

Meeting minutes

HS2 Ltd Board

Meeting date Wednesday, 03 November 2021
Meeting location Hybrid – Snowhill, Room 6.01 and Microsoft Teams
Meeting time 09:00 – 15:15

Members	Attendees	Apologies
Ian King (acting Chair) Non-Executive Director	[REDACTED] Procurement and Commercial Director	
Michael Bradley Chief Financial Officer	[REDACTED] Head of Consultation and Engagement	
Mel Ewell Non-Executive Director	Nicole Geoghegan General Counsel	
Judith Hackitt* (excluding 12:15-13:40) Non-Executive Director	[REDACTED] Head of External Communications	
Tom Harris Non-Executive Director	[REDACTED] Head of Analysis and Corporate Sponsorship	
Stephen Hughes Non-Executive Director	Emma Head (items 11 & 12) Delivery Director – Technical Services	
Elaine Holt Non-Executive Director	[REDACTED] DfT Senior Responsible Officer (SRO)	
Roger Mountford (until 1.30pm) Non-Executive Director	[REDACTED] Programme Management Office Director	
Jon Thompson Non-Executive Director	[REDACTED] DfT Director of HS2 Phases 1 and 2a, High Speed Rail Projects	
Mark Thurston Chief Executive Officer	Non Owen Company Secretary	
Ruth Todd Chief Commercial Officer	[REDACTED] Head of Procurement – Phase 2b	
	Tim Smart (item 10)* Phase Two Managing Director	
	Aileen Thompson (item 6)* Strategic Director of Stakeholder Engagement	
	[REDACTED] Senior Project Manager	

*Indicates remote attendance

1 Welcome, Quorum, Declarations of Interest and Values Moment

- 1.1 The Board noted declarations of business interest from:
 - 1.1.1 Tom Harris who has been appointed as the Lead Non-Executive Director for the Office of the Secretary of State for Scotland (OSSS) and the Office of the Advocate General for Scotland (OAG) as of 20 October 2021; and
 - 1.1.2 Elaine Holt who has been appointed as the Chair of Bristol Waste Company as of 01 November 2021.
- 1.2 It was confirmed that neither appointment represented a conflict.
- 1.3 The Board received a values moment from the Chief Commercial Officer on planning for future safety and how decisions being taken today will influence the future of the HS2 railway.

2 Minutes of the Previous Meeting and Matters Arising (HS2B_21_077 and HSB_21_078)

- 2.1 The minutes of the meeting held on 28 September 2021 were approved as an accurate record.
- 2.2 The Board noted the status of the actions.

3 Chair Board/Updates (HS2B_21_079)

- 3.1 The Acting Chair provided a verbal update following the informal Board briefing session on 02 November 2021.
- 3.2 The Board discussed and noted:
 - 3.2.1 The meeting between Ian King, Mark Thurston and [REDACTED] and the discussion which was focussed on the ways of working and how this will be built into the narrative.
 - 3.2.2 There is a meeting with the HS2 Ltd Executive Management Team, and the DfT Management Team scheduled for 09 November 2021.
 - 3.2.3 The role of the HS2 Ltd Board and the alignment required with the DfT and HM Treasury which is felt to be making progress.
 - 3.2.4 The requirement to understand the role of Project Representative (P-Rep) including utilisation through the assurance process and Committee engagement.
 - 3.2.5 Management Information (MI) and the aspiration to have one report which can provide the right level of detail for all stakeholders.
 - 3.2.6 It was noted that Judith Hackitt and Elaine Holt have attended meetings and provided detailed comments on the narrative document including the need for agreement of timeliness of decisions and how this might be escalated if required.

- 3.2.7 Discussion has been held on whether there should be reference and/ or inclusion of the West Coast Partner role within the document.
- 3.2.8 The request for the development of a Responsible, Accountable, Consulted and Informed Matrix (RACI) in support of the narrative, to define accountable and responsible stakeholders.
- 3.2.9 The need to ensure there is a line of sight to the HS2 Ltd Strategic Risks, how the HS2 Ltd Board agendas work to support and review these, and alignment with the DfT Strategic Risks.
- 3.2.10 The Framework Document refresh which is happening in parallel and the need to finalise this document and annexes, [REDACTED].

3.3 The Board noted the updates.

4 DFT SRO Update (HS2B_21_080)

- 4.1 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.
- 4.2 The DfT SRO provided a verbal update covering:
 - 4.2.1 The Spending Review (SR) and confirmation of funding for Phase 1 and 2a.
 - 4.2.2 The Board noted that discussions continue regarding treatment of inflation.
 - 4.2.3 Funding has been confirmed for the Phase 2b Western Leg and for property requirements on the Phase 2b Eastern Leg.
 - 4.2.4 Funding has been approved for the integrated approach for Euston, subject to business case approval for individual tranches.
 - 4.2.5 The Board noted the recent submission to the DfT Investment Portfolio and Decision Committee (IPDC) for the integrated approach for Crewe [REDACTED].
 - 4.2.6 Positive engagement has continued on the protester activity work with discussions being held within Government on [REDACTED].
 - 4.2.7 The Board noted the ongoing discussions with regard to the Phase 2b Western Leg noting that the Major Projects Review Group (MPRG) had been deferred for a third time. Consideration for [REDACTED].
 - 4.2.8 The Board noted the continued engagement on the Phase 2a Design and Delivery Partner (DDP) contract and that the [REDACTED]. It is critical to keep the contract award timeline whilst maintaining focus on non-DDP activities in parallel.
 - 4.2.9 The Board discussed Local Authorities (LAs) and the engagement required with HS2 Ltd on the handling of protestors. [REDACTED].

4.3 The Department for Transport (DfT) Senior Responsible Officer (SRO) left the meeting.

5 IPDC Quarterly Report on Phase 1 (HS2B_21_081)

5.1 The Board reviewed and noted the fifth quarterly report to the DfT Investment, Portfolio and Delivery Committee (IPDC), presenting the cumulative delivery performance of HS2 Phase 1 and the Euston project covering July, August and September 2021, as included within the meeting papers.

5.2 The DfT Director of HS2 Phases 1 and 2a, High Speed Rail Projects summarised the meeting. The following key points were raised and noted:

5.2.1 There is positive construction momentum on Phase 1 with over 20,000 people employed on 300 sites.

5.2.2 The Board noted these reports are being provided to the IPDC due to the volume and complexity of submissions made to the forum to ensure that there is consensus on the cost and schedule position of the Programme whilst increasing focus of risk pre-emption and drive of opportunities and efficiencies.

5.2.3 The ten actions agreed by the Ministerial Task Force which will be reported against quarterly.

5.2.4 The importance of system integration which will be a topic brought back to the HS2 Ltd Board.

5.2.5 The positives of the IPDC report which provides a thorough view of the work undertaken over the last quarter.

5.2.6 The need to review the overall MI package to ensure alignment between DfT and HS2.

5.3 The Board noted the updates covered in the report against:

5.3.1 Delivery progress

5.3.2 Affordability

5.3.3 Schedule

5.3.4 Benefits

5.3.5 Governance

5.3.6 Strategic risks

5.3.7 Priorities

5.4 The DfT Director of HS2 Phases 1 and 2a, High Speed Rail Projects left the meeting.

6 Communications and Stakeholder Engagement Update (HS2B_21_082)

- 6.1 The Strategic Director of Stakeholder Engagement and the Head of External Communications joined the meeting.
- 6.2 The Board received and noted a presentation covering External Communications and Political engagement.
- 6.3 The Board noted the presentation which provided a summary of the current wider political environment and what this may mean in terms of HS2 Ltd.
- 6.4 The Board noted the activities planned over the coming months including:
 - 6.4.1 Line of route stakeholder engagement and communications including site visits and events.
 - 6.4.2 Increase in proactivity on Phase 2b Western Leg as this moves into Bill stage.
 - 6.4.3 Award of the Rolling Stock Contract.
 - 6.4.4 Commencement of tunnelling at Long Itchington.
 - 6.4.5 Integrated Rail Plan (IRP) launch and announcement.
 - 6.4.6 Upskilling and apprenticeship opportunities.
 - 6.4.7 Levelling up.
- 6.5 The Board noted the approach and engagement to the COP26 climate change summit including webinars, the creation of a HS2 virtual pavilion to showcase during the summit and a small in person presence at the event if appropriate.
- 6.6 The Strategic Director of Stakeholder Engagement and the Head of External Communications left the meeting.

7 QBR Update (HS2B_21_083)

- 7.1 The Board received and noted a presentation summarising the Quarterly Business Review (QBR) held in October 2021.
- 7.2 The Board noted the executive commentary provided to introduce the QBR pack. The commentary acts to sets out those areas of activity, over and above those covered in the QBR slides that are, and continue to be, priorities for the CEO. Board Members were asked to provide any feedback on this new approach to the CEO.
- 7.3 Of the updates provided in the commentary, reference was made to the achievement of Level 4 Capability in Risk Management, for which an update paper for noting on the status of Enterprise Capability had been included within the Board pack.
- 7.4 The following key points were raised and noted against the content in the pack:

7.5 Quarter 2 progress

- 7.5.1 The Board were provided with a retrospective view of the milestones highlighted at the previous QBR, noting achievement of the milestones with the exception of a milestone implicated by design delays and a delay to the Rolling Stock Contact Award, expected to be a month later.
- 7.5.2 A verbal update was provided on the status of the Rolling Stock Contract Award.

7.6 QBR summary

- 7.6.1 Good progress has been made on the Phase 1 Enabling Works Contract completion and demobilisation.
- 7.6.2 Progress continues to be made in Phase 1 Main Works Civils Contracts (MWCC) delivery; [REDACTED]
- 7.6.3 A further revised date has been set for the Major Project Review Group (MPRG) to consider the hybrid Bill deposit for Phase 2b.
- 7.6.4 The Board discussed the implications of Bill deposit timings and noted that whilst there are some Paving Act Powers in place, they are relatively narrow.
- 7.6.5 Engagement continues with HS2 Ltd, the DfT and Network Rail (NR) on the working arrangements for Euston, noting that the management of funding will also require HM Treasury engagement and agreement.

7.7 Corporate performance

- 7.7.1 Focus continues to be given to Health and Safety performance with the supply chain including the review of the role and engagement of the Health and Wellbeing Leadership Forum (SHWeLT).
- 7.7.2 The Board discussed the safety incidents which have been reported and agree the criticality of keeping rigour.
- 7.7.3 The Board received feedback from Judith Hackitt following a recent site visit [REDACTED]
- 7.7.4 It was noted that Health and Safety successes are celebrated through the HS2 Inspiration Awards and the Board recognise this as equally important, noting that there are currently circa 3.5 million working hours in the month being completed.
- 7.7.5 The Board noted the performance reported against the Corporate Key Performance Indicators (KPIs) and that the six monthly position would be circulated to the Remuneration Committee in correspondence to formalise the current status.
- 7.7.6 The Board discussed the performance against the KPIs and the need to understand what success looks like against some of the indicators e.g., what does 'resolve' mean.
- 7.7.7 The Board noted the strong performance reported on benefits, particularly in Skills, Employment and Education (SEE) activities. Management will continue to review the performance of benefits including how these map to the seven Strategic Goals of HS2 Ltd in future updates.

7.8 Phase One update

- 7.8.1 The Board noted schedule performance in the quarter against Business Plan Milestones and Baseline Delivery Milestones and the view of sector performance against Target Delivery into Service (DiS) and Early DiS. The Board noted the summary of key movements in the period.
- 7.8.2 The Board discussed the change in schedule position between quarter 1 and quarter 2.
- 7.8.3 The Board discussed the interface and handovers with Rail Systems and noted that a Systems and Stations review will be brought to the 24 November Board meeting.
- 7.8.4 A further MWCC review will be brought to the 21 December Board meeting with the Board noting [REDACTED]
- 7.8.5 The Board discussed securing of consents and that this might be an area for agreement in the narrative document or for escalation to a future Ministerial Taskforce meeting.
- 7.8.6 The Board noted the summary of P-Rep issues raised in the period.
- 7.8.7 The Board noted the cost performance in the quarter. Cost had also been discussed at the informal Board briefing on 02 November 2021.
- 7.8.8 The Board noted the update on Land and Property and End of Powers.

7.9 Phase 2a update

- 7.9.1 The Board noted the schedule performance for Phase 2a across Baseline Delivery Schedule Performance and the forward looking schedule focus.
- 7.9.2 The Board noted the cost baseline performance for Phase 2a including key movement in the quarter.

7.10 Look ahead and summary

- 7.10.1 The Board noted the forward look of milestones for the next quarter and the recap of summary performance in the quarter.

8 Update on Phase 1 Costs and the Efficiency Challenge Programme (HS2B_21_084)

- 8.1 The Senior Project Manager joined the meeting.
- 8.2 The Board received and noted a presentation summarising the HS2 Phase 1 Costs and Efficiency Challenge Programme.
- 8.3 The CFO and the Senior Project Manager gave the Board an overview of the progress of the Efficiency Challenge Programme (ECP) following on from an initial introduction provided at the informal briefing to the Board on 02 November 2021.
- 8.4 The Board noted:

- 8.4.1 The formation of the Phase 1 Baseline (BL) 7.0 and 7.1 and the comprehensive set of data inputs which underpinned them.
- 8.4.2 The overview of how HS2 Ltd manages the BL and the P50 Estimate at Completion (EAC) through the change life cycle, noting that Trend is an event with an uncertain impact and Change is an event with a certain impact.
- 8.4.3 The current P50 cost estimate and the funding allocation.
- 8.4.4 The current P50 cost breakdown by asset class, showing efficiencies identified and any risk exposure against the target cost.
- 8.4.5 The maturity of the efficiency initiatives.
- 8.4.6 The overview of the ECP workstream and the framework around it to define and control the outputs, including:
 - 8.4.6.1. A fortnightly Steering Group chaired by the CFO.
 - 8.4.6.2. The use of an Enterprise Hopper tool to track and report on savings.
 - 8.4.6.3. Monthly Hopper review meetings held between PMO and each area.
 - 8.4.6.4. Current alignment to organisation MI through the back office tool, Power BI.
 - 8.4.6.5. A monthly Reduced Actual Cost (RAC) forum for MWCC saving initiatives.
 - 8.4.6.6. Ten active special projects being led by the ECP partner.
 - 8.4.6.7. ECP has been set up for Phase 2a review and there will be a launch of an ECP for Phase 2b next month.
 - 8.4.6.8. Setting up an efficiency hub to bring all efficiency activity together and drive collaboration.
- 8.5 The Board noted the update, and the following key points were raised:
 - 8.5.1 That risks captured are subject to review and modelled before they continue through the change life cycle.
 - 8.5.2 The Board expressed caution on the specificity of numbers being used and that alternatively explaining the opportunities would be a preferred method for stakeholders.
 - 8.5.3 The Board discussed the maturity of the efficiency initiatives and requested that the next level of detail may be useful to display how many are in the hopper versus enabled.
 - 8.5.4 The Board agreed that the information was very useful, and that the data could be cut in different ways to explain the status of the Programme and also communicate the work being undertaken including the initiative spotlights.
 - 8.5.5 The Board noted the use Professional Services for this task and finish activity due to the nature of their expertise and capacity but stressed the importance of HS2 Ltd remaining the intellectual property owners of the valuable work.

8.5.6 Board Members requested further information on the indirects special project in due course and noted that there will be further work including the alignment of language through reporting, including at IPDC.

8.6 The Senior Project Manager left the meeting.

9 HS2 Ltd Strategic Risks for 2021/2022 (HS2B_21_085)

9.1 The Programme Management Office Director joined the meeting.

9.2 The Board received and noted a paper providing an overview of the updates made to HS2 Ltd Strategic Risks following the Board workshop in July-21 along with the proposed next steps to managing Strategic Risks at HS2 in 2021/2022 in accordance with the approved approach at the March-21 Board.

9.3 The Board were asked to:

9.3.1 Note the progress made to Strategic Risks since the July 2021 Board workshop.

9.3.2 Note and approve the updated Strategic Risk Register.

9.3.3 Note and approve the Strategic Risk Review Calendar for reviewing and managing HS2 Strategic Risk in financial year 2021/2022.

9.4 The following key points were raised and noted:

9.4.1 The Board discussed the approach of the Strategic Risks and requested a further review of the risks for alignment with the purpose and activity of HS2, issues reported in the Management Information and in order to provide focus of the issues that the Board spends time on.

9.4.2 Noting that some risks are classified as Programme, the Board discussed that some will be so key that they should be dealt with as Strategic Risks.

9.4.3 It was noted that the narrative documentation on roles and responsibilities should also align to Board activity and therefore Strategic Risks.

9.4.4 **It was agreed that a further iteration would be provided to the Board.**

Action: 

9.5 The Programme Management Office Director left the meeting.

10 Integrated Rail Plan (IRP) and Phase 2b (HS2B_21_086)

10.1 The Phase Two Managing Director, The Head of Analysis and Corporate Sponsorship and the Head of Consultation and Engagement joined the meeting.

10.2 The Head of Analysis and Corporate Sponsorship provided a presentation to Board to brief on:

10.2.1 A recap of IRP context and terms of reference.

10.2.2 Implications of IRP for scope of:

- 10.2.2.1. Phase 2b Western Leg
- 10.2.2.2. Phase 2b Eastern Leg
- 10.2.2.3. Northern Powerhouse Rail (NPR)

10.2.3 Phasing of schemes in the IRP.

10.2.4 Sponsorship and delivery models for schemes in the IRP.

10.2.5 The HS2 Ltd handling plan for the IRP announcement.

10.3 The Board noted the planned timings for the announcement and that there will be further engagement between HS2 and the DfT for the communications and handling following the announcement.

10.4 The Phase Two Managing Director, The Head of Analysis and Corporate Sponsorship and the Head of Consultation and Engagement left the meeting.

11 Report from the Environmental Sustainability Committee 19 October 2021 (HS2B_21_090)

11.1 The Delivery Director for Technical Services joined the meeting.

11.2 The Board reviewed and noted the Report from the Environmental Sustainability Committee (ESC) meeting held on 19 October 2021, as included within the meeting papers.

11.3 Attention was drawn to the updates with respect to:

11.3.1 The Institute of Civil Engineers (ICE) review of the Net Zero Carbon Action Plan.

11.3.2 The Environmental Sustainability Vision and Commitments.

11.3.3 The proposed communications and handling plans for the suite of environmental documents due to be published.

12 Environmental Sustainability Commitments (HS2B_21_091)

12.1 The Board noted the Environmental Sustainability Commitments, as included in the meeting pack.

12.2 Board noted the five commitments as endorsed by the Environmental Sustainability Committee subject to the three caveats being closed out prior to publication, namely:

12.2.1 [REDACTED]

12.2.2 [REDACTED]

12.2.3

[REDACTED]

12.3 Management confirmed that the close out of the caveats is in progress.

12.4 The Delivery Director for Technical Services provided a high level overview of the Environmental Sustainability Commitments. It was noted the Environment Sustainability report provides opportunity to restate HS2's commitment to the environment and promote the plans being made in relation to carbon and biodiversity.

12.5 The Board noted that the HS2 Ltd Minister will deliver the key messages from the report and although the report was ready, the publication needed to be aligned with the DfT and the timings of COP26.

12.6 The Board noted the five Commitments for carbon and biodiversity.

12.7 The Board discussed the required interaction and engagement from the supply chain noting the existing carbon literacy initiatives and mechanisms in contracts, however that the requirement to keep focus on cost, schedule and safety performance also.

12.8 The Board agreed to endorse the Commitments, subject to the caveats agreed by the Environmental Sustainability Committee.

12.9 The Delivery Director for Technical Services left the meeting.

13 Report from the Commercial and Investment Committee 14 October 2021 (HS2B_21_087)

13.1 The Board reviewed and noted the Report from the Commercial and Investment Committee (CIC) meeting held on 14 October 2021, as included within the meeting papers.

13.2 Attention was drawn in particular to the updates with respect to:

13.2.1

[REDACTED]

13.2.2 The further questions submitted by the Chair of CIC and the responses in regard to

[REDACTED]

13.2.3

[REDACTED]

13.2.4 The further questions submitted by the Chair of CIC and the responses in regard to

[REDACTED]

14 Station Common Components: Lifts and Escalators - Recommendation to award (HS2B_21_088)

- 14.1 The Procurement and Commercial Director and the Head of Procurement for Phase 2b, joined the meeting.
- 14.2 The Board reviewed the Station Common Components: Lifts and Escalators recommendation to award paper, as included in the meeting pack.
- 14.3 The Head of Procurement for Phase 2b introduced the paper and Board were asked to:
- [REDACTED]
- 14.3.2 [REDACTED]
[REDACTED]
[REDACTED]
- 14.4 The Board noted the procurement comprised of two lots; Lifts (Lot1) and Escalators (Lot2) whereby a framework will be awarded for each Lot to cover the scope across Phase One Stations.
- 14.5 The Board noted the most economically advantageous tender awards, with the winning contractor for each contract anonymised.
- 14.6 The Board noted CIC had endorsed the award of the frameworks for onward travel to HS2 Ltd Board as detailed in the report submitted with the previous agenda item (item 13).
- 14.7 In the absence of the CIC Chair, the other Committee Members confirmed that a thorough review of the recommendation had been held.
- 14.8 The Board endorsed the outcome of the L&E procurement process to approve the award of the contract and approve that HS2 Ltd has demonstrated capability to manage the contract management plan.
- 14.9 The Board noted the timing and next steps including engagement with the DfT as part of a requirement under the Development Agreement.
- 14.10 The Procurement and Commercial Director and the Head of Procurement for Phase 2b left the meeting.

15 Report from the Remuneration Committee 20 October 2021 (HS2B_21_089)

- 15.1 The Board reviewed and noted the Report from the Remuneration Committee (RemCo) meeting held on 20 October 2021, as included within the meeting papers.
- 15.2 Attention was drawn in particular to:

- 15.2.1 [REDACTED] The Board noted the positive outcome of the conclusion of this review and the Committee Chair expressed thanks for the Board participation with this matter.
- 15.2.2 The Board noted the departure of the HR Director formally on 31 October 2021 and noted the appointment of the interim Appointment for the HR Director for an initial six months with effect from 01 November 2021. The Board acknowledged and expressed gratitude to the outgoing HR Director for his work and contribution to the organisation during his tenure.

16 Report from the Audit and Risk Assurance Committee 20 October 2021 (HS2B_21_092)

- 16.1 The Board reviewed and noted the Report from the Audit and Risk Assurance Committee (ARAC) meeting held on 20 October 2021, as included in the meeting pack.
- 16.2 Attention was drawn in particular to the updates with respect to:
- 16.2.1 The final meeting with Ed Smith as the Chair of Audit, Risk and Assurance Committee where the Committee acknowledged the positive impact he had in steering the Committee. It was noted that Jon Thompson will take over as the Chair of the Committee.
 - 16.2.2 A summary of the Management Information contained in the Risk, Control and Assurance report.
 - 16.2.3 The update on the status of assurance actions.
 - 16.2.4 An update on an internal audit into Cyber Secure Railway Design for which the Committee had requested a review and further update on the Management response.
 - 16.2.5 The conclusion of the NAO audit and the Management Letter for the 2020-2021 financial statements. The Committee had noted positive and complimentary feedback from the NAO to the CFO and Finance Directorate.
 - 16.2.6 Lessons Learned from Major Projects for HS2 Ltd.

17 Report from the Health, Safety, Security and Environment Committee 26 October 2021 (HS2B_21_093)

- 17.1 The Board noted the Report from the Health, Safety, Security and Environment Committee (HSSE) meeting held on 26 October 2021, as included in the meeting pack.
- 17.2 The Board noted the items of business considered by the Committee including an update from the newly appointed interim Health, Safety and Security (HSS) Director.

17.3 **The Board requested attendance to a future Board meeting by the HSS Director to provide observations on Health and Safety.**

Action: Company Secretariat for scheduling

18 Forward Look (HS2B_21_094)

18.1 The Board reviewed the Forward Look paper, as included in the meeting pack and noted the items scheduled for discussion at future meetings.

19 AOB and Close/Meeting float

19.1 The Board noted that Ed Smith had formally stepped down from the Board on 31 October 2021 and commended his contribution to the Board and organisation over his three year tenure.

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