

Meeting minutes

HS2 Ltd Board

Meeting date Wednesday, 27 September 2023

Meeting location Two Snowhill, Birmingham

Meeting time 09:00-15:15

Members	Attendees	Apologies
Jon Thompson Chair	[REDACTED]	
Joanna Davinson Non-Executive Director	[REDACTED] (item 6) Commercial Delivery Director - Civils & Services	
Alan Foster Chief Financial Officer	[REDACTED] (items 7 and 8) Programme Management Office Director	
Judith Hackitt (MS Teams) Non-Executive Director	[REDACTED] Advisor to the Board	
Tom Harris Non-Executive Director	[REDACTED] Observer	
Elaine Holt Non-Executive Director	[REDACTED] (item 3) DfT Senior Responsible Officer (SRO)	
Stephen Hughes Non-Executive Director	Non Owen Company Secretary	
Ian King (partial attendance) Non-Executive Director	[REDACTED] (item 7) Cost and Estimating Director	
Keith Smithson Non-Executive Director	[REDACTED] (item 6) Delivery Director - Civils	
Mark Thurston Chief Executive Officer		
Ruth Todd Chief Commercial Officer		

1 Welcome, Quorum, Declarations of Interest and Values Moment

- 1.1 The Chair welcomed members and attendees to the meeting.
- 1.2 No new/additional conflicts of interest were declared.
- 1.3 The Board received a values moment from Joanna Davinson.

2 Minutes of the Previous Meeting and Matters Arising (HS2B_23-060 and HS2B_23-061)

- 2.1 The minutes of the meeting held on 25 July 2023 were approved as an accurate record.
- 2.2 The Board noted the status of the actions and the following updates:
 - 2.2.1 **Action 23/012: Sharing of correspondence between HS2 and the DfT.** It was agreed that this would be circulated and the action be closed.
 - 2.2.2 **Action 23/010: Euston Root Cause.** The Board noted that Elaine Holt and Ian King will remain engaged on behalf of the Board to close this matter.

3 DfT SRO Update (HS2B_23-062)

- 3.1 The Department for Transport (DfT) Senior Responsible Officer (SRO) joined the meeting.
- 3.2 The Board received a verbal update on DfT activity / focus during the period, including:
 - 3.2.1 The current Political situation with a range of options being considered and worked by a small group within the DfT, which was required to remain closed.
 - 3.2.2 Advice that the Board are to be prepared for significant change and conversely, no change.
 - 3.2.3 The Board advised that whilst there is understanding of the difficult situation there is a requirement to be clear on implications and the reaction to any decision(s).
- 3.3 The following key points were raised from the Board:
 - 3.3.1 A summary of options was shared verbally for consideration which Management suggested should be thought about to test the scenarios that would be pursued.
 - 3.3.2 The Board discussed the potential timings and speed to respond to any decision with the DfT advising that there would be an expectation for reasonable latitude and a requirement for considered advice which would be prepared between a small group.
 - 3.3.3 The Board discussed the potential for a similar situation to the Leeds leg.
- 3.4 The following key points were raised regarding the current version of the [REDACTED]
[REDACTED]
 - 3.4.1 [REDACTED].
 - 3.4.2 [REDACTED].
 - 3.4.3 [REDACTED].

3.4.4 It was agreed that the previous work referenced would be shared with incoming NEDs and that the full longlist of options would be revisited.

Action: Company Secretary to share

- 3.4.5 A view that the transport portfolio is unbalanced and so primary focus is to deliver at an affordable cost.
- 3.4.6 Requirement for an action plan to back off the assumptions. It was confirmed that work has begun on this and will be the next point of focus following agreement of the [REDACTED]
- 3.4.7 The Board noted continuing meetings over coming days with regard to a decision being taken for the Programme.
- 3.4.8 Continued joint working will be required on the assumptions and action plans.
- 3.4.9 The Board queried whether proposals should be made with regard to the wider benefits of the Programme and potential to scale back, with agreement from the DfT SRO, but with the need for this to be credible as things such as Environmental Obligations will not be released.
- 3.4.10 The Board expressed that there needed to be caution and understanding of the implications to changing the Programme.
- 3.4.11 The Board noted the primary focus towards the Programme is cost and so were there some examples of scope that needed to be reconsidered.
- 3.4.12 The Board commented that the media representation of the Programme does not reflect the aspect of the anticipated increased spend reflecting peak construction.

3.5 The Board noted the updates.

3.6 The DfT SRO left the meeting.

4 Executive Chair/ Board Updates (HS2B_23-063)

4.1 [REDACTED] representative of [REDACTED] joined the meeting.

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

4.2.1 A summary of the framework and the work done to date.

4.2.2 [REDACTED] shared the initial observations based on interviews held to date.

4.3 The following key points were raised and noted:

4.3.1 The Board requested that the language regarding the SRO is changed to reflect organisational levels.

4.3.2 The Board noted that the diagnostic is currently being shared with the Executive Committee and will be changed into a sprint activity and will also converge with the [REDACTED].

4.3.3 The Board discussed resourcing to progress this work.

4.3.4 It was agreed that the slides shared during the meeting would be provided for Board Members.

Action: Company Secretary to share

4.3.5 It was confirmed that the role of the Board to the SRO will be included in the remit of work.

4.3.6 The survey conducted with the HS2 Senior Leadership Team (SLT) will be shared with the DfT and it was suggested that Project Representative (P-Rep) be included in this.

4.4 The Board noted the updates.

4.5 [REDACTED] left the meeting.

5 CEO Summary and Programme Review Systems & Stations (HS2B_23-064)

5.1 The Chief Executive Officer introduced the CEO summary for September 2023, as included within the meeting papers and highlighted the following points:

5.1.1 Activity on the Programme over the summer.

5.1.2 Updates on Health and Safety matters.

5.1.3 Reference to the Systems and Stations update provided as an annex in the absence of an August Board meeting.

5.1.4 Continued work on Euston which needs to move to a more integrated and collaborative approach.

5.1.5 [REDACTED]

5.1.6 The Board noted that the Executive team has approved indicative cost advice to be submitted to DfT for a potential HS2 East scheme. The Board queried why this wasn't a matter for agreement at Board level and Management advised that work was underway in order to review governance routes for matters related to Phase 2b.

5.1.7 Q2 activity, with some assessments to be made in October against the fiscal settlement.

5.1.8 Active litigation updates.

5.2 The outgoing CEO extended his thanks to the Board for the support and engagement during the 6 ½ years and 77 Board meetings during tenure.

5.3 The Board thanked the outgoing CEO for his motivational leadership given to the staff during his time on the Programme and the engagement on numerous Public Account Committees

(PACs) and Transport Select Committee (TSCs) which were responded to with facts and resilience.

5.4 The Board noted the updates.

6 Programme Review Civils (HS2B_23-065)

6.1 The Delivery Director for Civils and the Commercial Delivery Director for Civils & Services joined the meeting.

6.2 The Board received and noted the Civils Delivery Director progress summary, as included within the meeting papers.

6.3 The Board were asked to note the performance overview.

6.4 The following key points were raised and noted:

6.4.1 The Board noted the overview of Health and Safety performance in the period.

6.4.2 Management highlighted improvement to volumetrics and achievement of milestones in the period.

6.4.3 The Board noted forward looking activity including a review of the Civils delivery for 2024 and associated activities.

6.4.4 The Board noted that at the next quarterly update in January 2024 it is anticipated that [REDACTED]

6.4.5 Management advised that there is a sense of capacity having been reached on the supervision levels on site, noting that there is currently the highest level of working hours being delivered on sites in UK history.

6.4.6 The Board noted that there are now six tunnel boring machines (TBMs) in the ground, and nine anticipated by January 2024.

6.4.7 The Board queried performance in the supply chain following an agreed change of scope to which Management confirmed this was satisfactory.

6.4.8 Management advised that some progress is being seen for consents.

6.4.9 The Board noted that there was an upcoming Change decision being sought and it was agreed that some visuals of the site be shared with the Board.

Action: [REDACTED]

6.4.10 It was further agreed that the Commercial and Investment Committee (CIC) meeting which considers the decision would be opened up for wider Board attendance.

Action: Company Secretary for scheduling

6.4.11 The Board queried the opening strategy for Old Oak Common, being that this worked on the premise of the same date for all services. Management

advised that the rationale was driven from fire safety and operations requirements, but this would be validated.

Action: [REDACTED]

6.4.12 Management advised that the delivery for the Civils portfolio will continue to be reviewed against the Civils element of Rail Systems requirements and that this will be reviewed at a future Quarterly Business Review.

6.4.13 The Board noted [REDACTED]
[REDACTED].

Action: [REDACTED]

6.4.14 The Board received an update on the consents position and that this was a broader piece of work being brought through Environmental Review Panel (ERP) and Environmental Sustainability Committee (ESC) to deal with action planning and areas for improvement.

6.5 The Board noted the updates.

6.6 The Delivery Director for Civils and the Commercial Delivery Director for Civils & Services left the meeting.

7 [REDACTED], including Commitments and Contingency (HS2B_23-066)

7.1 The Programme Management Office Director and Cost and Estimating Director joined the meeting.

7.2 The Chief Financial Officer introduced the [REDACTED] as included within the meeting pack.

7.3 The Board were asked to:

7.3.1 Endorse the proposed [REDACTED] and associated 'low - high' range for onward communication to DfT and inclusion in MI reporting.

7.3.2 [REDACTED]
[REDACTED].

7.3.3 [REDACTED]
[REDACTED]
[REDACTED].

7.3.4 [REDACTED]
[REDACTED]
[REDACTED].

7.3.5 [Redacted]

7.3.6 [Redacted]

7.3.7 [Redacted]

7.4 The following key points were raised and noted:

7.4.1 The Board noted the summary of actions taken from the Board Briefing which had taken place.

7.4.2 There was reflection on the comments and views of the DfT for the benefit of Management who were not in the room during this.

7.4.3 The Board requested more detail on the assurance work done.

7.4.4 [Redacted]

7.4.5 [Redacted]

7.4.6 [Redacted]

7.4.7 [Redacted]

7.4.8 [Redacted]

7.4.9 The Board noted that this position needs to be understood in terms of the Fiscal Settlement.

7.4.10 It was agreed that the next steps for this work would include further refinement, engagement with the DfT SRO and following this issue correspondence from the Executive Chair to the DfT Accounting Officer.

7.4.11 The Board discussed future Management Information reporting and requested a draft reflecting the current position, for which the Board agreed their preference to do so.

7.4.12 The Board noted that there needs to be further work and discussion on the commitments and contingency piece, and this would come back in a future governance cycle.

7.5 Subject to the points raised above, the Board:

7.5.1 Endorsed the proposed [REDACTED]
[REDACTED]

7.5.2 [REDACTED]
[REDACTED]
[REDACTED]

7.5.3 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

7.5.4 [REDACTED]
[REDACTED]
[REDACTED]

7.5.5 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

7.5.6 [REDACTED]
[REDACTED]
[REDACTED]

7.5.7 [REDACTED]
[REDACTED]
[REDACTED]

7.6 The Cost and Estimating Director left the meeting.

8 Proposed handling plan including narrative and cost drivers since [REDACTED] (HS2B_23-067)

8.1 Due to this item being intrinsically linked to item 07: [REDACTED] the Narrative slides were included as part of the [REDACTED] at Appendix D to item 07 and discussed as part of this item.

8.2 The Programme Management Office Director left the meeting.

9 Report from Environmental Sustainability Committee 03 August 2023 (HS2B_23-068)

- 9.1 The Board noted the report from the Environmental Sustainability Committee of 03 August 2023, as included in the meeting pack.
- 9.2 The following key points were raised and noted by Tom Harris as Committee Member in the absence of the Committee Chair:
- 9.2.1 The Committee took place at the ARUP offices in order to receive a briefing on noise reduction measures which was received positively.
 - 9.2.2 The Committee had received an interim update on Consents which will be reported further to the next Committee.
 - 9.2.3 The Committee discussed and recommended that HS2 [REDACTED]
[REDACTED]
[REDACTED]. An action plan to achieve this is a work in progress.
 - 9.2.4 **It was suggested that the Committee review the possibility for offsetting at a future meeting.**
- Action: Emma Head**
- 9.2.5 Tom Harris expressed thanks and recognition to the outgoing CEO for his contribution and commitment to this Committee during tenure.
- 9.3 The Board noted the update.

10 Report from Health, Safety and Security Committee 18 August 2023 (HS2B_23-069)

- 10.1 The Board noted the report from the Health, Safety and Security Committee of 18 August 2023, as included in the meeting pack.
- 10.2 The following key points were raised and noted by the Committee Chair:
- 10.2.1 Recent Health and Safety incidents have been covered at length and an extraordinary meeting will be convened in October with attendance from the supply chain.
 - 10.2.2 The Committee had received a good presentation on Systems safety and assurance detailing a very thorough process.
 - 10.2.3 The Committee received an update on the Operational Plan.
 - 10.2.4 The Committee received a briefing on the proposal for Platform Edge Protection noting that regulatory requirements have driven the current proposition and this matter will be kept under review.

10.3 The Board noted the update.

11 Report from Audit and Risk Assurance Committee 05 September 2023 (HS2B_23-070)

11.1 The Board noted the report from the Audit and Risk Assurance Committee of 05 September 2023, as included in the meeting pack.

11.2 The following key points were raised and noted by the Committee Chair:

- 11.2.1 The Committee have received revised Risk Control Assure (RCA) MI and noted that the next meeting will incorporate the risk data following an agreed period of pause to the same.
- 11.2.2 A Strategic Risk workshop is required to be held with the Board and there may need to be some agility to do so.
- 11.2.3 The Committee will receive an increased level of detail on Internal Audit and outstanding actions from the same.
- 11.2.4 There will be a briefing provided on the Integrated Management System and this will be opened to all NEDs.**

Action: Emma Head

11.3 The Board noted the update.

12 Report from Commercial and Investment Committee 21 July 2023 (HS2B_23-071)

12.1 The Board noted the report from the Commercial and Investment Committee meeting of 14 September 2023, as included in the meeting pack.

12.2 The Board noted that items 13 and 14 on the agenda had been considered by the Committee and the Committee Chair would highlight key points of discussion at each item.

12.3 The Committee had additionally received an update on an agreed change of scope.

12.4 During the meeting, the Committee had requested more metrics for performance of the contracts.

12.5 The Board noted the update.

13 [REDACTED] (HS2B_23-072)

13.1 The Board received and noted the [REDACTED] paper, as included in the meeting pack.

13.2 The Board were asked to:

[Redacted]

[Redacted]

13.2.2

[Redacted]

[Redacted]

[Redacted]

13.3 The Chair of the Commercial and Investment Committee (CIC) summarised the discussion of the CIC:

13.3.1

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

13.4 The Board:

13.4.1

[Redacted]

[Redacted]

13.4.2

[Redacted]

[Redacted]

[Redacted]

[Redacted]

14 Status on Covid Costs as at June 2023 (HS2B_23-073)

14.1 The Board received and noted the COVID-19 Contract Obligations paper, as included within the meeting pack.

14.2 The Board were asked to:

14.2.1 Approve this paper

[Redacted]

[Redacted]

14.2.2

[Redacted]

[Redacted]

14.2.3

[Redacted]

14.2.4

[Redacted]

[Redacted]

[Redacted]

[Redacted]

14.2.5

[Redacted]

[Redacted]

14.2.6

[Redacted]

[Redacted]

14.3 The Chair of the CIC summarised the discussion held at the meeting:

- 14.3.1 That this decision reflects the position of DfT and HMT and it is felt that this is unlikely to be revisited/ changed at this point.
- 14.3.2 The Board requested that the narrative for the [REDACTED] reflects the COVID position reported in this paper.
- 14.3.3 The Deputy Chair advised that following discussion with the DfT, that the relief being proposed needs to be adjusted in the paper.**

Action: [REDACTED]

14.4 The Board approved the paper subject to the final point above, being clarified with the DfT.

15 Phase 2b Programme Change Requests (HS2B_23-074)

15.1 The Board received and noted the Phase 2b Western Leg – hybrid Bill Additional Provision 3 Programme Change Requests paper, as included within the meeting pack.

15.2 The Board were asked to:

- 15.2.1 [REDACTED] and
- 15.2.2 [REDACTED].

15.3 The following points were raised and noted:

- 15.3.1 The Board held a discussion with regard to the current environment and given the focus on cost, why HS2 would proceed with certain initiatives but also why relatively low value discussions were a matter for the Board. As part of the discussion held during the CEO Update, this will be reviewed by the Company Secretary as part of the Phase 2b governance review.

15.4 The Board provided the approvals and endorsements sought and noted the DfT request given to the Deputy Chair for a P-Rep review and agreed to the same.

16 Forward Look, AOB and Close/Meeting float (HS2B_23-075)

16.1 The Board noted the forward look and agreed to delegate the decision on the Phase 2a DDP to the Commercial and Investment Committee in order to meet timescales for the DfT IPDC.

16.2 The Board noted that a Finance and Performance Committee would be established.

16.3 The Board expressed thanks to the outgoing CEO for his contribution and commitment to the Programme during tenure.

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