

Meeting minutes

HS2 Ltd Board

Meeting date Wednesday, 29 November 2023

Meeting location Two Snowhill, Birmingham

Meeting time 09:00-15:15

Members	Attendees	Apologies
Elaine Holt (Chair) Non-Executive Director	Emma Head (item 5) Delivery Director - Technical Services	Nelson Ogunshakin Non-Executive Director
Joanna Davinson (MS Teams) Non-Executive Director	██████████ Programme Management Office Director	Jon Thompson Executive Chair
Alan Foster Chief Financial Officer	██████████ Advisor to the Board	Ruth Todd Chief Commercial Officer
Judith Hackitt Non-Executive Director	Alan Over (item 4) DfT Senior Responsible Officer (SRO)	
Tom Harris Non-Executive Director	Non Owen Company Secretary	
Stephen Hughes Non-Executive Director	██████████ (item 7) Phase 2a Delivery Director	
Ian King Non-Executive Director	██████████ (item 5) Euston Area Director	
Keith Smithson Non-Executive Director		

1 Welcome, Quorum, Declarations of Interest and Values Moment

- 1.1 The Deputy Chair welcomed members and attendees to the meeting.
- 1.2 Due to the absence of the Executive Chair, it was agreed that the Deputy Chair would Chair the proceedings of the day.
- 1.3 No new/additional conflicts of interest were declared.
- 1.4 The Board received a values moment from the Chief Finance Officer. **On reflection from the Values Moment on Equality, Diversity and Inclusion (EDI) the Board requested exploration as to having more involvement including invitations to the Board meetings and for Board Members to join as Members to certain Networks.**

Action: Company Secretariat

2 Minutes of the Previous Meeting and Matters Arising (HS2B_23-085 and HS2B_23-086)

- 2.1 The minutes of the meeting held on 25 October 2023 were approved as an accurate record.
- 2.2 The Board noted the status of the actions.
- 2.3 The Board discussed an open action regarding Baseline (BL) activity with Management agreeing that a rebaseline was required, but there needed to be agreement and clarity on the remit of this. Guidance is required from the DfT noting the discussion held at the Public Accounts Committee (PAC) on anticipated timelines but Management reminded of the reality of BL7.1 which took 18 months to complete.

3 DfT SRO Update (HS2B_23-088)

- 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 Thanks was expressed to the HS2 Ltd team for the hard work during the year, with note of the successful completion of the East-West Rail works at Calvert.
 - 3.2.2 The Board noted the latest Governmental personnel changes noting that continuation in post of the Minister of State for Rail and Secretary of State for Transport was helpful. There will need to be review of engagement and ways of working with the Chief Secretary to the Treasury.
 - 3.2.3 Thanks was given for the work to produce the latest Parliamentary Report, noting that as well framed but with some difficult information contained therein. The Board noted that the Chair of the PAC had been complimentary of the report.
- 3.3 Areas of the focus for the DfT over the coming weeks were summarised below together with any key points raised during discussion:

- 3.3.1 [REDACTED]
- 3.3.2 [REDACTED]
[REDACTED] Advice needs to be given so that HS2 Ltd are not perceived to be protracting the position.
- 3.3.3 The Board discussed [REDACTED]

[REDACTED]

3.3.4 The Board noted the activity on lifting Safeguarding on Phase 2a but that there are other activities which will continue on impacted land.

3.3.5 To date Ministers have been supportive of the continuation for the sale of land where the process has reached a point of no return and/ or there is a level of moral obligation to continue.

3.3.6 2024/ 2025 Budget preparation has commenced with a VfM approach being taken.

3.3.7 The DfT consider the [REDACTED]

3.3.8 [REDACTED]

3.3.9 The Board went on to discuss the importance of agreeing the assumptions, with an agreed view with Management, that the initial work to date is over indexed on process but is a starting point. Despite what is submitted to external Stakeholders, the Board retain the requirement for the detailed action plans to support the work.

3.3.10 Assumptions will range between responsibilities for:

3.3.10.1. Government.

3.3.10.2. Government and HS2 Ltd.

3.3.10.3. HS2 Ltd.

3.3.10.4. HS2 Ltd and the Supply Chain.

3.3.10.5. Therefore, a collective effort will be required.

3.3.11 The DfT note the work to progress the Management Information (MI) and that the information needs to serve the purposes of HS2 Ltd and the DfT. It was noted that the analysis provided from the Supply Chain continues to be scrutinised and so it is key for the MI to be able to identify potential issues but also serve to trigger action to mitigate and resolve.

3.3.12 **The Board requested an update on this at the January Finance and Performance Committee in terms of how HS2 Ltd is going to manage the Main Works Civils Contracts (MWCCs).**

Action: David Speight

3.3.13 The Board noted that [REDACTED]

- 3.3.14 The Board noted the positive development on Euston which is currently being assessed as fundable however needs a number of things to be true to be successful. [REDACTED]
[REDACTED]
[REDACTED]
- 3.3.15 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- 3.3.16 Noting that Commitments and Contingency was on the agenda for Board consideration, the DfT have requested that applications for uplift of authority are given to the DfT on an as required basis. This should be the position [REDACTED]
[REDACTED] The Board note that [REDACTED]
The DfT confirmed that they will not require any onward approvals for these types of decisions.
- 3.3.17 The Board noted that good progress is being made on Phase 2a and Phase 2b closedown activities however it is understood between HS2 Ltd and the DfT that due to complexity this will take some time to progress. It remains key in the meantime to demonstrate that this is being done as quickly as possible.
- 3.3.18 The skills and expertise of the hybrid Bill team are seen as 'national asset' and will be the best place to deliver the Northern Powerhouse Rail (NPR) however clarity on how is also required.
- 3.3.19 The DfT confirmed support of the CEO appointment and the revised Executive Structure.

3.4 The Board noted the updates.

3.5 The DfT SRO left the meeting.

4 Executive Chair Summary – November 2023 (HS2B_23-087)

- 4.1 The Board discussed the Executive Chair report, with the following key points raised and noted. In the absence of the Executive Chair due to illness, the CFO supported the presentation of the item.
- 4.2 The Board noted the reestablishment of the Ministerial Taskforce (MTF).
- 4.3 Acknowledgement was given to the teams involved to prepare for the Public Accounts Committee (PAC).
- 4.4 The Board noted the Health and Safety update, which was covered in more detail at the Health, Safety and Security Committee update.

- 4.5 The Board noted the further activity to work on the [REDACTED]
[REDACTED]
[REDACTED].
- 4.6 The Board were invited to provide comments to the CFO on the [REDACTED] for addressing at the January Board.
- 4.7 The Board discussed the implication of the reset, changes to the teams and impact of uncertainty to staff. The Board noted that commercial changes will be aligned to Delivery teams.
- 4.8 The Board noted the number of interim positions on the Executive Committee as a risk.
- 4.9 The Board noted that a review of Governance and changes to be made will be developed and supported by the Company Secretary. There will also be Board Governance activities (NED appraisals, Board Effectiveness Review, review of Committee structure and Board composition) supported by the Company Secretary with the Deputy Chair.
- 4.10 In summarising the [REDACTED] the Board requested:
- 4.10.1 [REDACTED]
[REDACTED]
[REDACTED]
 - 4.10.2 It was agreed that there should be [REDACTED] taken at the Ministerial Taskforce (MTF).
 - 4.10.3 The Board requested visibility of the correspondence on [REDACTED] the [REDACTED]
- 4.11 The Board noted the updates.

5 [REDACTED] to DfT (HS2B_23-089)

- 5.1 The Delivery Director of Technical Services and Euston Area Director joined the meeting.
- 5.2 The Board received and noted the [REDACTED] as included within the meeting papers.
- 5.3 The following key points were raised and noted:
- 5.3.1 The Board received and noted the summary of the work done to date but noted that this is not assured.
 - 5.3.2 The Board queried [REDACTED]
[REDACTED]
[REDACTED].
 - 5.3.3 [REDACTED]

5.3.4 **The Board noted the request for endorsement of the advice be delegated to the Executive Chair, CFO and Delivery Director for Technical Services to release on behalf of the Board, with approval given subject to no material changes and requesting a copy of the advice on submission.**

Action: Emma Head.

5.3.5 Management introduced the stages of the options which have looked at and the descriptions given in the materials. The Board noted no further [REDACTED] [REDACTED] has been given.

5.3.6 Management advised that there is a level of risk to the work and each scenario and so caveats need to be clear.

5.3.7 [REDACTED] Management advised that the approach has not included engagement with the supply chain however the Integrated Project Teams (IPTs) are aware of the considerations as they have been asked for delivery estimates.

5.3.8 [REDACTED]

5.3.9 The Board requested consistency to the Delivery into Service (DiS) date.

5.3.10 The Board were walked through the [REDACTED] noting that this will be continued with the assumption of continuation but also factors in scenarios for changes.

5.3.11 The Board noted any implication to the Old Oak Common (OOC) date as discussed at the Finance and Performance Committee the previous day, noting that this will depend on the alignment of track.

5.3.12 The Board noted the [REDACTED].

5.3.13 The Board requested further emphasis on the risk of material by rail and the reputational risk.

5.3.14 The Board requested materials [REDACTED]

5.3.15 [REDACTED]

5.3.16 The Board requested amendment [REDACTED]

5.3.17 The Board [REDACTED]

5.3.18 The Board noted that [REDACTED]

- 5.3.19 The Board discussed the [REDACTED]
[REDACTED]
[REDACTED]
- 5.3.20 The Board requested more detail on the grade separation analysis, explaining that there is little difference in the resultant quantum from doing this.
- 5.3.21 [REDACTED]
[REDACTED]
- 5.3.22 The Board requested [REDACTED]
[REDACTED]
- 5.3.23 The Board requested [REDACTED]
[REDACTED]
- 5.3.24 The Board requested visibility of which decisions are reversible or not.
- 5.3.25 The Board requested that further information be given in materials as to the volume of work which has been done and also that there are areas of work being delivered which are not simple to stop.
- 5.3.26 The Board went onto discuss [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].
- 5.3.27 The Board noted that a [REDACTED]
[REDACTED]
- 5.3.28 The Board noted [REDACTED]
[REDACTED]
- 5.3.29 The Board noted the [REDACTED]
[REDACTED]
- 5.3.30 The Board noted the [REDACTED].
- 5.3.31 The Board observed [REDACTED]
[REDACTED]
- 5.3.32 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

5.4 It was agreed that the comments, requests and observations would be incorporated into the [REDACTED]

Action: Emma Head

5.5 The Board noted the next steps to iterate the advice, which will include comments and advice received at the Board.

- 5.6 The Board were invited to provide any further comments and advice directly to Management.
- 5.7 The Board reiterated the approval of delegation for the advice, provided there are no material changes and the Board receive a copy of the advice when it is submitted.
- 5.8 The Board noted the updates and commended the work to date.
- 5.9 The Delivery Director of Technical Services and Euston Area Director left the meeting.

6 Committed Spend and Contingency Position Update (HS2B_23-090)

- 6.1 The Programme Management Office Director joined the meeting.
- 6.2 The Board received and noted the Committed Spend and Contingency Position Update paper, as included within the meeting papers.
- 6.3 The Board noted the update paper which had been provided to give visibility of the work done to date and the HS2 Ltd review of both the Programme current cost commitments and the utilisation of contingency in order to determine when the Programme will have exhausted all delegated funding.
- 6.4 Noting the view provided from the DfT earlier in the meeting it was agreed that the DfT will be engaged on an as and when requirement.
- 6.5 The Board noted the update.
- 6.6 The Programme Management Office Director left the meeting.

7 Report from the Finance and Performance Committee 29 November 2023

- 7.1 As agreed at the inaugural Finance and Performance Committee and noting the proximate timing to the HS2 Ltd Board, a verbal update will be provided to each HS2 Ltd Board meeting, with a summary note then provided into the following Board pack for audit trail purposes.
- 7.2 The Deputy Chair provided an overview and summary of the matters, including:
 - 7.2.1 Attendance to the meeting by all Board Members (with the exception of Jon Thompson and Nelson Ogunshakin on this occasion).
 - 7.2.2 It was noted that initially the meeting will be attended by the full Board where possible and as the Committee matures, this will be reviewed.
 - 7.2.3 The Committee had reviewed the proposed Terms of Reference and provided some constructive suggestions to tighten and clarify.
 - 7.2.4 The Committee had reviewed [REDACTED] and MI provided in support of the meeting and then went on to discuss performance of cost and schedule, the DIS

date, in year finance, and supply chain specific issues e.g., Old Oak Common (OOC), BBV consents and design and Rolling Stock.

- 7.2.5 The Committee had received revised MI and agreed the approach to progress this with the support of Keith Smithson to provide feedback on behalf of the Board. Further observations or comments will be provided by NEDs directly to Keith and Management. Revised MI will be circulated in December.
- 7.2.6 The Committee went on to discuss Strategic Risks, the approach to risk and reviewed the draft risk register. A constructive discussion was held and it was agreed that time would be allocated at the February Audit and Risk Assurance Committee prior to returning to the Finance and Performance Committee.

7.3 The Board received the allocation of Board time to cost, schedule and delivery positively.

8 Phase 2 Closure Implications (23-091)

8.1 The Phase 2a Delivery Director joined the meeting.

8.2 The Board received and noted the Phase 2 Implications slides, as included within the meeting papers.

8.3 The following key points were raised and noted:

8.3.1 The Board noted [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

8.3.2 The Board requested [REDACTED]
[REDACTED].
Action: [REDACTED]

8.3.3 The Board discussed intellectual capital and noted that this review would be captured as part of a paper to the February Audit and Risk Assurance Committee in terms of viable assets to be accounted for.
Action: [REDACTED]

8.3.4 The Board asked for confirmation of the Safeguarding position on Phase 2b East.
Action: [REDACTED]

8.3.5 The Board queried whether HS2 Ltd was able to proceed with [REDACTED]
[REDACTED]
[REDACTED].
Action: [REDACTED]

8.3.6 The Board noted the requirement to regularise some non-routine advice.

8.3.7 The Board discussed further areas which remain under Management consideration including people implications and funding implications.

8.3.8 [REDACTED]

8.4 The Board noted the update.

8.5 The Board formally thanked the Delivery Director for Phase 2a for his time and commitment to the Programme during tenure, noting this as his last attendance to the HS2 Ltd Board.

8.6 The Phase 2a Delivery Director left the meeting.

9 Report from Environmental Sustainability Committee Briefing 27 October 2023 (23-092)

9.1 The Board noted the report from the Environmental Sustainability Committee Briefing into Consents on 27 October 2023, as included in the meeting pack.

9.2 The Board noted the update.

10 Report from Environmental Sustainability Committee 27 November 2023 (23-093)

10.1 The Board noted the report from the Environmental Sustainability Committee of 27 November 2023, as included in the meeting pack.

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

10.2.1 The Board noted that the Committee continues to gain traction and is focussing on issues such as Bringing into Use (BIU) and recognises the need for it and HS2 Ltd to have a controlling mind for issues such as design and consents. The Committee have begun to review how this will work in practice.

10.2.2 The Board noted the expansion of the Committee's duties to also look at Respecting People and Places.

10.2.3 The Board noted the role of the Committee to review any areas of work being undertaken in advance of consents.

10.2.4 The Board noted the role of the Committee to demonstrate where influence to risks can be applied but also the strong reliance on some issues which are cross- Government and Stakeholder reliant.

10.3 The Board noted the update.

11 Report from Health, Safety and Security Committee 27 October 2023 (23-094)

- 11.1 The Board noted the report from the Health, Safety and Security Committee of 27 October 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 Board noted that the Committee will hold a further extraordinary meeting with the supply chain regarding a fatality on site in order to consider lessons learned.
 - 11.2.2 The Committee continues to review the Health and Safety Performance Indicator (HSPI) metrics (noting that a teach in will be scheduled for wider Board Members in 2024). [REDACTED]
 - 11.2.3 The Committee noted the requirement to review the Health and Safety culture and the operational plan given changes from the PM announcement and therefore there is a requirement to adapt.
 - 11.2.4 The Committee are encouraged to see the leadership being demonstrated by the Delivery Director for Civils.
 - 11.2.5 The Board noted forward look activity for the Committee on lifting, working from height, occupational health and wellbeing, and the new profile of delivery and risks associated, noting a changing scene.
- 11.3 The Board noted the update.

12 CEO Recruitment - Remuneration and Incentives (23-095)

- 12.1 The Board received and noted the CEO Recruitment – Remuneration and Incentives paper, as included in the meeting pack.
- 12.2 Following Remuneration Committee approval, the Board were asked to review, comment and approve the scheme.
- 12.3 The Board received and noted the paper which was seeking to gain review, comment and approval for the proposed CEO remuneration and incentive scheme. The Board noted the supporting documents, namely:
- 12.3.1 Heads of terms summarising the scheme.
 - 12.3.2 CEO Awards – Performance Conditions.
 - 12.3.3 Detailed terms for the Annual Incentive Programme (AIP).
 - 12.3.4 Detailed terms for the Long Term Incentive Plan (LTIP).
 - 12.3.5 Guidelines for HS2 Remuneration Committee Discretion.

12.3.6 The approach for CEO appraisal around the leadership criteria.

12.4 The following key points were raised and noted:

12.4.1 The Board noted this matter [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

12.4.2 The Board noted that [REDACTED].

12.4.3 The Board noted [REDACTED]
[REDACTED]
[REDACTED].

12.4.4 [REDACTED]
[REDACTED]

12.4.5 [REDACTED]
[REDACTED]
[REDACTED]

12.4.6 Discussion will also need to be handled for any prospective applicant to the CEO role.

12.4.7 The Board discussed the DfT Observer to the Committee and it was agreed as appropriate due to joined up working between the DfT functions.

12.4.8 The Board queried any support to analyse and validate information going to the Remuneration Committee [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

12.4.9 The Board noted that [REDACTED]
[REDACTED]
[REDACTED]

12.5 The Board expressed thanks to the Committee Chair for the huge level of work and involvement to progress this matter.

12.6 The Board noted the planned timeline for an Executive proposal in 2024.

12.7 The Board approved [REDACTED]

13 Report from Extraordinary Remuneration Committee 10 November 2023 (23-096)

- 13.1 The Board noted the report from the Extraordinary Remuneration Committee of 10 November 2023 which was taken as read due to previous discussion by the HS2 Ltd Board.
- 13.2 The Board noted the update.

14 Report from Audit and Risk Assurance Committee 20 November 2023 (23-097)

- 14.1 The Board noted the report from the Audit and Risk Assurance Committee of 20 November 2023, as included in the meeting pack.
- 14.2 The following key points were raised and noted by the Committee Chair:
- 14.2.1 The Committee had considered the further iteration of the Risk, Control Assure (RCA) MI which is seen to be moving in the right direction.
 - 14.2.2 Risk and Risk Management had been considered at the meeting, the interface of which was discussed at the Finance and Performance Committee the previous day.
 - 14.2.3 The Board noted the update on Counter Fraud and Business Ethics (CFBE) following agreement from the HS2 Ltd Board that a review would be undertaken by the Committee. **The Board noted the Fraud, Bribery and Corruption Policy appended to the report and it was agreed that a copy of the Speak Out Policy would be made available. It was also agreed that the paper submitted to the Committee would be shared with the Board.**

Action: Company Secretariat
 - 14.2.4 The Board discussed the fact that the [REDACTED]
[REDACTED]
[REDACTED]
 - 14.2.5 The Committee had received the six-monthly Senior Information Risk Owner (SIRO) update and it was agreed that the review to implement NED security/ access would be extended to Joanna Davinson.
 - 14.2.6 At the February meeting the Committee will consider the principles for the Annual Report and Accounts including any implications of the reset.
 - 14.2.7 The Board received a verbal update on the GIAA report commissioned by the DfT and noted that this would be circulated once it was agreed.

Action: Company Secretariat

- 14.3 The Board noted the update.

15 Forward Look, AOB and Close (HS2B_23-098)

- 15.1 The Board noted the Forward Look and provided [REDACTED]
- 15.2 The Board noted the intention for a teleconference in the week commencing 08 January 2024 due to the absence of a December Board meeting.
- 15.3 The Board noted the positive outcome of the Siemens case and agreed that a note of thanks be sent to those involved in the case from the HS2 Ltd Board.
- 15.4 The Board requested that the NED only sessions be held prior to the Board meeting rather than after.
- 15.5 The Board noted the paper which had been added into the Reading Room on Integration and sought the Board to:
- 15.5.1 Note the progress made in maturing Integration capability in preparation for Rail Systems contractors coming on board.
 - 15.5.2 Note the live Integration issues which are being actively resolved.
 - 15.5.3 Endorse the approach and plan for delivering configuration states.
- 15.6 The Board noted the direction of travel of the work in progress and agreed that any further specific comments would be shared with the Management team and endorsed the release of the information onto wider Stakeholders.
- 15.7 There being no further business the meeting was closed and a NED only session was held.