

# Meeting minutes

## HS2 Ltd Board

**Meeting date** Wednesday, 05 October 2022

**Meeting location** MS Teams

**Meeting time** 09:00-15:30

Members	Attendees	Apologies
Jon Thompson (acting Chair) Non-Executive Director	[REDACTED] Phase 2a Delivery Director	
Mel Ewell Non-Executive Director	Emma Head (item 12) Delivery Director of Technical Services	
Judith Hackitt Non-Executive Director	Alan Foster Interim Chief Financial Officer	
Tom Harris Non-Executive Director	[REDACTED] Programme Controls Director	
Stephen Hughes Non-Executive Director	[REDACTED] Finance Director	
Elaine Holt Non-Executive Director	Non Owen Company Secretary	
Ian King Non-Executive Director	[REDACTED] Commercial Delivery Director	
Roger Mountford Non-Executive Director	[REDACTED] DfT Senior Responsible Officer (SRO)	
Mark Thurston Chief Executive Officer	[REDACTED] Observer	
Ruth Todd Chief Commercial Officer	[REDACTED] Project Client EKFB (Interim)	
	[REDACTED] Stations and Phase 2 Procurement Director	
	Chris Rayner (item 12) Delivery Director for Stations and Systems	
	[REDACTED] Interim Delivery Director for Civils	
	[REDACTED] Project Client BBV	
	[REDACTED] Senior Project Manager - Efficiency	

# **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 Judith Hackitt reflecting on watching inspirational individuals competing at the recent London Marathon.

# **2 Minutes of the Previous Meeting and Matters Arising (HS2B\_22-067 and HS2B\_22-068)**

- 2.1 The minutes of the meeting held on 27 July 2022 were approved as an accurate record.
- 2.2 The Board noted the status of the actions.

# **3 Deputy Chair/ Board Updates (HS2B\_22-069)**

- 3.1 The Board received a verbal update on activities during the period from Non-Executive Director, Ian King. Key points of note included:
  - 3.1.1 A meeting with the newly appointed Secretary of State for Transport (SoS), the Rt Hon Anne-Marie Trevelyan MP and the areas of engagement to date to explain HS2 Ltd role and remit and key progress and issues in relation to the HS2 programme.
  - 3.1.2 During the meeting with the SoS, the status and potential timeline for the HS2 Ltd Chair appointment was discussed with the SoS noting the interim holding position of external engagement with stakeholders by the Deputy Chair and CEO.
  - 3.1.3 The Board noted the appointment of the Minister of State for Transport and discussed that as a portfolio appointment there will most likely be a differing approach to the previous HS2 Ministers due to time availability.
  - 3.1.4 The Board noted the attendance from the SoS and Minister of State for Transport to the Birmingham Curzon Street site on 02 October 2022 which had been positively received.
  - 3.1.5 The Board discussed the external context, including the Government's objective to increase the UK's rate of economic growth and the economic and fiscal environment.
  - 3.1.6 The Deputy Chair and CEO remain engaged with the Permanent Secretary at the DfT.
  - 3.1.7 The Board discussed the deliverables of the transport portfolio and those decisions not yet made which would enable the promotion of future HS2 passenger services.
  - 3.1.8 The Board noted a number of decisions to be made by Government which are complex.
- 3.2 The Board noted the updates.
- 3.3 The Board received a verbal update on activities during the period from the Deputy Chair, with the following engagements raised and noted:

- 3.3.1 Engagement with the Department for Transport (DfT) on the rolling stock design and the scale of complexity involved and that maximisation of ridership is a key deliverable.
  - 3.3.2 Engagement with the DfT Permanent Secretary on the continued momentum to deliver the Programme.
  - 3.3.3 [REDACTED]
  - 3.3.4 Timing and status of the HS2 Ltd Non-Executive Director recruitment and reappointments process.
  - 3.3.5 The Board noted the key areas of interest being discussed with the Deputy Chair at present including Euston, Systems Integration and Platform Edge Protection. The Board discussed the scale and complexity of these issues, but also noted there are lower level complex decisions to be made, for example on consents. Management discussed the balance of activity at Programme, Executive and Board level and agreed to give this some consideration. Management also discussed that internal and external interfaces are being factored into working.
- 3.4 The Board noted the updates.

## **4 DfT Update (HS2B\_22-070)**

- 4.1 The Department for Transport (DfT) Senior Responsible Officer joined the meeting.
- 4.2 The Board received a verbal update on DfT activity / focus during the period, including:
  - 4.2.1 Working with Government following Ministerial changes to re-affirm the remit of the Programme. Current feedback on the Programme from early engagement with DfT Ministers has been positive.
  - 4.2.2 The Board noted the timing of the next six-monthly Ministerial report to Parliament on the HS2 programme, which will be an opportunity for further Programme engagement and briefing.
  - 4.2.3 The Board noted Government themes on green and growth, including a focus on investment zones and local economic regeneration and growth, and that there are working opportunities with the Department for Levelling Up, Housing and Communities (DLUHC).
  - 4.2.4 Engagement continues between HS2 Ltd and DfT on alternative options to accelerate the delivery of the Programme.
  - 4.2.5 Discussion on the in-year and three-year funding profiles including the ongoing requirement for continued robust management of contracts. Ways of working between HS2 Ltd and DfT are reported as positive.
  - 4.2.6 [REDACTED]

- 4.2.7 The Board noted the continued delay to establishment of the Phase 2b West Select Committee but that the number of petitions to date is relatively low.
- 4.2.8 The Board noted the timing for further work of the DfT on in year funding and Management offered engagement of the Board and Executive in support.
- 4.2.9 The Board discussed the Transport Select Committee as another opportunity for engagement and briefing.
- 4.3 The Board noted the updates.
- 4.4 The DfT Senior Responsible Officer left the meeting.

## **5 Reflections from Chief Financial Officer (HS2B\_22-071)**

- 5.1 The Interim Chief Financial Officer (CFO) introduced presentation slides as provided in the meeting pack to outline his initial 90-day approach to the CFO role and subsequent reflections.
- 5.2 The Board noted the overview of the key areas of focus for the CFO Directorate and welcomed the CFO's reflections on his first 49 days in the role.
- 5.3 The CFO gave an outline of short and medium term actions based on the initial observations.
- 5.4 The Board requested further detail, when available, on the reappointment of the Project Representative (P-Rep) team by DfT.**

**Action: Alan Foster**

- 5.5 The Board thanked and commended the CFO for his introductory observations and offered any ongoing support and engagement as required.

## **6 CEO Summary – September 2022 (HS2B\_22-072)**

- 6.1 The CEO introduced the CEO Board summary and its annexures, for September 2022, as included within the meeting papers.
- 6.2 The following key points were raised and noted:
  - 6.2.1 The CEO referenced that it had been ten weeks since the last Board meeting, which allowed for a quieter summer period in terms of Board activity for governance and approvals.
  - 6.2.2 The Board noted positive delivery progress over the summer and in the period as included in the report.
  - 6.2.3 The Delivery Director for Civils has returned into substantive post following a temporary arrangement, and the Health, Safety and Security Director returns to substantive role.

- 6.2.4 The Executive Committee have hosted Amtrak for two site visits and to share lessons and experiences in Programme delivery which was received positively. Future visits with other international organisations are also planned.
  - 6.2.5 The updates on Health and Safety, including emerging trends in the period and engagement with the Health, Safety and Security Board Sub-Committee to allow Board level focus on more strategic issues.
  - 6.2.6 The current available update on Ministerial changes and the planned rescheduling for the CEO's appearance at Transport Select Committee (TSC).
  - 6.2.7 The recent Board Briefing tabled on an informal basis on the Phase 2b West Delivery Strategy prior to endorsement to proceed being sought from the Board on 02 November 2022.
  - 6.2.8 A verbal update on active litigation matters.
  - 6.2.9 Progress with the required housing deal with London Borough of Camden as reported to the Board in July 2022.
  - 6.2.10 Traction continues to be seen by the Executive to build the connection for staff and contractors to the HS2 Mission.
  - 6.2.11 Future of work and use of office space will be a matter for consideration following a Staff Engagement Survey.
  - 6.2.12 Consideration of potential options for incentive schemes in the future following commission from HM Treasury and DfT, for which the Remuneration Committee have and continue to be engaged on.
  - 6.2.13 The update on organisational changes in the period.
  - 6.2.14 The Board discussed the Government themes on green and growth, and whether there could be enhanced promotion of all of the positive initiatives HS2 Ltd delivers. The activity of the Environmental Sustainability Committee should be used in order for the DfT SRO to communicate this with wider Stakeholders.
- 6.3 The Board noted the updates.
- 6.4 The Board went on to discuss the ongoing development of the Phase One cost position and the work done to date and in development.
- 6.5 The Board noted that an update would be available in October 2022 and that this would be shared with the Board at the appropriate time.
- 6.6 The following key points were raised and noted:
- 6.6.1 The Board were content with the work in progress and direction of travel reported.
  - 6.6.2 The position relative to the Funding Envelope and Target Cost.
  - 6.6.3 A breakdown of the drivers will be incorporated into the work.
  - 6.6.4 Cost verification will be included in the working.

6.6.5 Management confirmed that a breakdown of internal and external factors will be included together with a narrative.

6.7 The Board noted the updates.

## **7 2022/23 Q2 Forecast Update (HS2B\_22-073)**

7.1 The Finance Director joined the meeting and introduced the paper intended to update the Board on the Quarter 2 (Q2) forecast for the Spending Review period 2022/23 through to 2024/25.

7.2 The Board noted the Q2 overview and summary of the numbers, comparative to Q1.

7.3 The Board noted the impact of inflation based on NERA-22 indices in addition to the emerging forecasts from the Main Works Civils Contractors (MWCCs).

7.4 The Board discussed

[REDACTED]

7.5 The Board noted that historically an overlay has been applied centrally to forecasts received.

7.6 The Board discussed Estimate at Completion (EAC) ranges and that the current exercise requires the MWCCs to produce an annual forecast and a range for the subsequent years.

7.7 The Board noted the ongoing work to present options available.

7.8 The Board noted the next steps for the Q2 forecast including submission to the DfT and further engagement and thereafter with HM Treasury.

7.9 Q3 forecasting will be commissioned in November 2022, depending on any further fiscal event or Spending Review in 2022.

7.10 The Board noted the update.

7.11 The Finance Director left the meeting.

## **8 Phase One Overview (HS2B\_22-074)**

8.1 The Programme Controls Director joined the meeting.

8.2 The Board noted the Phase One Performance Summary Management Information (MI) included in the meeting pack.

8.3 The following points were raised and noted:

8.3.1 Visual progress in the period as presented in the MI.

- 8.3.2 The improved Health and Safety Performance Indicators (HSPI) position with all six of the contributory measures remaining stable or increasing and that there is broadly an upward trajectory being seen.
- 8.3.3 Relative stability in the Baseline Delivery Schedule (BDS) Milestones with discussion held on those showing downward trend in the month.
- 8.3.4 The Board noted the position reported on Business Plan Milestones and achievement of Milestones in the period including the Old Oak Common conveyor route, which allows for mass excavation whilst significantly reducing the number of lorries on roads in the area.
- 8.3.5 The Board discussed [REDACTED]
- 8.3.6 The Board discussed [REDACTED]
- 8.3.7 Work is ongoing with the MWCCs for [REDACTED]
- 8.3.8 The Board further discussed the cost position reported in the MI and a further reconciliation required. Management advised that this would be part of the ongoing development of the Phase One cost position, which will be brought to the HS2 Ltd Board in October 2022 (now sitting on 02 November 2022 due to Board availability).
- 8.3.9 The Board noted [REDACTED]
- 8.3.10 The Board noted the key design and physical productivity quantities summary and that Management will review the dashboard to retire those productivity areas which are highly mature/ progressed to allow for emerging areas of delivery to be tracked, for example, viaducts.
- 8.3.11 The Board noted the Earned Value (EV) performance in the period and the drivers for the movement in the period.
- 8.3.12 The Board noted the revised reporting of actual and planned progress to date, following challenge that the previous reporting of this, albeit formulaically correct, was not identifiable as an intuitive position. It was agreed that the revised calculation methodology will be circulated to the Board.**

**Action** [REDACTED]

8.3.13 The Board noted that Schedule Performance and Cost Performance Indicators are useful metrics against projects such as MWCC but less so for those such as Rail Systems and so the use of metrics and which are used should be reviewed and explained.

8.4 The Programme Management Office Director left the meeting.

## 9 Quarterly Civils Update (HS2B\_22-075)

- 9.1 The Interim Delivery Director for Civils, Commercial Delivery Director, Project Client EKFB (Interim) and Project Client BBV joined the meeting.
- 9.2 The Board received and noted the MI as included in the meeting pack which provided the Board with the quarterly update on the Civils portfolio.
- 9.3 The following key points were raised and noted:
  - 9.3.1 The Board noted the Civils Delivery Headlines and the context overview provided by the interim Delivery Director.
  - 9.3.2 The Civils portfolio, which has experienced a significant ramp up of activity since Notice to Proceed (NTP), approaches its peak of delivery in the next year and so changes in the external market being seen will have an implication. Maintaining productivity is key and Management continue to have oversight of design activity to preserve the schedule position.
  - 9.3.3 The Board suggested that a narrative would be useful to [REDACTED]  
[REDACTED]  
[REDACTED]
  - 9.3.4 Health and Safety Performance in the period is reporting as increased across the measures. Assurance is an area of focus following a root cause analysis and putting systems in place to improve reporting.
  - 9.3.5 The Board discussed the Health and Safety performance by each JV with Management confirming that an increase in High Potential (HiPo) incidents is due to improved reporting culture.
  - 9.3.6 As delivery progresses, the risk profile for Health and Safety is changing and a revised proactive approach will be taken, with support of the reprofiled Health, Safety and Security Committee.
  - 9.3.7 The Board received the update on Health and Safety positively, querying how Management propose to respond and adapt to the change in risk profile and whether the use of technology can assist to understand the risks. Management confirmed that this is the intention and is also why asset based Health and Safety reviews have been established.
  - 9.3.8 The Board reviewed the Executive Summary provided in the MI, noting that the Enabling Works Contract (EWC) physical works will now be concluding slightly later than reported but that the portfolio remains forecast to complete in budget.
  - 9.3.9 The Board noted the continued successes with the Tunnel Boring Machine (TBM) activity.
  - 9.3.10 There has been considerable delivery of earthwork volumes and Management made reference to Hinckley Point as a comparator of activity scale to achieve this.



- 9.3.11 The integration workstream has been a value adding capability as work through the programme progresses, with the PMB process seeing critical interfaces and best for programme decisions.
  - 9.3.12 Work on innovation opportunities continue to add value and lessons into later delivery.
  - 9.3.13 The Board noted an update on an oversight exercise with one of the JVs and areas of focus.
  - 9.3.14 Design performance remains a key area of focus and the Board requested consideration of a Value for Money representation/ narrative on potential design choices.
  - 9.3.15 The Board received an overview of the MWCC PMB approach, designed to drive a robust and accurate baseline, and the tension between managing external factors and commercial behaviours. In parallel work continues on the BUF.
  - 9.3.16 The Board noted the forward look of delivery over the next quarter and activity to preserve the Programme schedule in the year.
  - 9.3.17 The Board discussed the reported position on cost and Project and Programme contingency, and the pressures being identified through the emerging BUF exercise.
  - 9.3.18 The Board held a discussion with regard to [REDACTED]  
[REDACTED]  
[REDACTED]
- 9.4 The Board thanked Management for the update on the portfolio and noted that a further update would be provided to the Board in January 2023 including the position from the BUF exercise.
- 9.5 The Interim Delivery Director for Civils, Commercial Delivery Director, Project Client EKFB (Interim) and Project Client BBV left the meeting.

## **10 Phase 2a Update (HS2B\_22-076)**

- 10.1 The Phase 2a Delivery Director and Senior Project Manager for Efficiencies joined the meeting.
- 10.2 The Board received and noted the Phase 2a Performance Overview Management Information (MI) as included in the meeting pack which provided an overview of activity in Phase 2a during the period.
- 10.3 The following key points were raised and noted:
  - 10.3.1 The Board noted the visual progress in the period as presented in the MI.
  - 10.3.2 Health and Safety performance remains stable and reporting is over 1 million hours worked in a 12 month rolling period.
  - 10.3.3 A Senior Leadership Team (SLT) led initiative has been initiated to address safety themes and zero tolerance learning from Phase 1 where applicable.

- 10.3.4 Following pressures earlier reported as a risk, Management confirmed that the Early Environmental Works (EEW) schedule is back to holding the critical path.
- 10.3.5 Following the separation of the Early Civil Works (EWC) 2 project into highways and surveys, Programme stabilisation is emerging.
- 10.3.6 The Board noted the cost position and the drivers for movement in the period.
- 10.3.7 The Board noted the SLT update in the Directorate.
- 10.3.8 The Board discussed [REDACTED]  
[REDACTED]  
[REDACTED]
- 10.3.9 The Board noted the summary for the month on areas of progress, opportunity, issues and risk.
- 10.3.10 The Board noted the forward look activity for Phase 2a, noting that whilst delays to decisions remains, [REDACTED]  
[REDACTED]

10.4 The Board noted the update and reflected on the rhythm now being seen and the more positive position reported, despite the known risks.

10.5 The Board went on further to note and review [REDACTED]  
[REDACTED]

10.6 [REDACTED]  
[REDACTED]

10.7 [REDACTED]

10.8 [REDACTED]  
[REDACTED]

10.9 [REDACTED]  
[REDACTED]

10.10 [REDACTED]  
[REDACTED]

10.11 The Phase 2a Delivery Director and Senior Project Manager for Efficiencies left the meeting.

## **11 Report from Health, Safety and Security Committee 13 September 2022 (HS2B-22-077)**

11.1 The Board received and noted the Report from Health, Safety and Security Committee (the Committee) on 13 September 2022.

11.2 The Board received the report as read and received a verbal update from the Committee Chair.

- 11.3 The Committee had been rescheduled following the move to make the remit and content of the Committee more strategic.
- 11.4 The Committee have taken time to review the risk profiles which the Committee will review, and the specific measures used to review performance and progress.
- 11.5 The Board noted the draft statement submitted as included in the Board papers which captures the thinking of Management and the Committee over the last few months to define the scope of role between Board, Executive, HS2 Ltd and the supply chain. The Board noted the intent for a combination of this with an event with the supply chain intends to act as a point of inflection to review five years of progress with the Health and Safety Strategy, and entering into the next stage of delivery with the challenges ahead and a move to more public demonstration of the approach being taken to safety.
- 11.6 The Board received the update and progress made in the timeframe from Dame Judith Hackitt taking seat in the Chair of the Committee as positive and confirmed support in principle for a public statement/ product to reflect the approach to Health and Safety.
- 11.7 The Committee Chair advised the Board that the matter of Platform Train Interface Protection (PTIP) had been submitted to the Committee for explanation and requested support of the safety case to introduce Platform Edge Doors (PEDs) at Interchange and Old Oak Common only, prior to a paper being resubmitted to the HS2 Ltd Board for approval.
- 11.8 The Committee had received a presentation to confirm the safety case and reappraise on the context and history for the decision required.
- 11.9 The Committee confirmed that the briefing had provided the confirmation that the safety case had been made and that from this perspective the paper should be resubmitted to the Board.
- 11.10 In addition, the Committee noted that there is a significant risk that the Office for Road and Rail (ORR) would not be in a position to support operation of the railway without this.
- 11.11 The Board noted the updates and thanked the Committee for the completed review of the safety case requirement on its behalf.

## **12 Platform Train Interface Protection – Package Procurement Plan (HS2B\_22-078)**

- 12.1 The Stations and Systems Delivery Director, Delivery Director for Technical Services and Stations and Phase 2 Procurement Director joined the meeting and introduced the paper seeking approval of the Platform Train Interface Protection (PTIP) Package Procurement Plan (PPP) for the delivery of Train Dispatch Systems (TDS) at all Phase 1 Stations and Platform Edge Doors (PEDs) at Interchange and Old Oak Common Stations only.
- 12.2 The Board were asked to approve:

- 12.2.1 The PTIP Package Procurement Plan ('PPP').
- 12.2.2 The approach that a separate funding paper will return through HS2 governance prior to the issue of the PTIP Invitation to Tender (ITT).
- 12.2.3 The request to delegate the authority to approve the following stages of the procurement to HS2 CIP and HS2 CIC:
  - 12.2.3.1. The PQQ release (to HS2 CIP);
  - 12.2.3.2. The PQQ outcome (to HS2 CIP); and
  - 12.2.3.3. The ITT release (to HS2 CIC).

12.3 The following key points were raised and noted:

- 12.3.1 The Board discussed potential solutions for fixed protection and that this continues to be reviewed by Management in terms of the optimal solution.
- 12.3.2 The Health, Safety and Security Committee Chair reiterated the operational case for PTIP in addition to safety following examples such as objects on the track being raised as an operational implication.
- 12.3.3 The Commercial and Investment Committee Chair advised the Board that following an exchange with Management, some of the figures in the paper could be better presented and that this should be rectified prior to onward submission.**

**Action: Chris Rayner**

- 12.3.4 The Commercial and Investment Committee Chair cited the Train Dispatch System (TDS) as a good example of where the company is required to approach best for Programme decisions by deciding on investment on a whole life costs basis rather than just minimalising capital cost.

12.4 Following discussion, the Board approved the decisions requested.

12.5 The Stations and Systems Delivery Director, Delivery Director for Technical Services and Stations and Phase 2 Procurement Director left the meeting.

## **13 Report from Audit and Risk Assurance Committee 09 August 2022 (HS2B\_22-079)**

- 13.1 The Board received and noted the Report from the Audit and Risk Assurance Committee (the Committee) on 09 August 2022.
- 13.2 The Committee held a discussion with regard to outstanding assurance actions noting this as a particular area of focus for Management with continued oversight and scrutiny from the Committee.

- 13.3 The Board were advised that since the Committee meeting the Terms of Reference for the National Audit Office (NAO) Value for Money (VfM) review have been agreed and the fieldwork is expected to begin imminently and report findings in 2023.
- 13.4 The Board noted that the scope of the VfM review will not include a recent impairment made.
- 13.5 The Board noted the update.

## **14 Report from Commercial and Investment Committee 11 August (HS2B\_22-080)**

- 14.1 The Board received and noted the Report from Commercial and Investment Committee (the Committee) on 11 August 2022.
- 14.2 As per the report included in the meeting pack, the Committee had considered two items under delegation from the HS2 Ltd Board at their meeting on 11 August, namely:
  - 14.3 [REDACTED]
  - 14.4 [REDACTED]
- 14.5 The Chair of the Committee gave an overview of the report and the Board noted that approval had been given to both of the decisions sought on behalf of the Board. [REDACTED]
- 14.6 The Committee also noted that under delegation the Commercial and Investment Panel had considered and approved the issue of Invitation to Tender (ITT) for Washwood Heath Depot and Network Integrated Control Centre (Washwood Health) under delegation from the Committee. The Committee will remain appraised on this procurement.
- 14.7 The Board noted the updates.

## **15 Report from Commercial and Investment Committee 15 September (HS2B\_22-081)**

- 15.1 The Board received and noted the Report from Commercial and Investment Committee (the Committee) on 15 September 2022.
- 15.2 As per the report included in the meeting pack, the Committee had considered one item namely the [REDACTED]
- 15.3 The Chair of the Committee gave an overview of the report and the Board noted that the [REDACTED] paper scheduled was now to be postponed until a future meeting.

15.4 The Board noted the update.

## **16 Phase 2 GI Route-wide Lot 1 GI Partner – Award approval (HS2B\_22-082)**

16.1 This item was not discussed as tabled and will return to a future meeting.

## **17 Forward Look (HS2B\_0083)**

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

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

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