

Meeting minutes

HS2 Ltd Board

Meeting date Wednesday, 26 January 2022

Meeting location Microsoft Teams meeting

Meeting time 09:00 – 15:30

Members	Attendees	Apologies
Ian King (acting Chair) Non-Executive Director	Nicole Geoghegan General Counsel	
Michael Bradley Chief Financial Officer	██████████ (Minutes) Interim Company Secretariat	
Mel Ewell Non-Executive Director	██████████ Head of Benefits.	
Judith Hackitt Non-Executive Director	████████████████████ DfT Senior Responsible Officer (SRO)	
Tom Harris Non-Executive Director	████████████████████ Head of Systems Safety, Security and Interoperability	
Stephen Hughes Non-Executive Director	██████████ Programme Management Office Director	
Elaine Holt Non-Executive Director	██████████ DfT Director of HS2 Phases 1 and 2a, High Speed Rail Projects	
Roger Mountford Non-Executive Director	Non Owen Company Secretary	
Jon Thompson Non-Executive Director	Chris Raynor (item 9) Delivery Director – Systems and Stations	
Mark Thurston Chief Executive Officer	██████████ Infrastructure Managing Director	
Ruth Todd Chief Commercial Officer	Minister Stephenson (item 7) Minister of State, DfT	
	████████████████████ Euston Area Director	

1 Welcome, Quorum, Declarations of Interest and Values Moment

1.1 The Head of Systems Safety, Security and Interoperability and the Infrastructure Managing Director joined the meeting.

- 1.2 No new/additional conflicts of interest were declared.
- 1.3 The Board received a values moment from the Head of Systems Safety, Security and Interoperability and the Infrastructure Managing Director which focused on HS2 Ltd's safety responsibilities within the contracting arrangements and provided Board with an example of the controls in place for Adhesion management.
- 1.4 The Head of Systems Safety, Security and Interoperability and Infrastructure Managing Director left the meeting.

2 Minutes of the Previous Meeting and Matters Arising (HS2B_21_121 and HSB_21_122)

- 2.1 The minutes of the meeting held on 21 December 2021 were approved as an accurate record.
- 2.2 The Board noted the status of the actions.

3 Chair Board/Updates (HS2B_21_123)

- 3.1 The Acting Chair on behalf of the Board thanked the Sponsorship Director and the General Counsel for their contribution to HS2 Ltd during their respective tenures, noting this as their last Board meeting.
- 3.2 The Acting Chair provided a verbal update on his activities during the period, including:
 - 3.2.1 The Chair Recruitment process.
 - 3.2.2 The strength of the Infrastructure and Projects (IPA) report and the shift of making information more public facing.
 - 3.2.3 Engagement with the Integrated Rail Plan (IRP).
 - 3.2.4 Integration.
 - 3.2.5 Environmental Sustainability activities.
 - 3.2.6 Euston.
- 3.3 The Board noted the updates.

4 HS2 Management Information Review (HS2B_21_124)

- 4.1 The Board received and noted the HS2 Management Information (MI) Review, as included within the meeting papers.
- 4.2 The Board were asked to:
 - 4.2.1 Note the MI which has been reviewed.
 - 4.2.2 Endorse the four recommendations of the review.

- 4.3 The Board noted:
 - 4.3.1 The quality of the MI provided is of a high standard and provides good structure and content.
 - 4.3.2 The introduction of a Management action plan to address the recommendations.
 - 4.3.3 That the Ministerial Taskforce (MTF) report does not currently report on the wider benefits and there is opportunity to address this.
- 4.4 The Board endorsed the four recommendations.

5 DFT SRO Update and IPDC Update (HS2B_21_125)

- 5.1 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.
- 5.2 The DfT SRO provided a verbal update covering:
 - 5.2.1 The DfT SRO reflected on the IPA report and how it demonstrates momentum for Phase One and the positive ways of working between HS2 and DfT.
 - 5.2.2 Recognition and thanks to HS2 Ltd for the deposit of the Phase 2b West hybrid Bill.
 - 5.2.3 The Joint Executive Committee meeting between HS2 Ltd and DfT on ways of working.
 - 5.2.4 Monthly coordination meetings between HS2 Ltd and DfT synchronise agendas and communications.
 - 5.2.5 Noting 2022 as a momentous year, with areas of focus including but not limited to:
 - 5.2.5.1. Recognition of the ramp up of activity in Phase One works.
 - 5.2.5.2. Support and assistance with consents and protesters activity.
 - 5.2.5.3. Phase 2a delivery.
 - 5.2.5.4. Euston.
 - 5.2.5.5. Phase 2b West hybrid Bill in Parliament.
 - 5.2.5.6. Biodiversity and Carbon.
 - 5.2.5.7. Levelling up.
- 5.3 The Board reviewed and noted the sixth 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 October, November and December 2021, as included within the meeting papers.
- 5.4 The DfT Director of HS2 Phases 1 and 2a, High Speed Rail Projects summarised the meeting.
- 5.5 The Board noted the updates covered in the report against:
 - 5.5.1 Delivery progress
 - 5.5.2 Affordability

- 5.5.3 Schedule
 - 5.5.4 Benefits
 - 5.5.5 Governance
 - 5.5.6 Strategic risks
 - 5.5.7 Priorities
- 5.6 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.

6 QBR Update (HS2B_21_126)

- 6.1 The Board received and noted a presentation summarising the Quarterly Business Review (QBR) held in January 2022.
- 6.2 The Board noted the executive commentary provided to introduce the QBR pack. The commentary acts to set out those areas of activity, over and above those covered in the QBR slides that are, and continue to be, priorities for the CEO and the Executive Team.
- 6.3 Of the updates provided in the commentary, the CEO drew the Boards attention to:
- 6.3.1 The Health and Safety performance by the supply chains.
 - 6.3.2 The refresh of 'Safe at Heart'.
 - 6.3.3 The Staff Survey feedback.
 - 6.3.4 Prime System Integration activity.
 - 6.3.5 The return to hybrid working following the lifting of Plan B restrictions.
- 6.4 The following key points were raised and noted against the content in the pack:
- 6.5 Quarter 3 Progress:
- 6.5.1 The Board were provided with a series of progress photos, including Euston tunnelling works on London Underground Traction Substation and the Minister for Industry's visit to the South.
 - 6.5.2 Board noted the key milestones and progress against the same over the previous quarter.
- 6.6 QBR Summary:
- 6.6.1 Improvement of Enterprise-wide Health and Safety Performance Indicators (HSPI) during the period, however noting the importance not to become complacent and the activity to reinvigorate on the constant attention needed.
 - 6.6.2 Engagement continues with the CEOs of the Joint Ventures on Health and Safety performance.

- 6.6.3 The Board noted the performance reported against the Corporate Key Performance Indicators (KPI) and there being a small number of KPIs that will not be met by year end.
- 6.7 The Head of Benefits joined the meeting to present to the Board on Benefits performance.
- 6.8 The following key points were raised and noted:
 - 6.8.1 Consistently reporting of benefits as overall green.
 - 6.8.2 825 apprenticeships have been created since Phase One Royal Assent, with 125 created during the quarter.
 - 6.8.3 Each supply chain has been provided with a workforce diversity target; with the expectation that this will take some time to achieve.
 - 6.8.4 CO2 reduction is currently reporting at amber.
 - 6.8.5 The biodiversity target is reporting as red and whilst there has been good progress made, there continues to be work required to achieve no net loss.
- 6.9 The Board discussed:
 - 6.9.1 How HS2 Ltd can communicate the wider benefits within all government departments.
 - 6.9.2 The publication of the Benefits newsletter and intended audiences.
 - 6.9.3 The Board discussed the apprenticeships opportunity with the engineering and manufacturing industry, due to there being a 3-month industrial experience requirement.
- 6.10 The Board noted the strong performance reported on benefits.
- 6.11 The Head of Benefits left the meeting.

7 Minister Stephenson (HS2B_21_127)

- 7.1 Minister Stephenson and the Department for Transport (DfT) Senior Responsible Officer (SRO) joined the meeting.
- 7.2 The Board welcomed Minister Stephenson to the meeting.
- 7.3 Minister Stephenson provided the Board with an update on the recruitment process for the Chair of HS2 Ltd.
- 7.4 Minister Stephenson reflected on the milestones achieved during 2021 including but not limited to:
 - 7.4.1 The Rolling Stock Award.
 - 7.4.2 The Phase 2b West hybrid Bill deposit.
 - 7.4.3 Strong delivery during the COVID-19 pandemic.

- 7.4.4 Publication of the first Environmental Sustainability report.
- 7.5 Minister Stephenson advised Board of the priorities of focus for 2022 including but not limited to:
 - 7.5.1 Continued delivery of the Programme to cost and schedule.
 - 7.5.2 Delivery progress of Phase 2a, one year following Royal Assent.
 - 7.5.3 Continued identification of opportunities for savings and efficiencies.
 - 7.5.4 Phase 2b delivery.
- 7.6 The Board discussed:
 - 7.6.1 Phase 2b and the need for continued engagement.
 - 7.6.2 How the wider benefits of the Programme could be further publicised in support of the levelling up agenda.
 - 7.6.3 The timings for political decisions required for Phase 2b.
- 7.7 The Board thanked Minister Stephenson for his attendance and agreed further attendance would be welcome and beneficial.
- 7.8 Minister Stephenson and the Department for Transport (DfT) Senior Responsible Officer (SRO) left the meeting.

8 QBR Update (continued) (HS2B_21_126)

- 8.1 The CEO continued with the QBR update and drew the Boards attention to:
 - 8.1.1 The Board noted the Phase One overview summarising on a page the Phase One Contracts, value and delivery dates.
 - 8.1.2 The Board noted continued focus on delivery of consents and engagement with Agencies.
 - 8.1.3 The Board noted the positive progress made against previous focus in the quarter and emerging areas of focus reported.
 - 8.1.4 The Board noted Phase One Estimate at Completion (EAC) has remained stable over the period, save for the inclusion of direct COVID costs. The Board noted this as a key message of consistent delivery.
 - 8.1.5 Performance against the Business Plan Milestones in the period.
 - 8.1.6 The Land and Property (L&P) End of Powers (EoP) update and the approach on the serving of notices.
 - 8.1.7 The Board discussed the interplay between design, consents and the critical path.
 - 8.1.8 The Board noted the update on the maturity of the cost reduction initiatives and the continuing programme of planned efficiencies.

- 8.1.9 The Board queried what more can be done to achieve further efficiencies in the Programme. Management advised that outside of the identified initiatives, a more strategic scope discussion would be required.
- 8.1.10 The Board discussed the inflationary pressures noting Management continue to develop the issue and will return to Board at the appropriate time.
- 8.1.11 The Board noted the status of the commercial negotiations.
- 8.1.12 The Board noted the schedule performance for Phase 2a across Baseline Delivery Schedule Performance.
- 8.1.13 The Board noted the forward look of milestones for the next quarter and the recap of summary performance in the quarter.

9 Euston Station Affordability Update (HS2B_21_128)

- 9.1 The Delivery Director for Systems and Stations and the Euston Area Director joined the meeting.
- 9.2 The Board received and noted the Euston Station Affordability Update, as included within the meeting papers.
- 9.3 The Board were asked to:
 - 9.3.1 Endorse the paper for onward submission to the Department/IPDC.
 - 9.3.2 [REDACTED]
- 9.4 The Board noted:
- 9.5 The Board were provided with a recap of the work to date, studies and design timeline conducted to date.
- 9.6 [REDACTED]
- 9.7 The Board requested that before submission to IPDC, the paper is updated with further context and history on the decisions that have taken place.

Action: [REDACTED]

- 9.8 The Board endorsed the report for onward travel to IPDC
- 9.9 The Delivery Director for Systems and Stations and Euston Area Director left the meeting.

10 HS2 Ltd Strategic Risks (HS2B_21_129)

- 10.1 The Programme Management Office Director joined the meeting.
- 10.2 The Board reviewed and noted the HS2 Ltd Strategic Risks, as included in the meeting pack.

10.3 The Board were asked to:

- 10.3.1 Endorse the Strategic Risks and discuss and agree the proposed Board Champions.
- 10.3.2 Approve the Strategic Risk Review Cycle for 2022.

10.4 The following key points were raised and noted:

- 10.4.1 The revised Strategic Risks were presented to and discussed by the Audit, Risk and Assurance Committee.
- 10.4.2 The Board discussed the role of the proposed Board Champions and following discussion it was agreed to remove this terminology.
- 10.4.3 The Board discussed the role of the Committees and agreed to align the Strategic Risks with the appropriate Committees.
- 10.4.4 The Board welcomed the cycle of reviews and thanked the Programme Management Office Director and their team.

10.5 The Board agreed to:

- 10.5.1 Endorse the Strategic Risks.
- 10.5.2 Remove the proposal for Board Champions.
- 10.5.3 Approve the Strategic Risk Review Cycle for 2022.
- 10.5.4 Align the Strategic Risks with the appropriate Committee and include within the Strategic Risk Review Cycle for 2022.

Action: ██████████ **Company Secretariat – Scheduling.**

10.6 The Programme Management Officer Director left the meeting.

11 Governance Updates (HS2B_21_130)

11.1 The Board reviewed and noted the Governance Update Paper, as included in the meeting pack.

11.2 The Board were asked to:

- 11.2.1 Approve the proposed changes to Phase 2a delegations cascaded by DfT to HS2 Ltd that will be enabled upon the adoption of the new Development Agreement.
- 11.2.2 Approve the appointment of the Delivery Director for Civils as a power of attorney for HS2 Ltd, on the same terms as the other attorneys.

11.3 The Board provided the approvals as requested.

12 Report from the Remuneration Committee 13 Jan 2022 (HS2B_21_131)

12.1 The Board reviewed and noted the report from the Remuneration Committee held on 13 January 2022, as included in the meeting pack.

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

12.2.1

[REDACTED]

12.2.2

[REDACTED]

12.2.3 The Performance and Pay Landscape for 2022.

12.2.4 A six-monthly update on Talent and Succession Planning.

12.2.5 Overview of the quota of senior roles agreed.

12.3 The Board discussed the challenges of salary restraints and that the company has been in pay pause for the previous two years.

12.4 The Board noted the Committee meeting as the last attendance for the Deputy Director of Shareholdings of the DfT, thanking and noting the contribution made during tenure.

12.5 The Board noted the update.

13 Report from the Environmental Sustainability Committee 19 Jan 2022 (HS2B_21_132)

13.1 The Board reviewed and noted the report from the Environmental Sustainability Committee held on 19 January 2022, as included within the meeting papers.

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

13.2.1 A perspective on how Contractors are responding to Net Zero from a Guest Speaker.

13.2.2 The Environment Communications Strategy for 2022.

13.2.3 The proposed approach for the Environmental Sustainability Report 2021/22.

13.2.4 COP 26 Debrief.

13.2.5 A progress update on the HS2 Biodiversity Action Plans (BAP).

13.3 The Board noted a discussion was held with regard to Environment and where this should be overseen at a Board Committee level with a proposal to be provided by Management at the appropriate time.

13.4 The Board noted that now the Committee has reached a level of maturity a permanent external observer is not required. Guest speakers and subject matter experts will be invited on an as and when required basis.

13.5 It was suggested that an invitation to the Committee be extended to Minister Stephenson.

13.6 The Board noted the updates.

14 Report from the Commercial and Investment Committee 20 Jan 2022 (HS2B_21_133)

- 14.1 The Board reviewed and noted the Report from the Commercial and Investment Committee (CIC) meeting held on 20 January 2022, as included within the meeting papers.
- 14.2 The Committee had considered a [REDACTED] seeking endorsement for onward submission to the DfT.
- 14.3 Following careful consideration, and under delegation from the HS2 Ltd Board, the Committee endorsed for presentation to the DfT IPDC in February 2022.
- 14.4 The Committee received a presentation on the interim commercial submissions from interested parties for the Rail Systems procurements in response to the draft terms and conditions issued to the market in July 2021.
- 14.5 The Board noted the update.

15 Forward Look (HS2B_21_134)

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

16 AOB and Close/Meeting float

- 16.1 There were no other items of business raised for discussion and the meeting was closed.