

# Meeting minutes

## HS2 Ltd Board

**Meeting date** Tuesday, 21 December 2021

**Meeting location** Microsoft Teams meeting

**Meeting time** 13:30 – 17:30

Members	Attendees	Apologies
Ian King (acting Chair) Non-Executive Director	[REDACTED] Sponsorship Director	Jon Thompson Non-Executive Director
Michael Bradley Chief Financial Officer	[REDACTED] Phase 1 Project Controls Director	
Mel Ewell Non-Executive Director	Nicole Geoghegan General Counsel	
Judith Hackitt Non-Executive Director	[REDACTED] Head of Analysis and Corporate Sponsorship	
Tom Harris Non-Executive Director	Bernadette Kelly (item 4) DfT Permanent Secretary	
Stephen Hughes Non-Executive Director	[REDACTED] Senior Business Manager, Phase One Civils	
Elaine Holt Non-Executive Director	[REDACTED] Civils Delivery Director	
Roger Mountford Non-Executive Director	[REDACTED] Commercial Delivery Director - Civils & Services	
Mark Thurston Chief Executive Officer	[REDACTED] DfT Senior Responsible Officer (SRO)	
Ruth Todd Chief Commercial Officer	[REDACTED] Corporate Sponsor	
	Non Owen Company Secretary	
	[REDACTED] Project Client - EK	
	[REDACTED] Phase Two Project Controls Director	
	[REDACTED] Project Client - BBV	
	[REDACTED] Phase One Engineering Director	

## **Welcome, Quorum, Declarations of Interest and Values Moment**

- 1.1 No new/additional conflicts of interest were declared.
- 1.2 The Board received a values moment from the Chief Executive Officer, who played a video summarising the various achievements and successes across the Programme during 2021.

## **2 Minutes of the Previous Meeting and Matters Arising (HS2B\_21\_107 and HSB\_21\_108)**

- 2.1 The minutes of the meeting held on 24 November 2021 were approved as an accurate record.
- 2.2 The Board noted the status of the actions.

## **3 Chair Board/Updates (HS2B\_21\_109)**

- 3.1 The Acting Chair provided a verbal update on his activities during the period.
- 3.2 The Board discussed and noted:
  - 3.2.1 Appointment of a Second Permanent Secretary of the Department for Transport noting responsibilities including decarbonising transport, technology, international and security.
  - 3.2.2 The Board discussed the possibility of engagement and contribution of HS2 with the Second Secretary to input into the wider network.
  - 3.2.3 Positive feedback received from the most recent Ministerial Taskforce (MTF) meeting with a good level of engagement between DfT and HS2 colleagues.
  - 3.2.4 Clarification and alignment of communication releases which have been reviewed between the DfT, HS2 and the HS2 Ltd Minister.

- 3.3 The Board noted the updates.

## **4 DfT SRO Update (HS2B\_21\_110)**

- 4.1 The Department for Transport (DfT) Senior Responsible Officer (SRO) and DfT Permanent Secretary joined the meeting.
- 4.2 The DfT SRO and DfT Permanent Secretary provided a verbal update covering:
  - 4.2.1 Priorities for the Board during 2022.
  - 4.2.2 The DfT Permanent Secretary reflected on the development of the Programme over the previous two years and the momentum now being seen across delivery and benefits and thanked the Executive and Management for the engagement and support to get to this position.

- 4.2.3 Noting 2021 as a strong year with progress on several key deliverables including, but not limited to:
  - 4.2.3.1. Tunnel Boring Machine (TBM) delivery
  - 4.2.3.2. Earthworks
  - 4.2.3.3. Progression of the Phase 2a Design and Delivery Partner (DDP)
  - 4.2.3.4. Phase 2b West hybrid Bill delivery
- 4.2.4 The Programme has continued with delivery whilst responding to and monitoring wider external events.
- 4.2.5 The six-monthly Ministerial reports have gathered traction and are a useful tool to provide confidence on delivery, noting there should and will be a continued focus on cost and delivery performance.
- 4.2.6 HS2 and DfT will continue to engage collaboratively with the Major Project Review Group (MPRG).
- 4.2.7 Appointment of the Permanent Chair and the timing to do so.
- 4.2.8 The Board requested a view of the priorities for early 2022 for the DfT, noting these as including:
  - 4.2.8.1. Further progression of earthworks and main construction delivery already underway.
  - 4.2.8.2. Deposit of the Phase 2b West hybrid Bill and the communication to support.
  - 4.2.8.3. Agreement of the Framework Document.
  - 4.2.8.4. Continued engagement with Government and wider Stakeholders.
  - 4.2.8.5. Land and Property Consents and End of Powers.
  - 4.2.8.6. Efficiencies.
  - 4.2.8.7. Momentum of Phase 2a delivery.
  - 4.2.8.8. Engagement with the Department for Levelling Up, Housing and Communities (DLUHC).
  - 4.2.8.9. The Integrated Rail Plan (IRP).
- 4.2.9 The Board received the updates positively and noted the effectiveness as reflected by the discussion held with DfT colleagues. It is key for the Board to remain focussed on the priorities and utilise engagement with the DfT to plan and communicate on the deliverables requiring Governmental engagement and support.
- 4.2.10 Management confirmed to the DfT that the latest figures being reported on the Coronavirus Omicron variant are currently not materially impacting delivery and active mitigations and underway with the supply chain.

4.3 The Board noted the updates.

4.4 The Department for Transport (DfT) Senior Responsible Officer (SRO) and DfT Permanent Secretary left the meeting.

## 5 Framework Document (HS2B\_21\_111)

5.1 The Sponsorship Director, Corporate Sponsor and Head of Analysis and Corporate Sponsorship joined the meeting.

5.2 The Board received and noted the Update of the Framework Document between HS2 Ltd and Department for Transport, as included within the meeting papers.

5.3 The Board were asked to:

5.3.1 Note the context and purpose of updating the FD and the successful resolution of outstanding areas following Exec Committee review.

5.3.2 Approve the FD draft for DfT and Ministerial approval and delegation to the CEO to approve any changes to the FD following Board approval (e.g., resulting from Ministerial approvals).

5.4 The following key points were raised and noted:

5.4.1 The update to the FD is in line with the requirement to refresh the document every three years.

5.4.2 The FD is a document which codifies the way in which HS2 Ltd operates.

5.4.3 The Roles and Responsibilities materials are aligned with the revised FD.

5.4.4 Management received feedback from Board Members on the opportunity to further refine some of the wording and potentially highlight environment and stakeholders in the document. It was agreed that the Sponsorship Director would review this

5.4.5 It was agreed that a further update on the conclusion of revisions would be taken to the January Board.

**Action: Mark Thurston**

5.4.6 Subject to the previous discussion on further immaterial changes, the Board approved the FD draft for DfT and Ministerial approval and delegation to the CEO to approve any changes to the FD following Board approval (e.g., resulting from Ministerial approvals).

5.5 The Sponsorship Director, Corporate Sponsor and Head of Analysis and Corporate Sponsorship left the meeting.

## 6 CEO Update (HS2B\_21\_112)

6.1 The Board reviewed and noted the CEO Board summary, for December 2021, as included within the meeting papers.

6.2 The following key points were raised and noted:

- 6.2.1 The Board received a verbal update from the CCO with regard to [REDACTED]
- 6.2.2 The Board discussed whether there would be [REDACTED]
- 6.2.3 The Board noted that this matter has been previously considered by the Commercial and Investment Committee (CIC).
- 6.2.4 The matter is due to be considered by the DFT Investment, Portfolio and Delivery Committee (IPDC) in January 2022.
- 6.2.5 It was agreed that a paper would be provided to the Acting Chair and the Chair of the CIC for review on behalf of the Board prior to submission to the DfT.

**Action: Ruth Todd**

- 6.2.6 The Board noted the update on continued focus to Health and Safety and the mobilisation to recommit to Safe @ Heart with the Health, Safety and Security Director including continued engagement with the supply chain.
- 6.2.7 The Board noted the review of Safety across the Land and Property portfolio, the output of which will be reported to the Health, Safety, Security and Environment Committee in 2022.
- 6.2.8 The Board noted the planned approach with regard to a number of Undertaking and Assurances (U&As) and the need for environmental mitigation on land required to build the railway. The CEO will correspond with the DfT SRO on this approach.
- 6.2.9 Preliminary results from the latest all staff survey have been received and a fuller update will be provided to the Board in January 2022.

**Action: Mark Thurston**

- 6.2.10 The Board received a verbal update from the CFO on the Quarter 3 forecast performance [REDACTED]
- 6.2.11 The Board noted [REDACTED] and Management confirmed that the DfT have been engaged on this.
- 6.2.12 The Board noted the anticipated spend levels for Financial Year 2022/2023.
- 6.2.13 The Board noted the complexity and increased volume of activity and commended the Finance Directorate for maintaining performance whilst absorbing the growth.
- 6.2.14 The Board noted updates on:
  - 6.2.14.1. The forecast for Directs.
  - 6.2.14.2. The Executive Priorities to March 2023.
  - 6.2.14.3. The forward look and key milestones to 2024.

- 6.2.15 The organisation is being encouraged to utilise annual leave during the festive break where possible, however noting there are still key Programme deliverables during this period.
  - 6.2.16 The CEO will continue engagement with Non-Executive Members of the Board in the New Year including wider stakeholder engagement activities.
- 6.3 The Board noted the updates.

## 7 **Civils Review (HS2B\_21\_113)**

- 7.1 The Civils Delivery Director, Phase 1 Project Controls Director, Commercial Delivery Director for Civils & Services, Project Client for EKFB, Project Client for BBV, Phase One Engineering Director and Senior Business Manager for Civils joined the meeting.
- 7.2 The Board received and noted a presentation as included in the meeting pack covering the Civils portfolio.
- 7.3 The Board noted:
  - 7.3.1 The helicopter footage of Main Works Civils progress to date. The footage was received positively as a good way to demonstrate and measure progress.
  - 7.3.2 It was agreed that the footage would be shared with Board Members.

**Action: Non Owen**
  - 7.3.3 The Board noted the Health and Safety performance during the calendar year, noting the Major Project Comparison (AFR) but that there must be continuous drive and focus for no incidents.
  - 7.3.4 The Board received an overview of the Civils four box grid as at November 2021 detailing:
    - 7.3.4.1. Good News.
    - 7.3.4.2. Opportunities / Initiatives.
    - 7.3.4.3. Surprises.
    - 7.3.4.4. Risk / Watchouts.
  - 7.3.5 The Board discussed [REDACTED] [REDACTED] noting that Management are monitoring the market.
  - 7.3.6 There has been strong performance in the year for the Enabling Works and Utilities Contracts.
  - 7.3.7 The Board noted the summary of asset construction including the significant ramp up of activity anticipated for 2022.
  - 7.3.8 The Board noted the schedule overview for MWCC and following the mitigation exercise the progress which has been made.

- 7.3.9 The Board noted the cost performance within the period and the update on key quantities.
- 7.3.10 The Board received updates for each of the MWCC Joint Ventures including key achievements, performance to date and the forward look across each contract.
- 7.3.11 The Board received an update and noted the plan to improve on design and consents challenges during the year.
- 7.3.12 [REDACTED]
- 7.3.13 The Board thanked Management for the engagement and support during a highly productive year.

7.4 The Civils Delivery Director, Phase 1 Project Controls Director, Commercial Delivery Director for Civils & Services, Project Client for EKFB, Project Client for BBV, Phase One Engineering Director Senior Business Manager for Civils left the meeting.

## 8 Phase 2 Update (HS2B\_21\_114)

- 8.1 The Phase Two Project Controls Director joined the meeting.
- 8.2 The Board received and noted a paper providing a summary of the status, key challenges, and current performance of Phases 2a and 2b.
- 8.3 The Board noted:
  - 8.3.1 The overall status of the Phase 2a Programme including:
    - 8.3.1.1 Finalising the documentation and securing approvals to release the Invitation to Tender (ITT) for the DDP.
    - 8.3.1.2 Completion of Employers Reference Design (known as ERD+) which has informed the DDP plans.
    - 8.3.1.3 Ground Investigations (GI) activity.
    - 8.3.1.4 The MCW procurement which will commence in 2022.
    - 8.3.1.5 The key issues and look ahead.
  - 8.3.2 The overall status of the Phase 2b Programme including:
    - 8.3.2.1 [REDACTED]
    - 8.3.2.2 Completion of the West Leg hybrid Bill ahead of programme to meet the target deposit date. Deposit of the Bill is subject to further guidance from DfT at the time of reporting to the Board.
    - 8.3.2.3 Key issues and look ahead.
- 8.4 The Board noted the updates.

8.5 The Phase Two Project Controls Director left the meeting.

## **9 Report from the Audit and Risk Assurance Committee 02 Dec 2021 (HS2B\_21\_115)**

9.1 The Board reviewed and noted the Report from the Audit and Risk Assurance Committee (ARAC) meeting held on 02 December 2021, as included in the meeting pack.

9.2 The Committee had considered during the course of the meeting:

9.2.1 The Risk Control and Assurance (RCA) Management Information for November 2021.

9.2.2 A Deep Dive into Risk Management.

9.2.3 An interim update from the Head of Internal Audit.

9.2.4 The planning report for the 2021/22 financial statements audit by the NAO.

9.2.5 The six-monthly Senior Information Risk Owner (SIRO) Update.

9.2.6 The six-monthly Counter Fraud and Business Ethics Update.

9.2.7 Senior Account Officer (SAO) Tax Certificate for 2020/21 (as included to the Board also for information at the following item).

9.3 The Board noted the updates.

## **10 SAO Tax Certificate (HS2B\_21\_116)**

10.1 The Board reviewed and noted the Senior Account Officer (SAO) Tax Certificate for 2020/21 paper, as included in the meeting pack.

10.2 The Board noted the proposed SAO Tax Certificate. The SAO Certificate for 2020/21 (as it did for 2019/20) concludes with option A i.e., the company had appropriate tax accounting arrangements throughout the 20/21 financial year.

10.3 It was noted that the paper had been submitted to Board for information as one of HS2's responsibilities under the HMRC SAO Guidance to ensure that the Board and senior decision makers in the business are kept aware of the compliance with tax arrangements.

10.4 The Board noted the update.

## **11 Report from the Commercial and Investment Committee 09 Dec 2021 (HS2B\_21\_117)**

11.1 The Board reviewed and noted the Report from the Commercial and Investment Committee (CIC) meeting held on 09 December 2021, as included within the meeting papers.

- 11.2 The Committee had considered a paper following delegation from the HS2 Ltd Board in November 2021 [REDACTED]
- 11.3 The Board noted the key areas of discussion raised at the Committee and that following robust discussion and careful consideration the matter be endorsed, with a request to DfT to approve the acquisition.
- 11.4 The Board noted the update.

## **12 Report from the Health, Safety, Security and Environment Committee 15 Dec 2021 (HS2B\_21\_118)**

- 12.1 The Board reviewed and noted the Report from the Health, Safety, Security and Environment Committee 15 December 2021, as included within the meeting papers.
- 12.2 During the course of the meeting, the Committee had considered:
- 12.2.1 The Health, Safety, Security and Environment Performance Report.
  - 12.2.2 The Health and Safety Improvement Plan (HSIP) and priorities for 2022.
  - 12.2.3 Environmental Core Risks.
  - 12.2.4 A briefing on the environmental risks that surrounded woodland clearance activities undertaken in Spring 21.
  - 12.2.5 The Illegal Protest Strategy.
- 12.3 The Board noted the updates.

## **13 Forward Look (HS2B\_21\_119)**

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

## **14 AOB and Close/Meeting float**

- 14.1 There were no other items of business raised for discussion.