

# Meeting minutes

## HS2 Ltd Board

**Meeting date** Wednesday, 22 February 2023

**Meeting location** Two Snowhill, Birmingham

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

Members	Attendees	Apologies
Jon Thompson (acting Chair) Non-Executive Director	Alan Foster Interim Chief Financial Officer	Mel Ewell Non-Executive Director
Judith Hackitt Non-Executive Director	██████████ (item 7) Stations Client Director	Tom Harris Non-Executive Director
Stephen Hughes Non-Executive Director	Mike Lyons (item 11) Delivery Director - Civils	Ian King Non-Executive Director
Elaine Holt Non-Executive Director	██████████ (item 11) Commercial Delivery Director - Civils & Services	
Roger Mountford Non-Executive Director	Alan Over (item 4) DfT Senior Responsible Officer (SRO)	
Mark Thurston Chief Executive Officer	Non Owen Company Secretary	
Ruth Todd Chief Commercial Officer	Chris Rayner (item 7-10) Delivery Director - Stations and Systems	
	██████████ (item 7) Systems Delivery Director	
	██████████ (item 11) Project Client - BBV	
	██████████ (items 7-10) Euston Area Director	

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

- 1.1 The Chair welcomed members and attendees to the meeting.
- 1.2 The Board noted a declaration from Roger Mountford with regard to an appointment to the Board of Westminster Abbey. It was agreed that this would be added to the Register of Business Interests.
- 1.3 The Board received a values moment from the Interim Chief Finance Officer.

## **2 Minutes of the Previous Meeting and Matters Arising (HS2B\_22-133, HS2B\_22-134 and HS2B\_22-135)**

- 2.1 The minutes of the meetings held on 24 January 2023 and 25 January 2023 were approved as an accurate record.
- 2.2 The Board noted the status of the actions.

## **3 Chair/ Board Updates (HS2B\_22-136)**

- 3.1 The Board received and noted the Chair Report as included within the meeting pack, summarising engagement during the period and received a verbal update on activities including:
  - 3.1.1 The announcements of Jon Thompson and Elaine Holt as Chair and Deputy Chair respectively.
  - 3.1.2 A cadence of meetings has been agreed between the Chair and the Secretary of State, Minister Merriman and the Chief Secretary.
  - 3.1.3 An update on the appointment and reappointment of Non-Executive Directors.
  - 3.1.4 Discussion on the recent transient nature of official personnel with activity to establish positive working relationships with incoming officials.
- 3.2 The Board noted the updates.

## **4 DfT SRO Update (HS2B\_22-137)**

- 4.1 The Department for Transport (DfT) Senior Responsible Officer (SRO) joined the meeting.
- 4.2 The Board received a verbal update on DfT activity / focus during the period, including:
  - 4.2.1 An update on the position, timing and handling of fiscal planning.
  - 4.2.2 Continued engagement with HS2 and DfT on [REDACTED] and the core areas of focus, and those where further work is ongoing.
  - 4.2.3 Rail Systems which is noted as mid-way through the assessment.
  - 4.2.4 Non-Executive Director appointments and reappointments which has been escalated within the DfT.
  - 4.2.5 The Board reiterated the need for a timeline of decisions, with the risk remaining that the longer decisions take, the more possibility of changes. This view is shared and understood by the DfT.
  - 4.2.6 The Board referenced that considered communications will be key to support the position.
  - 4.2.7 The Board thanked the DfT Observer for his contribution and openness with the CEO commending his approach to the work.

- 4.3 The Board noted the updates.
- 4.4 The DfT SRO left the meeting.

## **5 CEO Summary – February 2023 (HS2B\_22-138)**

- 5.1 The Chief Executive Officer introduced the CEO summary for February 2023, as included within the meeting pack and highlighted the following points:
  - 5.1.1 The recent CEO session attended by Tier 1 CEOs. The Board noted that there was energy and a sense of investment from the Supply Chain and positive feedback has been received. It is felt that the format would be beneficial every six months or so.
  - 5.1.2 A verbal update on active litigation was provided.
  - 5.1.3 The Board noted the update on Integration, which will return in the summer as part of Full Operating Capability.
  - 5.1.4 An overview of activity on Executive-led “Q1 sprints”.
  - 5.1.5 The Board noted the timing for the transition of Civils as the end of March.
  - 5.1.6 The Long Itchington visit and the press release anticipated next week.
- 5.2 The Board went on to consider recent activity and the timeline to progress scenario options. The Board noted that the preferred option remains the same as per the previous update to the Board. The Board discussed:
  - 5.2.1 Subject to agreement to pursue the option, HS2 will model work on the assumption that this is agreed but note that the final decision may have some variation.
  - 5.2.2 The Board noted that commercial options and mechanisms available are being considered.
  - 5.2.3 The Board noted areas of scope and business activity planned for the second half of the year.
  - 5.2.4 The Board noted that the numbers are aligned to the Bottom Up Forecast (BuF) and are as per the Q3 forecast.
  - 5.2.5 The Board:
    - 5.2.6 Were supportive and agreed the preferred option as reasonable.
    - 5.2.7 Supported that correspondence on the matter would be issued to the DfT, requesting that the letter [REDACTED]
    - 5.2.8 Requested that the letter be clear on the milestones and what this will deliver.
- 5.3 The Board noted the update.

## 6 Phase One Overview (HS2B\_22-139)

- 6.1 The Interim Chief Financial Officer introduced the Phase One Overview as included within the meeting pack, providing a summary of the Phase One Performance over the month.
- 6.2 The following key points were raised and noted:
  - 6.2.1 It has been agreed to have a temporary reduction in the volume of level of Management Information (MI), in advance of revised MI to be issued capturing March 2023 data onwards. MI will still be maintained during the period.
  - 6.2.2 Timing for the Board to receive the reconciled risk and cost reporting.
  - 6.2.3 An update on the budget position.
- 6.3 The Board noted the updates.

## 7 Stations and Systems Delivery Director progress summary February 2023 (HS2B\_22-140)

- 7.1 The Delivery Director - Stations and Systems, Stations Client Director, Systems Delivery Director and Euston Area Director joined the meeting.
- 7.2 The Board received and noted the Stations and Systems Delivery Director progress summary February 2023, as included within the meeting pack.
- 7.3 The following key points were raised and noted:
  - 7.3.1 Performance in the last quarter highlighting progress in the period, concerns, watchlist and look ahead.
  - 7.3.2 The Board noted that Health and Safety reporting is ahead of target [REDACTED]  
[REDACTED]  
[REDACTED]
  - 7.3.3 The Board queried a watchlist item in the MI, noting that Tenderers have requested more time and this is not schedule critical.
  - 7.3.4 The Board received the update on continued review at the Curzon Street site following conclusion of the Target Price Assurance Contract (TPAC) process.
  - 7.3.5 Discussions continue on opportunities and associated implications.
  - 7.3.6 The Board noted the progress to manage the original cost pressure down, but that overall pressure currently remains.
  - 7.3.7 The Board received and noted the update on the [REDACTED]  
[REDACTED]  
[REDACTED]
  - 7.3.8 Management advised the two key drivers [REDACTED].

- 7.3.9 The Board noted the next steps on [REDACTED]  
[REDACTED]
- 7.3.10 Management confirmed that [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 7.3.11 The Board received an update on the [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 7.3.12 The Board noted the update regarding [REDACTED]  
[REDACTED]
- 7.3.13 It was agreed that the Deputy Chair would engage with Management on options in the absence of a customer service agreement. Wider Board Members should attend this session should diaries allow.

7.4 The Board noted the update.

7.5 The Stations Client Director and Systems Delivery Director left the meeting.

## **8 Euston Station Affordability Update (HS2B\_22-141)**

8.1 The Board received and noted the Euston Station Affordability Update paper, as included within the meeting pack.

8.2 The Board were asked to:

8.2.1 Approve the paper for onward submission to the Department;

8.2.2 Note the affordability update;

8.2.3 Note that the Accounting Officer (AO) had endorsed advice to continue spend until the end of March 2023, at which point further AO advice would be provided, and

8.2.4 Note that a separate paper to request six months of interim funding had been endorsed by the Commercial and Investment Committee for onward submission to Investment Portfolio and Delivery Committee (IPDC).

8.3 The following key points were raised and noted:

8.3.1 The updated position was the fourth affordability update to the Board and follows the last checkpoint in July 2022. This is the first update which has contractor BuF information.

8.3.2 The Board received the update on the estimate provided for the Euston scheme and the breakdown of costs behind this.

8.3.3 The Board noted the cost pressure against the budget and the increase against the previous submission.

- 8.3.4 Management summarised the next steps strategy, namely:
  - 8.3.4.1. [REDACTED]
  - 8.3.4.2. [REDACTED]
  - 8.3.4.3. [REDACTED]
- 8.3.5 The Board noted [REDACTED]
- 8.3.6 The Board discussed that [REDACTED]
- 8.3.7 The Board noted that [REDACTED]
- 8.3.8 The Board highlighted the importance of managing potential implications to the community and strong communications are key.
- 8.3.9 The Board discussed [REDACTED]

8.4 The Board provided their thanks to Management for the update, endorsed the paper onto DfT, noting that there are continued issues with affordability. The Board agree that revisiting the timeframe to deliver is the right thing to do in order to be clear with the DfT on what HS2 are being asked to deliver. The Board expressed [REDACTED]

8.5 The Board approved the paper for onward submission to the Department.

## **9 Report from Commercial & Investment Committee 09 February 2023 (HS2B\_22-142)**

- 9.1 The Board received and noted the Report from Commercial and Investment Committee (the Committee) held on 09 February 2023.
- 9.2 As per the report included in the meeting pack, the Committee had considered two items, namely:
  - 9.2.1 Optimising Value from HS2 Surplus Station Sites.
  - 9.2.2 Euston Interim Funding Request April to September 2023.
- 9.3 The Chair of the Committee gave an overview of the report and the Board held a discussion on the Euston Interim Funding Request approval sought at the Committee.

9.4 The Committee had approved the proposed Investment Authority on the basis that the Board would be fully informed as they were not content to exercise previously granted delegated authority without providing visibility to the HS2 Ltd Board.

9.5 The Board noted the approval of the funding request by the Committee.

## **10 Euston Interim Funding Request (HS2B\_22-143)**

10.1 The Board noted the Euston Interim Funding Request paper, as included within the meeting pack.

10.2 Further to the discussion at Item 09: Report from Commercial and Investment Committee (CIC) 09 February 2023, the HS2 Ltd Board noted the paper.

10.3 The Board were advised [REDACTED]  
[REDACTED]  
[REDACTED]

10.4 The Board held [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].

10.5 The Board agreed [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

10.6 [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

## **11 Proposed Main Works Civils Contracts (MWCC) 2022 Annual Performance Review (APR) payment (HS2B\_22-144)**

11.1 The Delivery Director for Civils, Project Client for BBV and Commercial Delivery Director for Civils and Services joined the meeting.

11.2 The Board received and noted the Proposed Main Works Civils Contracts (MWCC) 2022 Annual Performance Review (APR) payment, as included within the meeting pack.

11.3 The Board were asked to note the 2022 MWCC APR mechanism and the fee adjustments proposed to the four Joint Ventures (JVs).

11.4 The following key points were raised and noted:

11.4.1 The Board noted the update as a contractual, non-discretionary measure/process.

11.4.2 It was highlighted that as other work is still being concluded there may be a requirement to revisit the APR outcome as a result.

11.4.3 Management provided the overview of the differing performance of each contractor and walked the Board through the method of calculation.

11.4.4 The Board acknowledged this as a contractual obligation to honour and are encouraged that [REDACTED]

11.5 The Board noted the update.

11.6 The Delivery Director for Civils, Project Client for BBV and Commercial Delivery Director for Civils and Services left the meeting.

11.7 The Board thanked the Delivery Director for Civils for his time and contribution to the Programme

## 12 [REDACTED] (HS2B\_22-145)

12.1 The Interim CFO introduced the [REDACTED] as included within the meeting pack.

12.2 The Board were asked to approve:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[Redacted text block]

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Actions: Alan Foster

12.2.18 The Board noted [REDACTED] Management clarified that this would be absorbed into forecasting going forward.

12.3 Subject to the above discussion, the Board endorsed the position of the report and were pleased to note [REDACTED]

**12.4 It was agreed that the final version of the report would be circulated to the Board in correspondence once available.**

**Action: Alan Foster**

## **13 Report from Health, Safety and Security Committee 01 February 2023 (HS2B\_22-146)**

13.1 The Board received and noted the Report from Health, Safety and Security Committee (the Committee) on 01 February 2023.

13.2 The Board noted that the Committee had received a presentation from Andy Mitchell of Tideway which was considered very useful although noting the difference in scale of the two projects.

13.3 The Committee continue to have oversight of Health and Safety performance at an Align site and have requested attendance to a future meeting to provide outputs of their commissioned review.

13.4 The Committee were encouraged to note lower levels of protestor activity however focus and preventative activity continues.

13.5 The Board discussed the changes to the Healthy, Safety and Performance Indicators (HSPI) metric, noting this as required to adapt as the profile of the Programme changes.

13.6 The Board noted the Health and Safety Strategy and Progress Report would be tabled to a future meeting ahead of the inaugural publication.

13.7 The Board noted the update.

## **14 Report from Environmental Sustainability Committee 02 February 2023 (HS2B\_22-147)**

14.1 The Board received and noted the Report from Environmental Sustainability Committee (the Committee) on 02 February 2023.

14.2 The Board noted the report and made reference and discussion to the recent Wildlife Trust Report and whether the HS2 response to the report is robust enough. It was suggested that

where such matters arise an additional Board discussion would be useful so that the Board fulfil the collective responsibility and the Chair would pick this up with the Director of Communications and Stakeholder Management.

- 14.3 The Board noted the deep dive conducted by the Committee into Construction Sound, Noise and Vibration Performance concluding that noise associated with construction is well managed/ tolerable. The Chair of the Special Cases Panel advised that for some individuals this is not always the case and Committee Members confirmed that this point was made in the meeting, that noise tolerance is subjective and set on assumptions.
- 14.4 The Board requested that an assessment be made on the success (or otherwise) of the initiative for translocation of soil from Ancient Woodlands and if this was deemed a success then to celebrate this, but if not then to stop. It was agreed that this would be taken to a future EPR meeting.
- 14.5 The Board noted the update.

## **15 Report from Audit and Risk Assurance Committee 07 February 2023 (HS2B\_22-148)**

- 15.1 The Board received and noted the Report from Audit and Risk Assurance Committee (the Committee) on 07 February 2023.
- 15.2 The Board received updates on progress for Financial Year close out. Further work is ongoing to close out overdue assurance actions.
- 15.3 Positive progress is being made by the Counter Fraud and Business Ethics function and a case study into Spanish High Speed Rail will be shared at a future CIC meeting.
- 15.4 A further review by the Committee on the approach to and reporting of risk .
- 15.5 The Board noted the update.

## **16 Forward Look, AOB and Close/Meeting float (HS2B\_22-149)**

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