

Meeting minutes

HS2 Ltd Board

Meeting date Wednesday, 27 March 2024

Meeting location The Podium, London

Meeting time 09:00-14:45

Members	Attendees	Apologies
Elaine Holt (Chair) Non-Executive Director	██████████ (item 13) Stations Delivery Director	Tom Harris Non-Executive Director
Joanna Davinson Non-Executive Director	██████████ (item 6) Risk Director	
Alan Foster Chief Financial Officer	Emma Head Chief Railway Officer	
Stephen Hughes Non-Executive Director	██████████ (item 5) Programme Controls Director	
Ian King Non-Executive Director	██████████ Advisor to the Board	
Nelson Ogunshakin Non-Executive Director	██████████ (item 7) Head of CFO Office Special Projects	
Keith Smithson Non-Executive Director	Alan Over (item 3) DfT Senior Responsible Officer (SRO)	
Jon Thompson Executive Chair	Non Owen Company Secretary	
	██████████ (item 8) Civils Delivery Director	
	Tim Smart (item 9) Phase Two Managing Director	
	██████████ (item 13) Head of Stations Contracts Integration	

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 received a values moment from Stephen Hughes.

2 Minutes of the Previous Meeting and Matters Arising (HS2B_23-131 and HS2B_23-132)

- 2.1 The minutes of the meeting held on 28 February 2024 were approved as an accurate record of the meeting.
- 2.2 The Board noted that there is a reasonable level of detail in the Board minutes however noted that there is a redaction process in place prior to publication in order to restrict any sensitive and commercial information which would be damaging if prematurely released publicly.
- 2.3 The Board noted the status of the actions.

3 DfT SRO Update (HS2B_23-133)

- 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 anticipated funding agreement position.
 - 3.2.2 Progress to agree [REDACTED]g.
 - 3.2.3 [REDACTED].
 - 3.2.4 High Speed Rail Systems (HSRS) ahead of the anticipated contract award noting that there is external governance which needs to be navigated.
 - 3.2.5 Scope Reset.
 - 3.2.6 DfT Organisational Change to allow for accountability for NPR noting that Nick Bisson to move to Accounting Officer for the same.
 - 3.2.7 Continued discussions on the implications of the Network North announcement including revised accountability for Northern Powerhouse Rail (NPR) and scheduling of future reporting to the Public Accounts and Transport Select Committees.
 - 3.2.8 CEO and NED recruitment progress.
- 3.3 The Board noted the updates.
 - 3.3.1 Management advised that in this interim period to navigate the Network North implications there is an additional level of information requests coming into the business to support this and there is some work required for better alignment.
 - 3.3.2 The DfT continue to review the commercial appetite at Euston Station noting the interface required with private financing options.
- 3.4 The DfT SRO left the meeting.

4 Executive Chair Summary – March 2024 (HS2B_23-134)

- 4.1 The Board received and noted the Executive Chair Summary for March 2024, as included within the meeting pack.
- 4.2 The following key points were raised and noted:
- 4.2.1 The update was taken as read due to the [REDACTED] discussion which had taken place the previous day, moving key parts of the update forward since submission.
 - 4.2.2 The Executive Chair noted [REDACTED]
 - 4.2.3 The Board queried the process for managing the volume of requests being seen from the DfT during this period of transition, noting that the Sponsorship and Shareholder Relations Director takes responsibility to sign off all requests, [REDACTED].
 - 4.2.4 **The Board received an update from the CRO on the Scope Reset workstreams and it was agreed that the slides would be made available to the Board.**

Action: Non Owen
 - 4.2.5 The Board received an update on the Strategic Change Coordination Office (SCCO).
 - 4.2.6 The Board noted the volume of activity in the business and that following Executive level review, the heatmap would be revised to show additional red rating than as currently submitted in areas. The Board asked on what support could be given, and it was agreed that a reduction of reporting activity would be considered, noting that there was also a broader 'rewiring' required and this would be done via the reorganisation work.
 - 4.2.7 **It was agreed that a SCCO report would be provided to the Board as a standing item however the Board requested that the report stops distinguishing 'enabling' from 'delivery' with colours etc.**

Action: Chief of Staff
- 4.3 The Board noted the updates.

5 Phase One Cost Associated Activities – March Update (HS2B_23-135)

- 5.1 The Programme Controls Director joined the meeting.
- 5.2 The Board received and noted the Phase One Cost Associated Activities – March Update paper, as included within the meeting papers.

5.3 The Board received a verbal update from the CFO together with the matters which had been discussed the previous day where it had been agreed that:

5.3.1 A timetable would be developed by the Executive Committee in order to determine what needs to be known by when to increase confidence in the [REDACTED].

Action: Alan Foster

5.3.2 The Board noted the challenge to present the volume of information due to the various working sets which have been produced and Management requested engagement of some Board Members to test whether a pilot template could be used for different parts of the Programme on a monthly basis.

5.3.3 It was further suggested that appropriate Committees be used for specific topics i.e., People Committee to review indirects.

5.3.4 It was agreed that the final position on Going Concern would be shared with the Board noting the continuing discussions on contingency allocation.

Action: Alan Foster

5.3.5 The Board requested visibility of the [REDACTED] at the appropriate time, noting advice that this should follow once the already agreed actions have been completed.

Action: Alan Foster

5.4 The Board noted the update.

5.5 The Programme Controls Director left the meeting.

6 Strategic Risk Register (HS2B_23-136)

6.1 The Risk Director joined the meeting.

6.2 The Board received and noted the Strategic Risk Register paper, as included within the meeting papers.

6.3 The Board were asked to:

6.3.1 Approve the set of Strategic Risks.

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

6.3.3 Note the proposed governance and reporting arrangements for Strategic Risks.

6.3.4 Comment on the proposed format for reporting.

6.4 The following key points were raised and noted:

- 6.4.1 The Board noted that risk had been under a period of scrutiny and review for some time and following improvements made, the aspiration was to move away from reviewing the procedural element of this going forward.
- 6.4.2 The Chair of the Audit and Risk Assurance Committee (ARAC) confirmed that good progress had been seen by the Committee in this area and now the focus was on the management of risk.
- 6.4.3 The Board approved the Strategic Risk Register, whilst noting that this was iterative subject to:

- 6.4.3.1. Amendment of Strategic Risk 9.**

- 6.4.3.2. Amendment of Strategic Risk 13.**

- 6.4.3.3. Removal of Strategic Risk 15 noting that this has too much external reliance to be managed and mitigated solely by HS2 Ltd.**

Actions: [REDACTED]

- 6.4.4 The Board noted that there is future work planned to address risk appetite and this will be progressed with the ARAC.
- 6.4.5 The Committee noted that the governance and reporting arrangements would be refined including what level of engagement will be taken to Sub-Committees of the Board.
- 6.4.6 The Board expressed thanks to Management for the work on this matter.
- 6.4.7 The Board noted that the Strategic Risks will be reported publicly via the Annual Report and Accounts.

6.5 The Risk Director left the meeting.

7 Corporate KPIs 2024/25 (HS2B_23-137)

- 7.1 The Head of CFO Office Special Projects joined the meeting.
- 7.2 The Board received and noted the Corporate Key Performance Indicators (KPIs) 2024/25 paper, as included within the meeting papers.
- 7.3 The Board were asked to:
 - 7.3.1 Approve the proposed draft set of KPIs for submission to DfT Ministers, subject to feedback.
 - 7.3.2 Approve delegation to the Executive Chair to agree any final amendments to KPIs with the DfT SRO.
- 7.4 The following key points were raised and noted:
 - 7.4.1 The Board requested that this decision be delegated to the People Committee (the now expanded remit for the Remuneration Committee).**

Action: Alan Foster

7.4.2 The Board requested that a view of the previous KPIs is sent to the Committee with the proposal for a comparison of the changed position.

Action: Alan Foster.

7.4.3 The Board noted that the KPIs have been set during a period of ambiguity due to the reset and that agreement with the DfT not to include broader Performance Indicators (PIs) had not yet been reached.

7.4.4 The Board noted that the performance against the 2023/2024 KPIs would be further considered, with a view of which have been achieved, missed and affected by Scope Reset and Government delays.

7.4.5 The Board noted that KPIs are reportable publicly in the Corporate Plan and Annual Report and Accounts.

7.5 The Head of CFO Office Special Projects left the meeting.

8

[REDACTED]

[REDACTED] **(HS2B_23-138)**

8.1 The Civils Delivery Director joined the meeting.

8.2 The Board received and noted the [REDACTED] slides, as included within the meeting papers.

8.3 The following key points were raised and noted:

8.3.1 The Civils Delivery Director framed the context for the update noting that this is a fast-moving position.

8.3.2 The Board noted [REDACTED]
[REDACTED]
[REDACTED]

8.3.3 [REDACTED]
[REDACTED].

8.3.4 The Board queried what element of this would be [REDACTED]
[REDACTED]
[REDACTED]

8.3.5 The Board [REDACTED]
[REDACTED]

Action: [REDACTED]

8.3.6 The Board [REDACTED]
[REDACTED].

Action: [REDACTED]

8.3.7 [REDACTED]
[REDACTED]

- 8.3.8 [REDACTED]
- 8.3.9 [REDACTED]
- 8.3.10 It was agreed that the DfT Board Member would engage with the DfT SRO for how to progress this matter.
- 8.3.11 The DfT Board Member would also pursue the future MTF meetings.
- 8.3.12 The Board suggested engagement of the Cabinet COO as a potential way to expedite matters such as this.
- 8.3.13 The Board noted the update and went on to receive a briefing on the status of MWCC C1 North. The Board noted and agreed with the direction of travel and that the outcome of this needed to be included within the [REDACTED]

- 8.4 The Board noted the updates.
- 8.5 The Civils Delivery Director left the meeting.

9 Phase 2 Close Down (HS2B_23-139)

- 9.1 The Phase 2 Managing Director joined the meeting.
- 9.2 The Board received and noted the Phase 2 Close Down slides, as included within the meeting papers.
- 9.3 The Board noted that the update was provided to demonstrate progress of Phase 2 closure activities and current status of future workstreams.
- 9.4 The Board noted the Phase 2 Closure Scope as:
 - 9.4.1 [REDACTED]
 - 9.4.2 [REDACTED]
 - 9.4.3 [REDACTED]
 - 9.4.4 [REDACTED]
 - 9.4.5 [REDACTED]
- 9.5 The Board noted future workstreams including:

- 9.5.1 [REDACTED].
- 9.5.2 NPR development works including any new work instructions from DfT.
- 9.5.3 [REDACTED].

9.6 The following points were raised and noted:

- 9.6.1 Management confirmed that** [REDACTED]
[REDACTED]
[REDACTED]

Action: Tim Smart

- 9.6.2 [REDACTED]
[REDACTED]

- 9.6.3 The Board [REDACTED]
[REDACTED] however noting the Executive Chair intervention that there are numerous factors to consider ahead of any resale.

9.7 The Board:

- 9.7.1 [REDACTED]
[REDACTED]
[REDACTED].

- 9.7.2 Noted the proposed programme to deliver works to closedown of Phase 2a, including all remediation works (incl. Phase 2b).

- 9.7.3 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

- 9.7.4 [REDACTED]
[REDACTED]

- 9.7.5 Noted that the current proposed corporate recharge would be subject to review following the HS2 organisational review.

9.8 The Phase 2 Managing Director left the meeting.

10 Board Effectiveness Review Outputs (HS2B_23-140)

10.1 The Board received and noted the Board Effectiveness Review Outputs slides, as included within the meeting papers.

10.2 The following points were raised and noted:

- 10.2.1 The Board received and agreed the seven actions from the Board Effectiveness Review and that the outcome of this review will be reported through the Annual Report and Accounts.

- 10.2.2 The Board noted the ongoing Bain & Co and Arms Length Body (ALB) work to review the use of time between HS2 and DfT, ways of working and the future corporate form of HS2 Ltd. This will form a potential item to a future Board following conclusion in following weeks.

11 Report from Remuneration Committee 18 March 2024 (HS2B_23-141)

- 11.1 The Board noted the report from the Remuneration Committee on 18 March 2024, as included in the meeting pack which was taken as read.
- 11.2 The Board were asked to approve the People Committee Terms of Reference.
- 11.3 The following key points were raised and noted:
- 11.3.1 The Committee Chair advised the Board of the volume of effort and energy being exerted to required approvals through government and have requested a meeting with the DfT in order to find more efficiency.
 - 11.3.2 The Committee were pleased to advise of the recent role approvals received.
 - 11.3.3 The Committee had considered an update on [REDACTED].
 - 11.3.4 **The Committee had received a comprehensive audit on Equal Pay where no systemic issues had been identified. It was agreed that Stephen Hughes would be briefed on this matter due to previous experience with the same.**
Action: Non Owen
 - 11.3.5 The Board approved the Terms of Reference for the People Committee (which is an expanded remit of the previous Remuneration Committee).
- 11.4 The Board noted the update.

12 Report from Commercial and Investment Committee 19 March 2024 (HS2B_23-142)

- 12.1 The Board noted the report from the Commercial and Investment Committee on 19 March 2024, as included in the meeting pack.
- 12.2 The Board noted the update and that a summary would be provided against the next item which was considered by the Committee.

13 Station Common Components – [REDACTED] (HS2B_23-043)

13.1 The Stations Delivery Director and Head of Stations Contracts Integration joined the meeting.

13.2 The Board received and noted the [REDACTED] as included within the meeting papers.

13.3 The Board were asked to approve:
[REDACTED]
[REDACTED]

13.4 The following points were raised and noted:

13.4.1 [REDACTED]

13.4.2 The Board noted the difference in the paper submitted to the Board and the report from the CIC which had focused in more detail on the importance of maintenance to ensure focus of mind for the supplier to provide resilient design.

13.4.3 The Board noted the r [REDACTED]

13.4.4 The Board challenged [REDACTED]

13.4.5 The Board noted [REDACTED].

13.4.6 The Board noted that [REDACTED]

13.4.7 The Board noted that the CIC had discussed the risk of design change following procurement, noting the test in law to be reasonably practicable and needs to factor in the safety argument. Management advised that the procurement process must continue as dispatch and other elements are matured.

13.4.8 The Board requested clarity and articulation about the continued requirement for this following the changes made.

Action: Huw Edwards.

13.4.9 The Board noted that the Railways and Other Guided Transport Systems (Safety) Regulations 2006 (ROGS) plays a part in this and that HS2 Ltd and Crossrail Limited are the only railways in the UK to do so.

13.4.10 The Board queried whether the UK interpretation of European Regulations could lead to avoidable costs.

13.5 The HS2 Ltd Board approved:

[REDACTED]

13.6 The Stations Delivery Director and Head of Stations Contracts Integration left the meeting.

14 Verbal Update from Finance and Performance Committee 26 March 2024 (HS2B_23-144)

14.1 The Committee Chair noted that all in attendance had been present at the Finance and Performance Committee on 26 March 2024 and as such no update was required.

15 Forward Look, AOB and Close (HS2B_23-145)

15.1 The Board noted the Forward Look.

15.2 There being no further business the meeting was closed.