activities.
- 13.3 The Committee had noted an update on Land and Property from the new Land and Property Director, and [REDACTED]
- 13.4 The Committee had considered the year end performance against the Health and Safety Performance Index (HSPI), key successes and lessons learned and endorsed the revised approach to HSPI reporting for 2021/2022.
- 13.5 **It was agreed that a copy of the HSPI paper would be shared with the Board.**

Action: Non Owen

- 13.6 The Committee had received a deep dive on mental health in construction.
- 13.7 **The Committee had considered lessons learned from protests at Euston Square Gardens and it was agreed that the photos from the presentation would be shared with Board Members.**

Action: Non Owen

- 13.8 The Committee Members commended the tunnelling rescue exercise as being in a league of its own.

14 Report from the Audit and Risk Assurance Committee 26 April 2021

- 14.1 The Board received and noted a paper providing a summary of the Audit and Risk Assurance Committee (the Committee) meeting held on 26 April 2021.

- 14.2 The Board were asked to note the Audit and Risk Assurance Committee matters and to agree the need to [REDACTED]
- 14.3 The Committee confirmed good progress with the completion of the Internal Audit programme, the development of managing P-Rep findings and the year end Annual Report including the Management Assurance Statement.
- 14.4 Board Members were advised of future meetings and an invitation was extended by the Committee Chair for wider attendance and observation of meetings by Board Members should they wish.
- 14.5 **It was agreed that Jon Thompson would receive access to papers.** The Board noted Jon's role in regulation of audit committees in the UK.

Action: Non Owen

15 Priorities for 02 June 2021 Board to be agreed with the Chair and CEO

- 15.1 The Board noted the forward look and the briefings planned for the calendar year.
- 15.2 **It was agreed that dates of future Board dinners would be shared with Minister Stephenson and Bernadette Kelly for attendance at a mutually convenient date.**

Action: Allan Cook/ Non Owen

16 AOB and Close/ Meeting float

- 16.1 **The Board noted that Management will continue to adapt the presentation of Delivery Performance updates so that the Board can begin to see more level of detail on specific aspects/ scope of the Programme.**

Action: Non Owen/ Mark Thurston

- 16.2 **The Board were advised that the next session for the HS2 Ltd Ally programme was on 20 May 2021 and it was agreed that future dates would be shared with Board Members.**

Action: Non Owen