

Meeting minutes

HS2 Ltd Board

Meeting date Wednesday, 31 January 2024

Meeting location The Podium, London

Meeting time 12:30-17:00

Members	Attendees	Apologies
Elaine Holt (Chair) Non-Executive Director	Emma Head Chief Railway Officer	Tom Harris Non-Executive Director
Joanna Davinson Non-Executive Director	██████████ (item 5) Commercial Delivery Director - Civils & Services	
Alan Foster Chief Financial Officer	██████████ (item 4) Programme Controls Director	
Judith Hackitt Non-Executive Director	██████████ Advisor to the Board	
Stephen Hughes Non-Executive Director	Alan Over (item 6) DfT Senior Responsible Officer (SRO)	
Ian King Non-Executive Director	Non Owen Company Secretary	
Nelson Ogunshakin Non-Executive Director	██████████ Civils Delivery Director	
Keith Smithson Non-Executive Director		
Jon Thompson Executive Chair		

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 Jon Thompson continuing to fulfil obligations as Executive Chair, it was agreed that the Deputy Chair would Chair the proceedings of the day.
- 1.3 The Board noted that apologies for the meeting had been received from Tom Harris.
- 1.4 The Board noted that since the last Formal Board meeting, the Chief Commercial Officer had resigned from the role and therefore from the HS2 Ltd Board.
- 1.5 The Board noted the meeting as the final Formal Board meeting for Judith Hackitt prior to resignation from the Board in order to fulfil a Chair position in another organisation.

- 1.6 The Board received a values moment from Judith Hackitt who shared a video and reflected on the pride and referenced the achievements of those nominated for the recent Inspiration Awards.

2 Minutes of the Previous Meeting and Matters Arising (HS2B_23-102 and HS2B_23-103)

- 2.1 The minutes of the meeting held on 29 November 2023 were approved as an accurate record with the exception of some minor typographical errors which had since been corrected.
- 2.2 The Board noted the status of the actions and the following updates:
 - 2.2.1 It was agreed that a fuller update would be brought to the Board at the appropriate time on Phase 2 noting closedown activity and outstanding decisions from the DfT.
 - 2.2.2 The Board noted that whilst Action 23/039 had been closed it remained key to continue the engagement of the Counter Fraud and Business Ethics (CFBE) team with the HS2 Ltd Board.

3 Executive Chair Summary – January 2024 (HS2B_23-104)

- 3.1 The Board received and noted the Executive Chair Summary for January 2024, as included within the meeting pack.
- 3.2 The Executive Chair summarised the recent Ministerial Taskforce meeting (MTF):
 - 3.2.1 The Board noted a productive meeting where there was value felt from having the Secretary of State Chair this.
 - 3.2.2 It was noted that the meeting will be convened six-weekly and is providing a challenging but helpful vehicle to progress complex Programme matters.
 - 3.2.3 The Board noted the HS2 Ltd Management Information (MI) is now being submitted to the meeting which is proving helpful.
 - 3.2.4 The Board noted that a discussion had taken place with regard to the escalation needed with the Environment Agency.
 - 3.2.5 The Board noted that the meeting had considered a paper from the Deputy Chair on people.
- 3.3 The Board received an update from the Chief Railway Officer on the current status of the reset, noting the following:
 - 3.3.1 Key points remain under consideration between HS2 Ltd and the DfT, [REDACTED]
[REDACTED]
[REDACTED].

3.3.2 [REDACTED]

3.3.3 [REDACTED]

3.3.4 [REDACTED]

3.3.5 [REDACTED]

3.3.6 [REDACTED]

3.3.7 [REDACTED]

3.3.8 The Board noted that [REDACTED] which would be discussed in more detail later in the meeting.

3.3.9 The Board noted the high level of complexity of this work.

3.4 The Board went onto discuss [REDACTED]

[REDACTED] The Board noted that the timescale to close down will be circa 24-30 months. Decision on treatment of costs incurred to date will also be needed.

3.5 The Board noted that a property release scheme and strategy is to be agreed for land disposal noting the role of HS2 Ltd as an agent. Public Relations strategies are also to be agreed and this will be worked by the Executive Committee prior to coming to the Board. Part of the update to the Board should provide understanding of the complexities of legislation for property acquisition and disposal.

Action: Alan Foster

3.6 The Executive Chair provided the Board with an overview of the Strategic Change Coordination Office (SCCCO) which has been established in support of the volume of change initiatives in the organisation and will be overseen by the Chief of Staff in the CEO function.

3.7 The Board noted the updates.

4 Phase One Cost Associated Activities (HS2B_23-105)

- 4.1 The Programme Controls Director joined the meeting.
- 4.2 The Board received and noted the Phase One Cost Associated Activities paper, as included within the meeting papers.
- 4.3 The Board were asked to note the various ongoing activities related to Phase One cost reporting, and their current status.
- 4.4 The following key points were raised and noted:
 - 4.4.1 The Board noted the materials provided to summarise each aspect of the Phase One cost activities.
 - 4.4.2 The Board noted the update against the funding settlement and following agreement for a hand back [REDACTED]
[REDACTED]
[REDACTED].
 - 4.4.3 The Board noted [REDACTED]
[REDACTED]
[REDACTED]
 - 4.4.4 The Board were reminded that the [REDACTED]
[REDACTED]
 - 4.4.5 The Board noted that [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
 - 4.4.6 The Board reiterated [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
 - 4.4.7 [REDACTED]
[REDACTED]
[REDACTED]
 - 4.4.8 The Board noted that the [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
 - 4.4.9 The Board noted the importance to have cost for completion for the MWCCs.
 - 4.4.10 The Board noted the work to support the FBC and Baseline (BL) development and the key events in order to meet the deadline to provide this to the DfT. Some of this requires input from the DfT and whilst progress is being made the funding allocation needs to be known.

- 4.4.11 Modelling is taking place and the importance of the discussion for the Board to be aware of is that DfT are viewing the [REDACTED] Work will need to happen quickly however will be informed by a set of assumptions and with a level of risk.
- 4.4.12 It would then be anticipated that the Performance Management Baseline (PMB) would follow in Autumn and ideally these two activities would be done in the reverse order.
- 4.4.13 The Board were reminded that the requirement for the FBC follows a commitment made to the Public Accounts Committee (PAC) and will also need to factor in the implications of Network North (NN) for reconciliation of sunk costs.
- 4.4.14 The Board noted the position with regard to contingency and that a position has been agreed up to March 2024.
- 4.4.15 The Board queried whether there was enough resource to navigate the work, with Management acknowledging that this is a challenge and so external resources are being utilised.

4.5 It was agreed that this would be a standing item for the Board due to the pace and importance.

Action: Alan Foster

- 4.6 The Board noted the update.
- 4.7 The Programme Controls Director left the meeting.

5 HS2 [REDACTED] (HS2B_23-106)

- 5.1 The Commercial Delivery Director for Civils and Services and Civils Delivery Director joined the meeting.
- 5.2 The Board received and noted the HS2 [REDACTED] as included within the meeting papers.
- 5.3 The Board were asked to:
 - 5.3.1 Note the strategic context for the [REDACTED] requirements.
 - 5.3.2 Note the high level outline of the proposed reset approach and expected timeline to implement.
 - 5.3.3 [REDACTED].
- 5.4 The following key points were raised and noted:
 - 5.4.1 The Board noted the importance of this work and the fact that an [REDACTED].

- 5.4.2 Management advised [REDACTED].
- 5.4.3 The Board noted [REDACTED].
- 5.4.4 The Board noted that a Steering Group has been established to support the workstream.
- 5.4.5 The Board noted [REDACTED] to do so however recognising the balance of not doing this overly quickly.
- 5.4.6 The Board noted the intended outcomes of [REDACTED].
- 5.4.7 The Board noted the reliance of knowing [REDACTED] for this to be successful.
- 5.4.8 The Board noted that initial discussions have begun and will be challenging to start with.
- 5.4.9 The Board noted the requirement for Ministerial support.
- 5.4.10 The Board discussed [REDACTED].
- 5.4.11 Management advised that [REDACTED].
- 5.4.12 Management advised that [REDACTED], however to what extent is to be seen.
- 5.4.13 The Board noted that there is a plan for the Executive Chair to communicate at Board level with the supply chain.
- 5.4.14 The Board noted that in reviewing the forward costing, access will be available into Tier 1 and Tier 2.
- 5.4.15 The Board noted differing assumptions to risk following several unknowns which have impacted the Programme and supply chain since awarding the contracts, e.g. COVID, Ukraine, inflation.
- 5.4.16 Management advised that [REDACTED].
- 5.4.17 The Board noted that this matter had been discussed at the MTF where a request was made to map out the approvals required in advance.
- 5.4.18 The Board noted the timescales to achieve a position prior to summer recess and that there is further Programme activity that requires external approval in parallel e.g., Rail Systems Contract Awards.

- 5.4.19 Management advised [REDACTED].
- 5.4.20 The Board commended [REDACTED].
- 5.4.21 The Board noted the commercially sensitive nature of this work.
- 5.4.22 Activity will take place between the Commercial and Sponsorship teams to manage the external Stakeholder alignment.
- 5.4.23 Management advised [REDACTED].
- 5.4.24 The Board noted that [REDACTED].
- 5.4.25 The Board queried [REDACTED]. It was agreed that a tracker would be made available to the Board.**

Action: [REDACTED]

5.5 The Board noted the updates.

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

6 DfT SRO Update (HS2B_23-107)

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

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

6.2.1 Good progress on the scope reset work with positive reception from the Minister as to the speed of response and the advice given. The Board noted that there is some opportunity for futureproofing in the work.

6.2.2 [REDACTED]

6.2.3 Progress to resolve delays on Consents.

6.2.4 [REDACTED]

6.2.5 It was noted that [REDACTED]

6.2.6 [REDACTED]

6.2.7 Agreement on the position to [REDACTED]

- 6.2.8 The requirement for [REDACTED]
[REDACTED]
[REDACTED]
- 6.2.9 Within the schedule position it is noted there needs to be a view of handover between the Civils and Systems contracts at the appropriate time.
- 6.2.10 The Board noted [REDACTED]
- 6.2.11 [REDACTED]
[REDACTED]
- 6.2.12 [REDACTED]
[REDACTED]
- 6.2.13 The DfT SRO confirmed the MTF as a productive and well conducted meeting which dealt with some key issues.
- 6.2.14 The Board discussed [REDACTED]
[REDACTED]

6.3 The Board noted the updates.

6.4 The DfT SRO left the meeting.

7 Verbal Update from Extraordinary Health, Safety and Security Committee 07 December 2023 (HS2B_23-108)

7.1 The Committee Chair provided a verbal update from the Extraordinary Health, Safety and Security Committee of 07 December 2023.

7.2 The following key points were raised and noted:

7.2.1 The Board noted that the next Health, Safety and Security Committee would be taking place the following day. The Committee will consider an update on a recent safety incident and that the role of HS2 Ltd will be considered as part of this review.

7.2.2 The Committee have observed some similar behaviours from a previous incident but there are differences to each case.

7.2.3 The Board noted that the meeting on 07 December 2023 had considered and closed out the Committee's review of a safety incident which had been subject to additional meetings following an initial unsatisfactory response.

Following two meetings the Committee were content to close its review but there will be follow up in the form of correspondence which will include some caveats and spot check activity.

7.2.4 The Board were advised that no further activity will be taken by the Health and Safety Executive on this matter following the verdict reached but lessons will be shared in the industry.

7.2.5 The Committee [REDACTED]

7.3 The Board noted the update.

8 Report from Extraordinary Remuneration Committee 18 December 2023 (23-109)

8.1 The Board noted the report from the Extraordinary Remuneration Committee on 18 December 2023, as included in the meeting pack.

8.2 The Board noted that the meeting had considered [REDACTED]

8.3 The Board noted the update.

9 Report from Remuneration Committee 23 January 2024 (23-110)

9.1 The Board noted the report from the Remuneration Committee on 23 January 2024, as included in the meeting pack.

9.2 The Board noted the key point of feedback from the Committee which was the recent outcome of the staff engagement survey [REDACTED]

9.3 The Board noted that whilst the Committee are reviewing this matter [REDACTED]

9.4 The Board noted that the results from the survey are disseminated to the Executive Committee [REDACTED]

9.5 The Board noted the update.

10 Executive Incentive Scheme (23-111)

10.1 This update was provided with item 8 on the agenda.

11 Report from Finance and Performance Committee 29 November 2023 (23-112)

11.1 The Board noted the report from the Finance and Performance Committee on 29 November 2023, as included in the meeting pack.

11.2 The Board noted the update.

12 Verbal Update from Finance and Performance Committee 30 January 2024, including formal approval of Terms of Reference (23-113)

- 12.1 The Committee Chair provided a verbal update from the Finance and Performance Committee on 30 January 2024.
- 12.2 The Board noted the update and following key points of consideration from the meeting:
- 12.2.1 The status of the [REDACTED] with a requirement for Management to return to the Committee for how this comes together.
 - 12.2.2 Consideration of the MWCC Performance Management Plan.
 - 12.2.3 [REDACTED]
 - 12.2.4 [REDACTED]
 - 12.2.5 Deep dives into OOC, consents, systems and rolling stock.
 - 12.2.6 The Committee note the importance to see quality in the discussion and the emerging issues must be shown regardless of being unclear/ unquantified within the MI.
 - 12.2.7 Euston will continue to be reviewed by the Deputy Chair on behalf of the Board.
 - 12.2.8 During the meeting summary, the Committee had been complimentary to the progressive MI and agreed that the frequency of meetings would remain as is, with a proposal of deep dive topics to be considered at the next meeting.
 - 12.2.9 It was agreed that a debrief would be offered to Stephen Hughes who had given apologies to the meeting due to a diary conflict.
- 12.3 The Board approved the Finance and Performance Committee Terms of Reference, which had been endorsed by the Committee at the previous day.

13 Report for Commercial and Investment Committee 14 December 2023 (23-114)

- 13.1 The Board noted the report from the Commercial and Investment Committee on 14 December 2023, as included in the meeting pack.
- 13.2 The Committee had considered two matters, both of which had been delegated to the Committee for approval.
- 13.3 The Committee had approved, following refusal to do so initially (due to the request being presented too soon after the Government announcement and so the Committee did not feel in a position to do so). Following a revised submission approval was given for a Procurement Plan for On Track Machinery.

13.4 The Committee had approved a contract award for service management software but have asked for the Procurement and Supply Chain Director to return to the Committee on the tendering process [REDACTED]
[REDACTED] A brief on the new Procurement Bill will also be provided.

13.5 The Board noted the update.

14 Report for Commercial and Investment Committee 26 January 2024 (23-115)

14.1 The Board noted that the Committee had covered item 15 on the agenda during this meeting and comments would be taken whilst considering the paper.

15 Integrated Rail Conservation Zone (Sheephouse Wood)

15.1 The Board received and noted the Integrated Rail Conservation Zone (Sheephouse Wood) paper, as included within the meeting papers.

15.2 The Board were asked to:

15.2.1 [REDACTED]
[REDACTED]
[REDACTED]

15.2.2 [REDACTED]
[REDACTED]

15.2.3 [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

15.2.3.2. [REDACTED]

15.3 The Board noted that the Commercial and Investment Committee (CIC) had considered this request, and the history of the commitment, at three meetings in advance of the Board. As part of the review, [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

15.4 The Committee noted that, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

15.5 The Committee realised that the commitment to construct a bat mitigation structure had been given many years ago and then embodied in the High Speed Rail Act. [REDACTED]

15.6 It was noted that the HM Treasury Permanent Secretary has requested some lessons learned from HS2 Ltd's experience, which could include this item as a case study.

Action: Jon Thompson

15.7 The Committee saw no alternative but to recommend that the Board approve the proposals, on the assumption that the conservation zone is now too advanced to change or scale back.

15.8 Management will report back to the Committee on its eight agreed conclusions on this matter. It was agreed that the minutes of the Commercial and Investment Panel and the Change Panel should be supplied to CIC, to give it advance notice of emerging issues of concern to management.

15.9 [REDACTED]

15.10 The Board noted that this matter [REDACTED]

15.11 The DfT have requested points of clarification from Management with regard to:

15.11.1 [REDACTED]

15.11.2 Explanation of the numbers in the materials provided.

15.11.3 [REDACTED]

15.12 Whilst acknowledging that the outcome of this matter is highly unpalatable the Board provided:

15.12.1 [REDACTED]

15.12.2 [REDACTED]

15.12.3 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

15.12.3.2. [REDACTED]

15.13 The Board expressed thanks to the CIC for the work on this matter done to date.

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

16.1 The Board noted the Forward Look.

16.2 The Board noted the activity on the advertisement of new Non-Executive Director (NED) roles.

16.3 The Board noted publication of the 2024 UK Corporate Governance Code, which replaces the 2018 edition. The Company Secretary will bring a paper to a future Board meeting summarising changes ahead of these changes coming into effect.

Action: Non Owen

16.4 The Board took the opportunity to recognise and thank Judith Hackitt for her time, insight and expertise during tenure on the Board of HS2 Ltd.

16.5 There being no further business the meeting was closed.