

Meeting minutes

HS2 Ltd Board

Meeting date Wednesday, 25 January 2023

Meeting location Two Snowhill, Birmingham

Meeting time 09:00-13:00

Members	Attendees	Apologies
Jon Thompson (acting Chair) Non-Executive Director	Alan Foster Interim Chief Financial Officer	
Mel Ewell (MS Teams) Non-Executive Director	Alan Over (item 4) DfT Senior Responsible Officer (SRO)	
Judith Hackitt Non-Executive Director	Non Owen Company Secretary	
Tom Harris (MS Teams) Non-Executive Director		
Stephen Hughes Non-Executive Director		
Elaine Holt Non-Executive Director		
Ian King (MS Teams) Non-Executive Director		
Roger Mountford (MS Teams) Non-Executive Director		
Mark Thurston Chief Executive Officer		
Ruth Todd Chief Commercial Officer		

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 Stephen Hughes referencing Apollo 13 and the example of teamwork.

2 Minutes of the Previous Meeting and Matters Arising (HS2B_22-121 and HS2B_22-122)

- 2.1 The minutes of the meeting held on 07 December 2022 were approved as an accurate record subject to strengthening to the wording in minute 6.6.6.3.

Action: Non Owen

- 2.2 The Board noted the status of the actions.

3 Deputy Chair/ Board Updates (HS2B_22-123)

- 3.1 The Board received a verbal update from the Deputy Chair, summarising engagement during the period, including:

3.1.1 The status of Non -Executive Director appointments and reappointments and the expected timing for the same.

3.1.2 The Board discussed the period of transition and any implication to Committee activity and it was agreed that the forward look of activity for the Commercial and Investment Committee be reviewed and should they be required, delegations sought to Panel level.

Action: Non Owen/ Ruth Todd

3.1.3 The Board discussed the format of the meeting, split over the two days, and agreed to keep a level of agility for the upcoming Board meetings as appropriate.

- 3.2 The Board noted the updates.

4 CEO Summary and Quarterly Business Review, January 2023 (HS2B_22-125)

- 4.1 The Chief Executive Officer introduced the CEO summary for January 2023, as included in the meeting papers and raised the following key points:

4.1.1 The Board were notified [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

4.1.2 The Board requested [REDACTED]
[REDACTED]
[REDACTED]

Action: Mark Thurston

4.1.3 The Chair of the Health, Safety and Security Committee highlighted the importance to understand the root cause of high level incidents and how there needs to be a sense of openness to show learning.

- 4.1.4 The Board [REDACTED] and the similarity in seniority of the individual involved and discussed opportunity to invite the Supply Chain and contractors to the Health, Safety and Security Committee.
- 4.1.5 The Board discussed whether HS2 would produce an annual Health and Safety Report with Management advising that a decision on the frequency and audience for Health and Safety reporting has not yet been concluded.
- 4.1.6 Management referenced positive momentum of activity into the New Year as the Programme enters into a second year of peak activity.
- 4.1.7 Management discussed with the Board the current environment and workstreams being delivered and the tension between business as usual reporting and production of information for other live and complex workstreams.
- 4.1.8 The Board noted recent Executive and Management attendance and engagement in the Manchester area and the plan to build presence and Programme awareness.
- 4.1.9 The Board received a verbal update on an active litigation matter.
- 4.1.10 The agreed hybrid working format in offices will commence on 06 February 2023.
- 4.1.11 The Board received a verbal update on a leadership update.
- 4.1.12 The next HS2 CEO meeting will be held on 10 February 2023 with the Supply Chain.
- 4.1.13 [REDACTED]
- 4.1.14 The Board discussed one of the Programme sites and the potential timing for external reviews to conclude.
- 4.2 The Board noted the updates and went on to consider the Management Information for Q3 2022/2023 included in the meeting pack.
- 4.3 The following key points were raised and noted:
 - 4.3.1 The Board noted the Phase One progress photos and the volume and complexity of successful delivery in the period, querying whether the promotion of such achievements is widely enough communicated and understood.
 - 4.3.2 The Board noted the status of key milestone delivery with Management advising that one delay is due to required additional engagement with the Supply Chain prior to progressing.
 - 4.3.3 The Board were encouraged to note the benefits performance and statistics on apprentices and workless job starts.
 - 4.3.4 The Board noted the performance against the Health and Safety Performance Indicator (HSPI) metric and the impact of the Injury Weighted Index (IWI) to the rolling 12 month average.
 - 4.3.5 Management and Members of the Health, Safety and Security Committee confirmed that the revision to the HSPI metric at the start of the performance year has proven successful however it remains useful for accompanying narrative/ explanation to be provided to external stakeholders.

4.3.6 The Board noted that the Programme has reached near to 60 million rolling hours worked and recognised the level of effort to achieve this given the scale and complexity of the work being delivered. The Board note that this message will be told through the mid-point Health and Safety Review activity.

4.3.7 The Board reviewed the status of the Key Performance Indicator (KPI) position at Q3.

4.3.8 The Board queried the remit and timing to expand the Community and Environment Fund (CEF) and Business and Local Economy Fund (BLEF) into Phase 2b.

Action: Tim Smart [REDACTED]

4.4 The Board held a robust discussion with regard to the schedule and cost performance in the period including any movement on the same and the status of procurement activity.

4.5 The following actions were agreed:

4.5.1 The Board requested visibility of the quantum of enabled in the monthly hopper and, if possible, a summary of what has been delivered.

4.5.2 That there is a review of the terminology used in the Management Information so that this is clear and consistently understood.

Actions: Alan Foster

4.6 The Board noted the update.

[REDACTED] The Board received and noted the Management Information for Phase 2a discussing the current position of the contracts and procurement pipeline [REDACTED]
[REDACTED]

4.8 The Board noted the update.

5 DfT SRO Update (HS2B_22-124)

5.1 The Department for Transport (DfT) Senior Responsible Officer (SRO) joined the meeting.

5.2 The Board received a verbal update on DfT activity / focus during the period, including:

5.2.1 Recent ongoing engagement with the Secretary of State and HM Treasury.

5.2.2 Continued focus on cost and delivery in the context of active workstreams in an ongoing dynamic environment.

5.2.3 The Board noted the importance of keeping the balance of effort between formal Programme and reporting in parallel with consideration of options.

5.2.4 The Board discussed the timing for Parliamentary reporting.

5.3 The Board noted the updates and thanked the DfT SRO for his continued engagement and support.

5.4 The DfT SRO left the meeting.

6 Report from Audit and Risk Assurance Committee 08 December 2022 (HS2B_22-126)

- 6.1 The Board received and noted the Report from Audit and Risk Assurance Committee (the Committee) held on 08 December 2022.
- 6.2 The Board received the report as read and the Committee Chair provided a verbal update on the key matters raised during the course of the meeting, including:
 - 6.2.1 The Audit and Risk Assurance Panel and Committee continue to give oversight and scrutiny to the open assurance actions to ensure that these are given Management attention and closed in a timely and robust fashion.
 - 6.2.2 The Committee held an open and closed discussion on Strategic Risk and Risk Management as had been raised during previous Board discussions. The Committee agreed that a further discussion would be taken to the Committee on 07 February 2023 to agree how this would be taken forward for further Board engagement.
 - 6.2.3 Management advised that there are changes to the internal approach required, together with adjusting some of behavioural aspects.
 - 6.2.4 The Board noted the update provided regarding Undertaking and Assurances and the summary provided in the report for Board attention.
- 6.3 The Board noted the update.

7 Report from Remuneration Committee 19 January 2023 (HS2B_22-127)

- 7.1 The Board received and noted a verbal update from the Remuneration Committee (the Committee) held on 19 January 2023.
- 7.2 The Committee Chair provided a verbal update on the key matters raised during the course of the meeting, including:
 - 7.2.1 A review of the HR Dashboards indicating good progress but challenge on having the right people in the right place, retention and attrition. It was noted that whilst attrition was being seen in the organisation, this remains lower in terms of a benchmarking comparison to other organisations.
 - 7.2.2 A review of the Gender Pay Gap reporting data prior to publication by the end of the financial year. Whilst there have been decreases in the pay gaps, data continues to indicate challenge for future diversity. EDI priorities for 2023 are being developed by Management.
 - 7.2.3 The Committee had received an update on the broader pay landscape and the choices and options available for 2023.

- 7.2.4 The Board were pleased to note further progression and pragmatic approach to approvals of Senior Role Business Cases.
- 7.2.5 The Committee continue to review the key commitment to capability and received an update on capability progress including “make/ buy/ borrow” decisions.
- 7.2.6 The Committee continues to discuss the opportunity to introduce a performance scheme into the organisation. It has been noted that there are differing views on aspects of the performance scheme and the timing of this is in the context of external matters however agreement remains on the requirement to do more.
- 7.2.7 It was noted that this discussion will be tabled with the Secretary of State and further Remuneration Committee engagement.
- 7.2.8 The acting Chair noted the strong technical work underpinning the work in this space.

8 Report from Commercial and Investment Committee 15 December 2022 (HS2B_22-128)

- 8.1 The Board received and noted the Report from Commercial and Investment Committee (the Committee) on 15 December 2022.
- 8.2 The Board received the report as read and received feedback during discussion of item 9.

9 Software Asset Management as a Service (SAMaaS) – Package Procurement Plan (HS2B_22-129)

- 9.1 The Chief Commercial Officer introduced the paper, as included within the meeting pack, requesting HS2 Board approval of the Procurement Plan for the re-procurement of the Software Asset Management as a Service (SAMaaS) contract.
- 9.2 The Board noted that the Commercial and Investment Committee had considered this item at the meeting on 15 December 2022 as detailed in the previously provided report.
- 9.3 The Chair of the Commercial and Investment Committee advised the Board of the key discussion held at the meeting, including:
 - 9.3.1 The proportion of the contract value compared to the overall IT spend.
 - 9.3.2 Challenge provided to the assumed annual growth and measures to control the purchase of new software and number of licences.
 - 9.3.3 The total cost of software and how this would be controlled and appropriately managed, noting this as a call off agreement with procurements to be made as and when required. The Committee commented on the importance of driving for efficiency and value for money.

9.3.4 The Committee noted that a benchmarking exercise would be taking place in 2023, which would review ways of working in IT and engagement with suppliers. The Committee will receive sight of the output once the review is finalised.

9.3.5 Potential to demonstrate cost efficiencies in previous contracts.

9.4 The HS2 Ltd Board approved:

9.4.1 The Procurement Plan for SAMaaS and the principles documented.

9.4.2 The delegation of authority to the Chief Information Officer and the Procurement and Supply Chain Director, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10 Verbal Update from Commercial and Investment Committee 20 January 2022 (HS2B_22-130)

10.1 The Board received a verbal update from the Commercial and Investment Committee (the Committee) on 20 January 2023 which had considered the paper seeking the release of the Invitation to Tender for the Specialist Security Services contract.

10.2 The Chair of the Committee advised the Board that the existing contract is due to expire and that a new call-off contract, which includes lessons learned from the existing contract, will be provided for continuation of services for HS2 Ltd.

10.3 The Committee had discussed and considered the number of applicants who will be invited to tender and advise the Board that the Chief Commercial Officer will review the application of a decision tree process as agreed at the Committee.

10.4 The Board also noted that there will be a Management level review of the requirement and profile of resources required.

10.5 The Board noted the update.

11 Specialist Security Services – ITT (HS2B_22-131)

11.1 The Chief Commercial Officer introduced the Specialist Security Services Invitation to Tender (ITT) paper, as included within the meeting pack.

11.2 The HS2 Ltd Board approved:

11.2.1 The release of the Invitation to Tender (ITT) for the Specialist Security Services contract.

11.3 The HS2 Ltd Board noted:

- 11.3.1 [REDACTED]
- 11.3.2 The paper had received endorsement from the Commercial and Investment Committee during the meeting on 20 January 2023.
- 11.3.3 [REDACTED]

12 Forward Look, AOB and Close/Meeting float (HS2B_22-132)

- 12.1 The Board reviewed the Forward Look paper, as included in the meeting pack, and noted the items scheduled for discussion at future meetings.
- 12.2 There were no other items of business raised for discussion and the meeting was closed.