

Meeting minutes

HS2 Ltd Board

Meeting date	Wednesday, 23 February 2022
Meeting location	Room 6.1, Two Snowhill, Birmingham
Meeting time	10:40 – 16:30

Members	Attendees	Apologies
Jon Thompson (acting Chair) Non-Executive Director	[REDACTED] Commercial Delivery Director - Phase Two	Ian King Non-Executive Director
Michael Bradley Chief Financial Officer	[REDACTED] On Network Works Director	
Mel Ewell Non-Executive Director	[REDACTED] Senior Business Manager	
Judith Hackitt Non-Executive Director	[REDACTED] Project Client - Old Oak Common	
Tom Harris Non-Executive Director	Mike Lyons (item 9) Delivery Director Civils	
Stephen Hughes Non-Executive Director	[REDACTED] DfT Director of HS2 Phases 1 and 2a, High Speed Rail Projects	
Elaine Holt Non-Executive Director	Non Owen Company Secretary	
Roger Mountford Non-Executive Director	Chris Rayner (item 7) Delivery Director - Systems and Stations	
Jon Thompson Non-Executive Director	Tim Smart (item 8) Phase Two Managing Director	
Mark Thurston Chief Executive Officer	[REDACTED] Health, Safety and Security Director (Interim)	
Ruth Todd Chief Commercial Officer	[REDACTED] Managing Director, The Euston Partnership (interim)	

1 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 Roger Mountford, Non-Executive Director, on respect referring to his recent involvement with the Special Cases Panel.

2 Minutes of the Previous Meeting and Matters Arising (HS2B_21_136 and HSB_21_137)

- 2.1 The minutes of the meeting held on 26 January 2022 were approved as an accurate record.
- 2.2 The Board noted the status of the actions.

3 Chair Board/Updates (HS2B_21_138)

- 3.1 The Acting Chair provided a verbal update on his activities during the period, including:
 - 3.1.1 Progression of the HS2 Ltd Annual Planner, in development with the Company Secretary and CEO.
 - 3.1.2 Continued Non-Executive Director (NED) meetings taking place between Board meetings.
 - 3.1.3 Regular meetings between the Acting Chair and CEO.
 - 3.1.4 Engagement on options for Euston Station delivery.
 - 3.1.5 Bi-monthly meetings with the Director of Public Spending.
 - 3.1.6 Regular meetings established between the CFO and HM Treasury.
 - 3.1.7 Confirmation of changes of Chair for the Health, Safety, Security and Environment Committee and temporary change for the Audit and Risk Assurance Committee.
 - 3.1.8 The Board noted that there is reflection being given to the approach of managing strategic environmental objectives, which will be further discussed at the next Environmental Sustainability Committee.
 - 3.1.9 An update on the Chair process and current estimated timings.
- 3.2 The Board noted the updates.

4 DfT SRO Update (HS2B_21_139)

- 4.1 The Department for Transport (DfT) Director of HS2 Phases 1 and 2a, High Speed Rail Projects joined the meeting.
- 4.2 The Board received a verbal update on DfT activity/ focus during the period, including:
 - 4.2.1 The Phase 2a Design and Delivery Partner (DDP).
 - 4.2.2 Phase 2b Bill handling including planned correspondence between the DfT and HM Treasury.
 - 4.2.3 Delays in approvals.
 - 4.2.4 Integrated Rail Plan (IRP) integration.
 - 4.2.5 Continued engagement on ways of working.

- 4.2.6 The recent positive run of media opportunities including Tunnel Boring Machines (TBMs), apprenticeships and archaeology.
 - 4.2.7 Celebration of the success to achieve End of Powers.
 - 4.2.8 Inflation.
 - 4.2.9 The Board discussed previous opportunities for private financing options and whether this might be revisited.
- 4.3 The Board noted the updates.
- 4.4 The Department for Transport (DfT) Director of HS2 Phases 1 and 2a, High Speed Rail Projects left the meeting.

5 CEO Update (HS2B_21_140)

- 5.1 The interim Health, Safety and Security Director joined the meeting.
- 5.2 The Board reviewed and noted the CEO Board summary, for February 2022, as included within the meeting papers.
- 5.3 The key points highlighted were:
 - 5.3.1 A verbal update was provided on a safety incident which had occurred involving a sub-contractor.
 - 5.3.2 Changes to the Development Agreement (DA) for the Board's information, namely:
 - 5.3.3 Amending the Sponsor's Requirement on biodiversity to reflect a move to targeting a 10% gain in biodiversity (rather than No Net Loss) for the Phase 2b Western Leg. This change was previously discussed and approved by the Board's Environmental Sustainability Committee.
 - 5.3.4 [REDACTED]
 - 5.3.5 It was confirmed that the DA allows minor changes to be enacted without the need for a Board-approved Change Appraisal in exceptional circumstances. Therefore, Board approval was not required on these matters.
 - 5.3.6 Preparation for the publication of key annual documents, notably the Annual Report and Corporate Plan. Drafting of the documentation has commenced, for sharing with the Board at various stages over coming months.
 - 5.3.7 Consideration of the most appropriate delivery strategy for the Western leg of Phase 2b which will continue to be developed with the Executive Committee during March. Engagement with the DfT will continue in parallel.
 - 5.3.8 The upcoming CEO attendance at the Transport Select Committee (TSC) and scheduled Public Accounts Committee (PAC) in May 2022.

- 5.3.9 The intent to introduce a “mission focussed” intent to the organisation.
- 5.3.10 The Board received a verbal update on the timeline for the Interchange tenders.
- 5.3.11 The Board noted the fourth bi-annual update to Parliament on HS2 progress will be submitted in March 2022.

5.4 The Board noted the updates.

5.5 The Board welcomed the interim Health, Safety and Security Director to the meeting to provide an update to the Board on Health, Safety and Security performance and provide awareness on current and planned improvement programmes.

5.6 The Board noted the presentation included in the materials providing an overview of activity across:

- 5.6.1 Health and Safety Performance.
- 5.6.2 Health and Safety Improvement.
- 5.6.3 Safe @ Heart Strategy
- 5.6.4 Illegal Protest Strategy
- 5.6.5 Next steps

5.7 The following key points were raised and noted:

5.7.1 There is a revised approach being taken to the Health and Safety Performance Indicator (HSPI), moving away from Accident Frequency Rates (AFR) and towards the developed Injury Weighted Index (IWI) due to the increase in threshold and nature of work being undertaken.

5.7.2 **It was agreed that the recent paper submitted to the HSSE Committee would be made available to wider Board Members.**

Action: Non Owen

5.7.3 The Chair of the HSSE Committee commented on the changes being demonstrated at the Safety, Health and Wellbeing Leadership Forum (SHWeLT).

5.7.4 It was noted that quality of supervision is key.

5.7.5 The Board requested an adjustment of language with regard to the Illegal Protest Strategy.

5.7.6 The Board commented that as the Strategies mature, this will allow the Board to have visibility of initiatives which have worked well or could be improved on for Committee and/ or Board discussion.

5.7.7 **It was agreed that a further update would be welcomed at a suitable time (circa six months).**

Action: Company Secretariat for scheduling

5.8 The Board noted the updates.

5.9 The interim Health, Safety and Security Director left the meeting.

6 Phase 1 Overview (HS2B_21_141)

6.1 The Board received and noted the Phase 1 Client report included in the meeting pack and received a verbal update from the CFO on activity during the period including:

6.1.1 The significant milestone of achieving End of Powers for Phase 1 Land and Property.

6.1.2 **Tunnel Boring Machine (TBM) progress including a site visit opportunity for the Board in Autumn.**

Action: Non Owen to schedule as appropriate

6.1.3 The major milestone reached in the construction of a conveyor system that will remove excavated materials from the site of Old Oak Common Station.

6.1.4 Updates during the period on the Programme position across cost, schedule, safety and security, respectful delivery, environment and people.

6.2 The Board noted the updates.

7 Systems and Stations Review (HS2B_21_142)

7.1 The On Network Works Director, Project Client for Old Oak Common, Delivery Director for Systems and Stations and interim Managing Director to The Euston Partnership joined the meeting.

7.2 The Board received and noted a presentation covering Systems and Stations following the agreed format to have focussed reviews into the asset classes of the Phase 1 Programme.

7.3 The presentation provided an overview of:

7.4 Stations and Systems updates covering:

7.4.1 Health and Safety update.

7.4.2 Milestone Progress.

7.5 Euston covering:

7.5.1 Latest RIBA 2 designs.

7.5.2 Site progress.

7.5.3 Euston Campus deliver approach.

7.5.4 Euston B1 On Network Works scope and costs.

7.6 Stations covering:

7.6.1 Old Oak Common station site progress.

- 7.6.2 Old Oak Common On Network Works scope and costs.
- 7.6.3 Update on the Curzon Street [REDACTED]
- 7.7 High Speed Rail Systems covering:
 - 7.7.1 Rolling Stock mobilisation.
 - 7.7.2 Procurement.
 - 7.7.3 Alliance capability development.
- 7.8 The following key points were raised and noted:
 - 7.8.1 The Board commented on the safety incidents reported in the period, providing challenge that differing solutions for delivery should be factored into lessons learned from the supply chain where possible.
 - 7.8.2 The Board noted the progress of key milestones since the previous presentation to the Board in November 2021.
 - 7.8.3 The Board noted the summary of the four Euston programmes being funded by the DfT and the three delivery programmes currently work independently, with The Euston Partnership (TEP) providing activities to support integration of HS2 Ltd and Network Rail (NR) business cases.
 - 7.8.4 The Board noted [REDACTED]
[REDACTED]
[REDACTED]
 - 7.8.5 The Board noted the timeline for the delivery of the main NR Station works for which a joint appraisal of delivery options is required to inform a decision.
 - 7.8.6 The Board noted the update on the Euston OWN B1 works following the Oakervee Review recommendation for single stage delivery.
 - 7.8.7 Assurance of the scope of B1 will be provided by Power of 6.
 - 7.8.8 The Board discussed the progress to date of the Dwall, Piles and RC Capping Beam at Old Oak Common.
 - 7.8.9 Management reiterated the success of the conveyor installation at Old Oak Common.
 - 7.8.10 [REDACTED]
[REDACTED]
 - 7.8.11 [REDACTED]
[REDACTED]
[REDACTED]
 - 7.8.12 [REDACTED]
[REDACTED]
 - 7.8.13 The Board noted the update at Old Oak Common on delivery, budget and efficiencies.
 - 7.8.14 The Board noted the update progress with Rail Systems contracts and awards, noting the Alliance and capability workstreams continue in parallel with integration.

7.8.15 The Board noted the look ahead over the next three months and will continue to seek progress and assurance on the status of stations.

7.9 The On Network Works Director, Project Client for Old Oak Common, Delivery Director for Systems and Stations and interim Managing Director to The Euston Partnership left the meeting.

8 Phase 2a Review (HS2B_21_143)

8.1 The Phase Two Managing Director and Phase Two Commercial Delivery Director joined the meeting.

8.2 The Board received and noted a presentation summarising the Phase 2a Programme update, as included within the meeting papers.

8.3 The Board noted that the update was being provided circa 12 months on from receipt of Royal Assent for Phase 2a.

8.4 The Board received updates on:

8.4.1 Successes, challenges, opportunities, lessons learned and watchlists in the period.

8.4.2 Performance against the plan since Royal Assent.

8.4.3 Key drivers to schedule pressures and mitigation plans.

8.4.4 Mitigation plan.

8.4.5 The Phase 2a Client schedule.

8.5 The following key points were raised and noted:

8.5.1 The capability of the SCAPE Framework against the scope of Phase 2a Delivery requirements.

8.5.2 Whether there was concern regarding necessary resource in the supply chain. Management advised that there has been development of a Supplier Strategy and it was agreed this should be presented to the Board at the appropriate time.

8.5.3 The Board discussed the Phase 2a Contract timelines across Design, Early Works, Main Works and the DDP noting that schedule management and mitigations will develop over the coming months and the Board will be kept informed.

8.5.4 

8.6 The Board noted the updates.

8.7 The Phase Two Managing Director and Phase Two Commercial Delivery Director left the meeting.

9 Proposed Main Works Civils Contracts (MWCC) 2021 Annual Performance Review (APR) payment (HS2B_21_144)

- 9.1 The Delivery Director for Civils joined the meeting.
- 9.2 The Board received and noted the paper providing an update on the 2021 MWCC (Main Works Civils Contracts) Annual Performance Review (APR) mechanism and the payments due to the four Joint Ventures (JVs).
- 9.3 The Board were asked to note the [REDACTED]
- 9.4 The Board noted the overview provided summarising the mechanism and approach to APR, and:
 - 9.4.1 The schedule summary.
 - 9.4.2 The cost summary.
 - 9.4.3 Contractor specific performance.
 - 9.4.4 Commercial agreements within the APR and next steps.
 - 9.4.5 Assurance.
- 9.5 The HS2 Ltd Board agreed that the process provides opportunity for healthy tension in the supply chain.
- 9.6 The Delivery Director for Civils left the meeting.

10 Corporate KPIs 2022/23: Initial proposals (HS2B_21_145)

- 10.1 The Senior Business Manager joined the meeting.
- 10.2 The Board received and noted the paper which provided an update on initial proposals for HS2 Ltd key performance indicators (Corporate KPIs) for 2022/23.
- 10.3 The Board were asked to note and comment on the initial proposals, following early engagement with subject matter experts and the Executive Committee, ahead of further development work and onward governance including with the Department for Transport (DfT).
- 10.4 The Board noted the proposals, with suggestion/ exploration of the following:
 - 10.4.1 An internal KPI on Phase 2b and the Parliamentary process.
 - 10.4.2 A potential KPI on integration.
 - 10.4.3 Evolve the AFC KPI to be more aligned to current observable cost.
- 10.5 The Board noted the update, and that a further iteration would be tabled for the March Board meeting.

10.6 The Senior Business Manager left the meeting.

11 Report from the Audit and Risk Assurance Committee 03 Feb 2022 (HS2B_21_146)

11.1 The Board reviewed and noted the Report from the Audit and Risk Assurance Committee meeting held on 03 February 2022, as included within the meeting papers.

11.2 Attention was drawn to the updates with respect to:

11.2.1 Risk, Control and Assurance Management Information Report.

11.2.2 The Assurance Improvement Plan.

11.2.3 Finance risk deep dive activity.

11.2.4 The HS2 Internal Audit Update and draft Internal Audit Plan 2022-23.

11.3 The Board noted the updates.

12 Report from the Communications Leadership Forum 07 Feb 2022 (HS2B_21_147)

12.1 The Board reviewed and noted the report from the Communications Leadership Forum held on 07 February 2022, as included in the meeting pack.

12.2 The Board noted:

12.2.1 The Communications & Stakeholder Directorate Plan for 2022/23.

12.2.2 The Corporate Publications Review intended to rationalise and consolidate the reports HS2 Ltd is commissioned for.

12.2.3 The Crisis Communications Strategy, including the opportunity for Board Members to observe the planned simulation.

12.2.4 The Political and Media update.

12.2.5 The Arts and Culture Update. The Board discussed the wealth of activity ongoing and requested Management consider the scope of a briefing to include arts, culture, archaeology etc. at the appropriate time.

12.3 The Board noted the updates.

13 Report from the Health, Safety, Security & Environment Committee 16 Feb 2022 (HS2B_21_148)

13.1 The Board reviewed and noted the report from the Health, Safety, Security & Environment Committee held on 16 February 2022, as included in the meeting pack.

13.2 The Committee had considered:

- 13.2.1 The Health, Safety, Security and Environment Performance Report including the safety incident referenced earlier in the meeting and what the remit of HS2 Ltd might be, without impacting due process.
- 13.2.2 Health & Safety Improvement Plan (HSIP) update including a proposed governance review to address how Environmental performance might be dealt with in a more programmatic manner.
- 13.2.3 The Health and Safety Performance Indicator (HSPI) Review, as referenced earlier in the meeting.
- 13.2.4 The planned deep dive into fatigue, commissioned in order to gain an understanding of fatigue management across the HS2 programme which has the potential to have significant impact on safety.

13.3 The Board noted the updates.

14 Forward Look (HS2B_21_149)

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

15 AOB and Close/Meeting float

15.1 The Board reflected on the positive informal briefing delivered in the morning on Programme and Systems Integration.

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