

# Meeting minutes

## HS2 Ltd Board

**Meeting date** Wednesday, 31 July 2024

**Meeting location** The Podium, London

**Meeting time** 09:00-15:30

Members	Attendees	Apologies
Elaine Holt (Chair) Non-Executive Director	██████████ (IT Security Briefing Only) Principal IT Security Manager	David Goldstone Non-Executive Director
Joanna Davinson Non-Executive Director	██████████ (IT Security Briefing Only) Templar	Ian King Non-Executive Director
Alan Foster Chief Financial Officer	██████████ (item 7 only) Commercial Delivery Director – Civils and Services	Nelson Ogunshakin Non-Executive Director
Emma Head Chief Railway Officer	██████████ Advisor to the Board	
Stephen Hughes Non-Executive Director	Non Owen Company Secretary	
Keith Smithson Non-Executive Director	██████████ (item 7 only) Project Client for EKFB	
Jon Thompson Executive Chair	██████████ General Counsel	
	██████████ (IT Security Briefing Only) Templar	
	██████████ (IT Security Briefing Only) Chief Information Officer	

## 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 David Goldstone, Ian King and Nelson Ogunshakin.
- 1.4 No new/additional conflicts of interest were declared.

- 1.5 The Board received a Values Moment from Keith Smithson with regard to leadership and the use of lessons learned to shape and improve culture of organisations.

## **2 Minutes of the Previous Meeting and Matters Arising (HS2B\_24-040 and HS2B\_24-041)**

- 2.1 The minutes of the meeting held on 26 June 2024 were approved as an accurate record of the meeting.
- 2.2 The Board noted the status of the actions.

## **3 DfT SRO Update (HS2B\_24-042)**

- 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 Engagement with new Government Officials to brief on the status of the Programme covering cost, schedule and the incoming anticipated High Speed Rail Systems (HSRS) contracts.
  - 3.2.2 The Board noted that there is a high level of activity and energy being observed as political direction emerges and ways of working are established.
  - 3.2.3 The Board noted that the emerging themes include transport driving economic growth through better connectivity and there is a focus on delivering in partnership with Local Authorities and Stakeholders.
  - 3.2.4 The Board noted that there are plans to look at rail and bus reform and this would be done with a wider industry view and working with Great British Railways.
  - 3.2.5 The Board noted that an initial meeting has been held with the SofS which predominantly focussed on the cost of the Programme and there will be anticipated interventions made following this. It was noted that some of these may be dependent on the timing of the arrival of the new CEO.
  - 3.2.6 The Board noted that the Ministerial Taskforce (MTF) meeting will be reestablished and welcomed this.
  - 3.2.7 The Board noted that there is a planned review of the delegations and controls in place at HS2 Ltd and some options to review structure and composition.
  - 3.2.8 The Board noted the continued commitment to the need for future infrastructure and wider options but that this will require further thinking on redemption of capacity and investment including work which has already been produced to support this.
  - 3.2.9 The Board noted that there will need to be follow up communications from the DfT to reiterate where Programme critical decisions are needed and the timeline for the same.

- 3.2.10 The DfT SRO advised that the latest position on the [REDACTED] is being received well and advised that Ministers have been briefed to apply leverage if required to support.
- 3.2.11 Disappointment has been expressed with schedule pressure being observed on one of the Projects however this is positive and transparent to air the issue in order to understand any broader implications.
- 3.2.12 The DfT remain engaged with reviewing the strategic schedule and observed that there have been some tactical responses observed to date and so continue to challenge on where there are more proactive options and steps being taken.
- 3.2.13 The continued progress of the HSRS through DfT and Government governance noting the suggestion of a control point insertion post design.

3.3 The Board noted the updates.

3.4 The Department for Transport (DfT) Senior Responsible Officer (SRO) left the meeting.

## 4 Executive Chair Summary – June 2024 (HS2B\_24-043)

4.1 The Board received and noted the Executive Chair Summary for July 2024, as included within the meeting pack.

4.2 The following key points were raised and noted:

**4.2.1 The Board noted that a positive meeting had been held with the SofS where some key statistics were shared. It was agreed that these would be made available to the HS2 Ltd Board.**

**Action: Non Owen**

4.2.2 An update was given to the SofS [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

4.2.3 Update was provided to the SofS on the current schedule view.

4.2.4 A meeting has been held with the Executive Chair and the Chair of Network Rail on an [REDACTED]

4.2.5 The Board noted that the Executive Chair has been briefed on the planned independent review into the [REDACTED]

4.2.6 The Board noted that there should continue to the focus on the Lowest Cost Action Plan (LCAP) for cost and schedule of the Programme and ways of working with the new Government are developing.

4.2.7 The Board noted that previous reviews and work has concluded that the culture has changed on the reporting of cost of the Programme.

- 4.2.8 The Executive Chair shared a verbal update on the planned review of the governance and composition of the organisation and that the remit of this work is being developed.
- 4.2.9 The Board noted the introduction of [REDACTED]  
[REDACTED]  
[REDACTED]
- 4.2.10 The Board received a verbal update on the potential for instructed continuation of other activities and how this would be delivered.
- 4.2.11 The Board noted the report of the National Audit Office (NAO): "HS2: update following cancellation of Phase 2" as included in the meeting pack. The Board received the report positively noting that the recommendations made for HS2 Ltd are already in hand.
- 4.2.12 The Board received a verbal update on [REDACTED]  
[REDACTED]. Further updates and actions on this matter will be reported via the Audit and Risk Assurance Committee (ARAC).
- 4.2.13 The Committee noted the planned changes to the Board Sub-Committees to be effective as of 01 September 2024.

4.3 The Board noted the updates.

## **5 Phase One Cost Associated Activities Update – July Board (HS2B\_24-044)**

- 5.1 The Board received and noted the Phase One Cost Associated Activities Update as included within the meeting pack.
- 5.2 The HS2 Ltd Board were asked to note the update on Phase One cost related activities since the June Board meeting.
- 5.3 The following key points were raised and noted:
  - 5.3.1 The Board noted that there was no new information provided for this month, as the activity has primarily been around engaging with the DfT on the information seen on cost and forecast cash requirements.
  - 5.3.2 The Board were notified of the [REDACTED] and the plan to agree this with the incoming CEO.
  - 5.3.3 The Deputy Chair shared feedback that the DfT have not felt engaged to date on updating the MI and it was noted that the HS2 Ltd PMO Director will lead engagement with [REDACTED] of the DfT.
  - 5.3.4 The Board noted the need for the MI to be reflective of the work to date however there remains red data which needs to continue to be included due to developing maturity and note the need to be transparent on what is and is not included.

- 5.3.5 The Board noted the importance to differentiate forecast from baseline.
- 5.3.6 The Board noted that use of the MI at the Ministerial Taskforce (MTF) will be fundamental, however the timing for this meeting remains unknown.
- 5.3.7 The Board noted that Phase level risk has been through a robust process and so Management feels confident to use this. However, [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 5.3.8 The Board noted that [REDACTED]  
[REDACTED]
- 5.3.9 The Board discussed the drivers to reach a position for a March 2024 EAC which had been driven by a commitment to inform a business case by the DfT. The Board noted the planned timing for [REDACTED]  
[REDACTED]  
[REDACTED]
- 5.3.10 [REDACTED]  
[REDACTED]  
[REDACTED]
- 5.3.11 The Board noted that an outcome of [REDACTED] carries a risk that findings indicate a material change to reporting.
- 5.3.12 The Board noted that [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 5.3.13 The Board noted that forward inflation is yet to be reconciled in the pricing.
- 5.3.14 The Board noted that adjustments have been made for On Network Works and Euston and requested that this is shown in more detail.**
- Action: Alan Foster**
- 5.3.15 The Board noted that focus remains on the Lowest Cost Action Plan (LCAP), noting that this has been done whilst the difference of option remains on the EAC against which to assess.
- 5.3.16 The Board noted that [REDACTED] would be reported to the September Board meeting and dialogue with the DfT will continue in the intervening period.

5.4 The Board noted the update.

**6** [REDACTED] (HS2B\_24-045)

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

6.2 The Board received and noted the paper which proposed approaches for governance and approvals for the ongoing [REDACTED]

6.3 The HS2 Ltd Board were asked to:

6.3.1 Endorse the proposed governance approach for [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

6.3.2 Note existing levels of delegated authority remain unchanged.

6.3.3 Note where [REDACTED] outcomes do not land within the limits of existing delegated authority the established HS2 Ltd/DfT governance framework will be applied.

**6.4 Management presented slides to the Board in support of the conversation.** [REDACTED]  
[REDACTED]  
[REDACTED]

**Action: Non Owen**

6.5 The Board noted the presentation would appraise on:

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

6.6 The following key points were raised and noted:

6.6.1 The Board noted that there is evidence that [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

6.6.2 The Board noted the nine step process to prove or disprove these arguments.

6.6.3 Management advised that [REDACTED]  
[REDACTED]

6.6.4 The Board noted that there has been positive [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

6.6.5 The Board noted that [REDACTED]  
[REDACTED]  
[REDACTED]

**6.6.6 The Board noted that [REDACTED] there may need to be a requirement for Board governance in August 2024 and a placeholder date would be issued in the event a meeting needs to be convened.**

**Action: Non Owen**

6.6.7 The Board noted the status of the [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

6.6.8 In the meantime, it has been agreed that [REDACTED]  
[REDACTED]  
[REDACTED]

6.6.9 The Board queried [REDACTED]  
[REDACTED]  
[REDACTED]

6.6.10 The Board noted that there has been [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

6.6.11 The Board noted that [REDACTED]  
[REDACTED]

6.6.12 Management confirmed that [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

6.6.13 Management anticipate that there will need to be a caveat applied across the portfolios on the transaction of inflation to PAFI going forward.

6.6.14 The Board noted that a [REDACTED]  
[REDACTED]

- 6.6.15 The Board were provided with an update on an area of scope previously identified for movement of delivery. Since the recommendation was made there have been variables to the factors supporting this movement and a paper will be considered internally with a recommendation for Best for Programme delivery for the scope of work. At the time of reporting Management advised that there was compelling evidence for the change in strategy.
- 6.6.16 The Board noted that the decision to enact this change was within Executive level delegation remit and supported progression of the same.
- 6.6.17 The Board noted the mechanism to instruct the change and that strong leadership will be a condition and area of focus following the instruction.
- 6.6.18 The Board noted that a number of workshops are being held and there will be a requirement to review the resource to support this should there be further deviation from the collaborative model. Management agreed that the profiling of this requirement will be challenging to resource but there are options available on the existing framework.
- 6.6.19 The Board noted the summary and next steps.

6.7 The HS2 Ltd Board:

- 6.7.1 [REDACTED]
- 6.7.2 Noted existing levels of delegated authority remain unchanged.
- 6.7.3 Noted where contract reset negotiation outcomes do not land within the limits of existing delegated authority the established HS2 Ltd/DfT governance framework will be applied.

6.8 The Commercial Delivery Director for Civils & Services and Project Client for EKFB left the meeting.

## **7 Board Effectiveness Review – Action Updates (HS2B\_24-046)**

- 7.1 The Board received and noted the update on the status of the actions from the Board Effectiveness Review.
- 7.2 The HS2 Ltd Board were asked to:
  - 7.2.1 Note the proposed responses and points of actions against each topic.
  - 7.2.2 Note that engagement on these actions will also take place with the incoming CEO during onboarding activities.
  - 7.2.3 Continue to monitor the actions on a cyclical basis ahead of a proposed external Effectiveness Review in 2024/2025.



7.3 The Board noted and confirmed agreement with the proposed responses and actions as suggested in the paper.

7.4 **It was agreed that comments raised by the DfT would be picked up by the Company Secretary.**

**Action: Non Owen**

## **8 Verbal Update from Finance and Performance Committee 25 June 2024 (HS2B\_24-047)**

8.1 The Committee Chair provided a verbal update from the Finance and Performance Committee held on 30 July 2024 which had considered the following matters:

8.1.1 The Programme Review Performance Summary which had drawn focus to safety, cost, and emerging updates on various areas of the Programme.

8.1.2 The Board noted that there were and will continue to be escalation of some issues which are not fully understood or mature but that it was transparent and appropriate for the Board to be made aware of these.

8.1.3 The Scope and Funding Checkpoint for Forecast 1.

8.1.4 A deep dive on Integration Milestones.

8.1.5 A deep dive on Consents Risks (& KPI Proposals).

8.1.6 A deep dive on Old Oak Common.

8.1.7 A Finance and Performance MI Review.

8.2 The Board noted the update.

## **9 AOB/ Meeting Close/ Meeting Float**

9.1 The Board noted the Forward Look as provided in the meeting pack.

9.2 The Board noted that dates for 2025 and 2026 governance meetings would be shared and issued to Board Members.

9.3 The Board noted this meeting as the final being chaired by the Deputy Chair and that the Executive Chair will revert to his previous role at Chair to the HS2 Ltd Board for the September Board meeting. The Board thanked the Deputy Chair for discharging this duty and the contributions made in the interim period.

9.4 There being no further business the meeting was closed.