

# Meeting minutes

## HS2 Ltd Board

**Meeting date** Wednesday, 28 February 2024

**Meeting location** Two Snowhill, Birmingham

**Meeting time** 09:00-14:45

Members	Attendees	Apologies
Elaine Holt (Chair) Non-Executive Director	██████████ (item 7) Risk Director	Ian King Non-Executive Director
Joanna Davinson Non-Executive Director	Emma Head Chief Railway Officer	
Alan Foster Chief Financial Officer	Shira Johnson (item 4) Chief People Officer	
Tom Harris Non-Executive Director	██████████ (item 5) ██████████	
Stephen Hughes Non-Executive Director	██████████ (item 5) Programme Controls Director	
Nelson Ogunshakin Non-Executive Director	██████████ Advisor to the Board	
Keith Smithson Non-Executive Director	██████████ (item 8) DfT Senior Responsible Officer (SRO)	
Jon Thompson Executive Chair	Non Owen Company Secretary	
	Chris Rayner (item 5) Systems Delivery Director	
	Tim Smart (item 5) Phase Two Managing Director	
	David Speight (item 5) Civils Delivery Director	
	██████████ (item 6) Integration 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 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 Ian King.

1.4 The Board received a values moment from Keith Smithson.

## 2 Minutes of the Previous Meeting and Matters Arising (HS2B\_23-118 and HS2B\_23-119)

2.1 The minutes of the meeting held on 31 January 2024 were approved as an accurate record subject to amendment to minute 15.6 which would be completed by the Company Secretary.

2.2 The Board noted the status of the actions.

## 3 Executive Chair Summary – February 2023 (HS2B\_23-121)

3.1 The Board received and noted the Executive Chair Summary – February 2023, as included within the meeting pack.

3.2 The following key points were raised and noted:

3.2.1 There has been a continued period of interpretation of the implication of the Government announcement which is a challenging time for senior staff.

3.2.2 The focus of HS2 to continue to provide the advice on the Programme which will be challenging against the backdrop of an anticipated General Election.

3.2.3 The Programme in the meantime continues to deliver at pace and the Board noted the recent milestone achievement of the breakthrough of the Florence Tunnel Boring Machine (TBM).

3.2.4 The Board received an update on the status of the ongoing studies with the DfT in order to inform the reset, noting that four of the studies have been agreed with the DfT but there is further work to do.

3.2.5 The Board noted that the four studies will continue to run until May 2024.

3.2.6 Scope assumptions will be required in order to inform the revised Business Case and is working through 22 assumptions across infrastructure and Rolling Stock.

3.2.7 There continues to be a difference of opinion regarding Safeguarding of land. The Board discussed the reputational damage of the perception on this matter and noted that a strategy for Land and Property would be considered by the Executive in advance of returning to the HS2 Ltd Board.

3.2.8 It was requested that as part of this work a briefing on the external engagement strategy be made available to Non-Executive Directors.

**Action:** [REDACTED]

3.2.9 The Board also discussed the tension that additional work has been introduced resultant from the announcement but in parallel HS2 Ltd has also been pressed to become a more efficient organisation.

- 3.2.10 The Board noted that there is an intention to have a more formalised structure to requests for work, with mechanisms to defer or refuse the work where appropriate.
- 3.2.11 The Board discussed the criticality to contractually agree the scope as soon as possible as this needs to inform Right Sizing.

The Board referenced [REDACTED]

The Board noted that [REDACTED]

- 3.2.12 The Board noted the extensive external stakeholder meetings undertaken by the Executive Chair in the period.
- 3.2.13 The Board noted that decisions on Phase 2 remain slow to be agreed including land sales and repurposing of the hybrid Bill.
- 3.2.14 The Executive Chair thanked the Deputy Chair and Chief People Officer for continued perseverance to drive senior roles through the recruitment sign off process.
- 3.2.15 The Executive Chair provided an update on the commissioned Strategic Change Co-ordination Office (SCCO) workstream.
- 3.2.16 The Board noted the intent to link up with wider initiatives running including a review to speed up infrastructure initiatives.
- 3.2.17 The Board discussed the requirement for the DfT Senior Responsible Officer (SRO) to provide an updated Business Case and how a difference in opinion would be presented and articulated.
- 3.2.18 The Board noted that it would be anticipated that assurers in the process would increase the cost position rather than reduce it.

The Board requested whether the P-Rep range of [REDACTED] could be made available at the same time as the updated range of HS2 Ltd but noted that this request has been refused by DfT and the remit of P-Rep in the process will be changed.

- 3.2.19 The Board commented that the range remains fluid due to lack of decision making.
- 3.2.20 The Board reiterated their corporate responsibility to deliver a robust range with the best information available.
- 3.2.21 The Board agreed that the lower end of the range still needs to demonstrate determination to reduce costs where possible but that there will need to be caveats.
- 3.2.22 The Board noted that the DfT have commissioned a review of all Arm's Length Bodies.

3.3 The Board noted the updates.

## 4 Board Effectiveness Review Workshop (HS2B\_23-122)

- 4.1 The Chief People Officer, Systems Delivery Director, Phase Two Managing Director, Civils Delivery Director and [REDACTED] joined the meeting.
- 4.2 The Board received and noted the Board and Executive Effectiveness Review 2024 paper, as included within the meeting papers.
- 4.3 The Deputy Chair introduced and framed the session and referenced the request made prior to the meeting to provide three key takeaways from the report.
- 4.4 The Board discussed the following observations taken from the report:
  - 4.4.1 Comments about the blend of skills/ expertise on Board but noting that in the current environment all Board Members need to be clear on the finances.
  - 4.4.2 The Board discussed and acknowledged the transition of both the Board and the Executive Committee and that there are actions already underway on skills and composition.
  - 4.4.3 The Board noted consensus on the effectiveness of the Chair however recognising a period of transition with the Executive Chair completing both roles in the interim of appointing a new CEO.
  - 4.4.4 The gap between Board and Executive on asking relevant questions of Management.
  - 4.4.5 The theme of how Management can get the best out of the Board with Board enabling as well as holding Executive to account.
  - 4.4.6 Views on Board Member engagement with stakeholders and whether this should be broadened responsibility.
  - 4.4.7 The Board commented that the results were predominantly positive and there was general alignment in the Board and Executive responses.
  - 4.4.8 The Board discussed that the openness and transparency of reporting to the Board is felt to be on an upward trajectory however there have been examples where papers have been submitted to Board Members with little or no opportunity to influence the decision required.
  - 4.4.9 Non-Executive Directors recognise the importance not to blur lines of responsibility and inadvertently lead to lack of independence of thought and agreed that some 'red lines' of roles and responsibilities might be useful.
  - 4.4.10 There was consensus that the Board and Executive would benefit from spending more time together and the concept of 'Board Clusters' should be explored to tackle some more critical thinking issues.
  - 4.4.11 The Board discussed that the strategy is not considered in the same way at HS2 Ltd and so the role of the Board and the interface with the DfT could be better classified.

**4.5 It was agreed that the draft actions would be reviewed further and shared with the Board Members further.**

**Action: Non Owen**

4.6 The Chief People Officer, Systems Delivery Director, Phase Two Managing Director, Civils Delivery Director and [REDACTED] left the meeting.

## **5 Phase One Cost Associated Activities – February Update (HS2B\_23-123)**

5.1 The Programme Controls Director joined the meeting.

5.2 The Board received and noted the Phase One Cost Associated Activities – February Update paper, as included within the meeting papers.

5.3 The Board were asked to note the updated position for February 2024 regarding key Phase One Cost associated activities, building on the information provided in January 2024.

5.4 The following key points were raised and noted:

5.4.1 The CFO introduced the topic and gave a summary and overview of the approach taken to date noting agreement to accommodate the request of the DfT on the approach taken to the work but that the level of effort needed to be focussed on the judgements required to get an output rather than the process being used.

5.4.2 The Programme Controls Director provided context for what the original expectation for the work was, i.e., an adds and omits exercise versus the changed but now agreed process to run a series of workshops with the DfT, with Curzon Street used as a pilot to the approach.

5.4.3 The Board noted that the increase to process results in a potential risk for the level of detail which is requested which would benefit more time to agree in advance.

5.4.4 The Board commented that this could also lead to a level of 'analysis paralysis'.

5.4.5 The Board noted a key activity would be to agree on judgements for risks and efficiencies.

5.4.6 Management advised that supply chain backed numbers is the starting point of the data set, delineated with overlays and judgements applied, a review of the cost to go and then a piece on efficiencies. However, it was noted that this is asset category dependant.

5.4.7 [REDACTED]

- 5.4.8 Management advised that the schedule of meetings would be shared with Board Members and sessions would be allocated proportionately.
- 5.4.9 The Board noted the timeline proposed to complete the work but that in reality this would be expected to continue to run through April 2024.
- 5.4.10 It was suggested that a 'wash up' session be held with the Board on the morning of 26 March 2024.

**Action: Company Secretariat for scheduling**

5.5 The Board went onto discuss specific elements of updates informing the materials covering:

[REDACTED]

- 5.6.1 The Board noted that the update provided was more about process and further iterations will need to be incorporated into the [REDACTED] and Management Information.
- 5.6.2 The Board noted that following lessons learned from the [REDACTED]  
[REDACTED]  
[REDACTED]
- 5.6.3 The Board advised that the content of the [REDACTED] felt repetitive and that there were no new initiatives visible. Management will review this through workshops as there is a risk this is being lost at a higher level.
- 5.6.4 The Board requested visibility of the actions which are being taken in order to deliver efficiencies.
- 5.6.5 The Board requested a cohesive narrative to explain what is in and out of this remit of work.
- 5.6.6 The Board requested previous drivers identified through the Silverlight work be reintroduced.
- 5.6.7 The Board noted that broader targets are being reviewed and the cost of delivering on some of these from a Value for Money point of view.

5.7 Efficiencies

- 5.7.1 The Board noted that efficiency targets have received significant focus at Executive and MWCCs levels.
- 5.7.2 Following initial work undertaken since September 2023, efficiency opportunities have decreased due to:
  - 5.7.2.1. The impact of the Network North (NN) announcement.
  - 5.7.2.2. The deferral of the [REDACTED]
  - 5.7.2.3. Items in the hopper not achieved for a variety of reasons.
- 5.7.3 The Board noted that the Executive Committee will meet further on this matter on 07 March 2024.

5.7.4 The Board noted that there will need to be a balanced position demonstrating a level of ambition but recognising that there are some legacy issues which will impact.

5.7.5 The Board requested that the element of time needs to be explained which leads to erosion of opportunities.

## 5.8 Resourcing

5.8.1 The Board noted that due to an unexpected volume of work to deliver the workshops, in an environment where parallel instruction is for HS2 Ltd to be more efficient, there has been a required use of consultancy involvement to support the work.

5.9 The Board noted the update and offered Management any further support required.

5.10 The Programme Controls Director left the meeting.

## **6 Integration update and Integration Gateway Report findings (HS2B\_23-124)**

6.1 The Integration Director joined the meeting.

6.2 The Board received and noted the Integration update and Integration Gateway Report findings paper, as included within the meeting papers.

6.3 The Board were asked to note:

6.3.1 The governance and organisational arrangements.

6.3.2 The integration gateway No 1 findings.

6.3.3 The next steps.

6.4 The following key points were raised and noted:

6.4.1 The Committee noted work which has been taking place over the previous year in order to strengthen the focus on integration including changes to the Management level Systems Integration Authority (SIA) including widening attendance to include representation from Network Rail and the West Coast Partner.

6.4.2 The Board noted that integration and interfacing are critical issues for the Programme currently.

6.4.3 The Board noted activity of the Local Integration Units (LIUs).

6.4.4 Management advised of the strengthening to the Programme due to the creation of the Chief Railway Officer role and Directorate which addresses lessons from Crossrail in order to get a better view of technical accountability.

6.4.5 The Board noted the strengthening of the Systems Review Panel (SRP).

- 6.4.6 The Board noted that there will be a deep dive provided at a future meeting on technical Management Information.
- 6.4.7 A review of operational versus procedural requirements will be undertaken in order to understand the volume of documents required and provide clarity as to the management of the railway.
- 6.4.8 The Board noted that integration responsibility remains with HS2 Ltd, and this has not been disaggregated.
- 6.4.9 Management advised that the ability to report on these matters at Board level is positively received and helps the topic gain traction.
- 6.4.10 The Board noted that Joanna Davinson will review the Digital Twin workstream on behalf of the Board.

6.5 The Board noted the updates.

6.6 The Integration Director left the meeting.

## 7 Strategic Risk Register (HS2B\_23-125)

7.1 The Risk Director joined the meeting.

7.2 The Board received and noted the Integration update and Integration Gateway Report findings paper, as included within the meeting papers.

7.3 The Board were asked to:

7.3.1 Note the set of Draft Strategic Risks.

7.3.2 Comment on the articulation of the risks provided, the assessment of severity and the adequacy of controls and further interventions.

7.3.3 Note the coverage of the Draft Strategic Risks in the Audit, Corporate and Programme Assurance planning for 2024/25.

7.4 The Board noted that the draft strategic risks have been developed from a previous version and will seek sign off at the March Board meeting.

7.5 The Chair of the Audit and Risk Assurance Committee confirmed that good progress has been made however there is some more work to follow including how these risks will be overseen once agreed.

7.6 The following key points were raised and noted against the register:

7.6.1 **The Board queried whether risk 4 was strategic.**

7.6.2 **The Board felt that the** [REDACTED]

7.6.3 **The Board questioned the scoring of risk 15 and whether this could be heightened.**



- 7.6.4 **The Board queried whether the implication of Phase 2 cancellation would impact reputation and whether this should be included.**
- 7.6.5 **The Board queried the implications of risk 7 materialising.**
- 7.6.6 **The Board advised that the accompanying detail pages to each risk was helpful.**
- 7.6.7 **The Board noted that there were a number of actions and interventions contained in the detail and how to show which of these were more aspirational rather than in hand with controls in place.**
- 7.6.8 **The Board queried whether the forecast score for risk 2 was high enough.**
- 7.6.9 **The Board requested revision to the narrative for risks 1-4.**
- 7.6.10 **The Board requested that risk 9 be reviewed.**
- 7.6.11 **The Board requested more work on the assurance coverages appendix.**

**Actions:** [REDACTED]

- 7.7 The Board noted the updates.
- 7.8 The Risk Director left the meeting.

## **8 DfT SRO Update (HS2B\_23-120)**

- 8.1 The Department for Transport (DfT) Senior Responsible Officer (SRO) joined the meeting.
- 8.2 The Board received a verbal update on DfT activity / focus during the period, including:
  - 8.2.1 The SRO congratulated the Programme on the milestone achieved of the Florence TBM breakthrough noting this as ahead of schedule.
  - 8.2.2 The Board noted that [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
  - 8.2.3 The Board noted [REDACTED]  
[REDACTED]
  - 8.2.4 Engagement with Management on the [REDACTED] noting the pilot on Curzon Street as previously referenced.
  - 8.2.5 Revised [REDACTED]  
[REDACTED]  
[REDACTED]. The DfT also recognise the requirement for stability of scope to support a stable schedule.
  - 8.2.6 Involvement with the [REDACTED] which has been met with cross - Government backing.

- 8.2.7 [REDACTED]
- 8.2.8 [REDACTED]
- 8.2.9 [REDACTED]
- 8.2.10 [REDACTED]
- 8.2.11 The SRO confirmed that private financing options were welcomed from HS2 Ltd, and this would inform scenario planning due in Autumn.
- 8.2.12 The Board discussed the role of the West Coast Partner and suggested that this is a potential discussion at a future Sponsor Board.

8.3 The Board noted the updates.

8.4 The DfT SRO left the meeting.

## 9 Report from Health, Safety and Security Committee 01 February 2024 (HS2B\_23-126)

- 9.1 The Board noted the report from the Health, Safety and Security Committee on 01 February 2024, as included in the meeting pack.
  - 9.1.1 The Committee had been attended by SCS JV in order to discuss a recent safety incident. The session had been received positively with an honest discussion taking place.
  - 9.1.2 The Board queried the detail of the incident including involvement of the Health and Safety Executive noting that a review of controls is taking place [REDACTED]
  - 9.1.3 The Committee had debated the use of the Health and Safety Performance Indicator (HSPI) metric noting that the existing metrics will be used, with slight tweaks for one more year and in summer 2024 a full review will be undertaken to make this more relatable.
  - 9.1.4 The Committee had been notified that there has been no reporting on health incidents from the supply chain which will be an area of focus to review.
- 9.2 The Board noted the update.

## 10 Report from Environmental Sustainability Committee 02 February 2024 (23-127)

10.1 The Board noted the report from the Environmental Sustainability Committee on 02 February 2024, as included in the meeting pack.

- 10.1.1 The Committee had received an update on the status of consents noting that the Committee have been kept apprised on the internal control over the matter leading to more strategic engagement with external parties allowing HS2 to be better positioned as a national endeavour.
- 10.1.2 Management advised that correspondence is being sent to the Environment Agency from the Executive Chair in advance of a meeting.
- 10.1.3 The Committee had received an update on public perceptions, noting that the highest proportion of responses remains with no view either way to the Programme.

10.2 The Board noted the update.

## 11 Report from Audit and Risk Assurance Committee 08 February 2024 (23-128)

11.1 The Board noted the report from the Audit and Risk Assurance Committee on 08 February 2024, as included in the meeting pack.

11.2 The Board noted that the Committee had an extensive meeting covering:

- 11.2.1 The Risk, Control and Assurance Management Information.
- 11.2.2 Open assurance actions and a plan to improve actions coming from P-Rep.
- 11.2.3 Risk improvement.
- 11.2.4 **Cyber security. It was agreed that a copy of the paper would be shared with Joanna Davinson.**

**Action: Company Secretariat**

- 11.2.5 A recent design cost review.
- 11.2.6 Cost Verification and Counter Fraud and Business Ethics.
- 11.2.7 Audit plans.
- 11.2.8 The annual accounts process.
- 11.2.9 ARA treatment

11.3 The Board noted the update.

## **12 Verbal Update from Finance and Performance Committee 27 February 2024 (23-129)**

12.1 The Committee Chair provided a verbal update from the Finance and Performance Committee on 27 February 2024.

12.2 The Board noted the areas of consideration from the meeting including:

12.2.1 Risk.

12.2.2 Rolling Stock.

12.2.3 Lessons learned on design at MWCC feeding into Rail Systems noting a series of briefings which will be held.

12.2.4 Progress on the [REDACTED]

12.2.5 Current in-year cost and anticipated [REDACTED]

12.2.6 Deep dives into OOC and MWCC.

## **13 Forward Look, AOB and Close (HS2B\_23-130)**

13.1 The Board noted the Forward Look which would be updated following the discussions of the day.

13.2 There being no further business the meeting was closed.