

# Meeting minutes

## HS2 Ltd Board

**Meeting date** Wednesday, 25 September 2024

**Meeting location** Snow Hill, Birmingham

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

Members	Attendees	Apologies
Jon Thompson (Chair) Chair	[REDACTED] REACH Network Co-Chair Strategic Partnerships Senior Manager	Keith Smithson Non-Executive Director
Joanna Davinson Non-Executive Director	[REDACTED] Deputy Project Manager (PIU) REACH Network Co-Chair	
Alan Foster Chief Executive Officer (Interim)	[REDACTED] Commercial Delivery Director - Civils and Services	
Emma Head Chief Railway Officer	Roger Mountford Advisor to the Board	
Elaine Holt Non-Executive Director	Non Owen Company Secretary	
Stephen Hughes Non-Executive Director	[REDACTED] Head of Health, Safety and Security - Stations 2gether Network Chair	
David Goldstone (item 4 onwards) Non-Executive Director	[REDACTED] General Counsel	
Ian King Non-Executive Director		
Nelson Ogunshakin Non-Executive Director		

## 1 Welcome, Quorum, Declarations of Interest and Values Moment

- 1.1 The Chair welcomed members and attendees to the meeting.
- 1.2 The Board noted that apologies for the meeting had been received from Keith Smithson for this meeting.
- 1.3 The Board noted a potential change to a business interest, and this will be minuted accordingly on confirmation.

- 1.4 The Board received a Values Moment from the CRO on safety and extreme weather conditions and the implication to sites.

## 2 Minutes of the Previous Meeting and Matters Arising (HS2B\_24-049 and HS2B\_24-050)

- 2.1 The minutes of the meeting held on 31 July 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\_24-051)

- 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 DfT SRO expressed thanks to Jon Thompson, Elaine Holt and Alan Foster for their respective involvement in covering roles and responsibilities in the absence of a CEO in post.
  - 3.2.2 It was noted that Jon Thompson and Elaine Holt had resumed duties as Chair and Deputy Chair respectively as of 09 September 2024 and that Alan Foster had taken on additional duties to fulfil the interim CEO position as of this date.
  - 3.2.3 The Board noted that the Government stance remains committed to infrastructure requirements however there remains key focus on Phase 1 delivery, noting that some policy decisions remain outstanding.
  - 3.2.4 [REDACTED]
  - 3.2.5 The Board noted and welcomed the plans to reinstate the Ministerial Taskforce (MTF) meeting and continued Parliamentary reporting.
  - 3.2.6 The Board noted the recent meeting of the Sponsor Board where queries have been raised on aspects of the schedule.
  - 3.2.7 [REDACTED]
  - 3.2.8 [REDACTED]
  - 3.2.9 The Board noted the review commissioned by the DfT to capture and apply the learning from projects to support continuous improvement and that HS2 Ltd

will be used as a test case within this review. Part of this review will look at the levels of control of change and contingency and following conclusion of the review a response will be required.

- 3.2.10 The Board noted that optionality to continue building from Phase 1 assets would be reviewed and the choices and implications associated with doing so.
- 3.2.11 The Board noted that the Management Information (MI) and reporting of the Programme will also be considered. Any changes to reporting would need to be enacted over a period of time and there will be tension created by the need to inform a best view to support the Spending Review, and what period of time this will cover. A collective choice will need to be taken on whether cash profiling is based on an Estimate at Completion (EAC), or not. The Board noted that the EAC Forecasting Methodology Review findings will be fundamental to this.
- 3.2.12 The Board noted that this review will also look at the ways of working and structure of Major Programmes including layers of assurance, and lines of defence used. Reference and experience from Crossrail Limited will also be used. The DfT SRO advised that the review will also evaluate the Commercial Model.
- 3.2.13 The Board noted that this review will run in parallel with other activities and the plan would be for an aligned release of outputs where possible.
- 3.2.14 The Board noted that an Infrastructure and Projects Authority (IPA) Review has also been commissioned and a planning meeting had been scheduled. The DfT SRO and HS2 Ltd Board note that this will introduce a heavy volume of activity into the business and the probable outcome of the review. The DfT SRO advised however that the findings may be an input into wider Government recommendations for Major Programmes.
- 3.2.15 The Board discussed the volume of activity for reviews taking place and, in an environment, when the start date of the incoming CEO was not yet available. Noting that the incoming CEO will also wish to have a view of the Programme, the Board queried the level of commission for such a piece of work, the intent of this and the timeframe to do so. Dependant on these factors, the Board sought assurance that the right level of capacity and capability was available to support the same. The DfT SRO offered a view that this might be a two staged approach, adapted as and when the start date for the CEO was better known.
- 3.2.16 [REDACTED]
- 3.2.17 The Board observed the volume of activity happening and the risk that with the timescales involved the detail behind the outputs may appear misaligned. The Board raised concern over the timescales involved and how to review any optimism bias and in the context of the ongoing Commercial Reset activity.

**3.2.18 The Chair summarised that it was important to focus on the funding envelope but also review the timescales involved across various workstreams. The interim CEO was requested to provide a plan for the same to the next Board meeting including the view to reach a January 2025 Board meeting where a number of outputs would be at or near conclusion.**

**Action: Alan Foster**

3.2.19 The Board queried and discussed the view of appetite and support from Government noting that the previous administration had been varying in strategic support and approach to delivery. The Board noted this as an opportunity to realign with the new Government.

3.3 The Board noted the updates.

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

## **4 Chair Summary – September 2024 (HS2B\_24-052)**

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

4.2 The following key points were raised and noted:

4.2.1 The Chair provided a summary of the current Political context and engagement with key stakeholders including SofS who remains clear that the priorities are for the safe delivery of the Programme with cost focus.

4.2.2 The Chair, interim CEO and CRO met with Lord Hendy in his capacity as incoming Minister of State for Rail to brief on the status of the Phase 1 Programme.

**4.2.3 The Board noted the exploration of the concept of “one railway” and therefore an update will be brought to the November Board meeting on what is required of an Infrastructure Manager at each stage of the Programme and who it might be delivered by at each stage. This work will be supported and informed by the views of the internal subject matter experts.**

**Action: Emma Head**

4.2.4 The Board noted that whilst the establishment of the Great British Railway is underway there are some things that HS2 Ltd needs to continue to deliver in the meantime.

4.2.5 The Board noted that other railway solutions are being looked at but differ from the previous HS2 Ltd commission and will also explore further links with non-high speed lines. Options will be pursued for maintaining ability to build off Phase 1 scope as part of this.

- 4.2.6 Management confirmed that options for hybrid Bill powers and transfer of land are included in assumptions.
- 4.2.7 The Board went onto discuss the various reviews taking place over coming weeks and months and noted the importance of maintaining the scope of these reviews and ensuring that these do not replicate already existing or in flight activity.
- 4.2.8 The Board discussed that the ways of working between parties also needs to be robust in order for the outcome of any reviews to be successful.

4.3 The Board noted the updates.

## 5 Interim CEO Report – September 2024 (HS2B\_24-053)

5.1 The Board received and noted the Interim CEO Report for September 2024, as included within the meeting pack.

5.2 The following key points were raised and noted:

- 5.2.1 The interim CEO thanked the HS2 Ltd Board for the trust to place him into the position temporarily and spoke of the adjustment into role including taking over Accounting Officer responsibilities. The interim CEO briefed on the intent to continue to provide leadership for delivery in the period.
- 5.2.2 The Board noted that a face to face Senior Leadership Team (SLT) meeting had taken place the previous week which was felt as an important activity in order to regroup and restore the confidence of the SLT in a continued period of change and scrutiny.
- 5.2.3 The Board discussed the recent Panorama broadcast and noted that there continue to be areas of focus already in progress by HS2 Ltd which need to be kept in sight, including but not limited to:

**5.2.3.1.** [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Action: Alan Foster**

5.2.3.2. [REDACTED]  
[REDACTED]

5.2.3.3. Continued and relentless focus on Health and Safety, noting that although the metrics are reporting positively, there will be an October “Safety Step Up”.

5.3 The Board went on to discuss the output of the Programme Review where the following key points were raised and noted:

5.3.1 The Board noted [REDACTED]

5.3.1.1. [REDACTED]

5.3.1.2. [REDACTED]

5.3.1.3. [REDACTED]

5.3.2 Management advised that these pressures are now being seen to add strategic implication to the schedule optimisation and that there will be a piece of work continuing until the end of the calendar year in order to identify a robust deterministic date and use of white space for opportunities.

5.3.3 [REDACTED]

5.4 The Board went on to receive a summary of new items emerging in the period by exception, namely:

5.4.1 [REDACTED]

5.4.2 **Tree Planting Schedule: The Board noted the summary of the issue however challenged Management to consider more creative ways to mitigate this.**

**Action: Emma Head**

5.4.3 [REDACTED]

[REDACTED]

**Action: Non Owen/ Emma Head**

**5.4.4 The Board noted that a discussion will be held at the Tripartite Cooperation Board and the HS2 Ltd Chair will also contact the interim Network Rail Chair.**

**Action: Introduction via Nelson Ogunshakin/ Jon Thompson**

**5.4.5 The Board agreed that of the remaining issues raised in the report, the Commercial and Investment Committee would conduct a deep dive on behalf of the Board into the status of [REDACTED]**

**Action: Non Owen for scheduling**

5.4.6 The Board observed that [REDACTED] might make a good case study for one of the reviews and that in the meantime noted that standstill letters for the wider Rail Systems Contracts have not yet been sent.

5.5 The Board noted the updates.

## **6 Phase One Cost Associated Activities Update - September Board (HS2B\_24-054)**

6.1 The Board received and noted the Phase One Cost Associated Activities Update as included within the meeting pack.

6.2 The HS2 Ltd Board were asked to note the update on Phase One cost related activities since the July Board meeting.

6.3 The following key points were raised and noted:

### **6.4 EAC Forecasting Methodology Review**

6.4.1 The Board were reminded of the position at the previous Board meeting in July 2024 where discussion was held on the judgement to integrate the emerging Estimate at Completion (EAC) view and as such the EAC was deferred from the MI with the EAC Forecasting Methodology Review as the basis for doing so.

6.4.2 The Board noted that the intention had been to include an EAC update in the August and September Monthly Reports, however following discussion with DfT officials, it had been agreed that the MI position will only be updated after the Cost Estimating Methodology review has been completed. Therefore, it is expected that the EAC MI will be fully reflected in the October Monthly Report.

- 6.4.3 A first draft of this review has been made available [REDACTED]  
[REDACTED]  
[REDACTED]
- 6.4.4 The initial Executive Summary had been shared with the HS2 Ltd Board [REDACTED]  
[REDACTED]  
[REDACTED]
- 6.4.5 The Board noted that it is anticipated there will be recommendations where data, systems and processes could be improved, and these will be implemented. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 6.4.6 The Board noted that the HS2 Ltd Chair is the Chair of the Steering Committee for this work and [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 6.4.7 The Board discussed [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 6.4.8 **The Board requested that showing crystallisation of risks as part of this process would also benefit.**  
  
**Action: Alan Foster**
- 6.4.9 **The Board discussed that during certain lifecycles of the Programme there will be points where the cost range would narrow and that this should be shown.**  
  
**Action: Alan Foster**
- 6.4.10 **It was agreed that the final report will be shared with the Board and a focussed session will be run at the Finance and Performance Committee but with consideration of how the information is presented, noting the length of the report.**  
  
**Action: Alan Foster**

## 6.5 Spending Review Submissions

- 6.5.1 The interim CEO advised that the Board have been sighted on the early data for likely funding needs for coming years and that a submission has now been made into the DfT and High Speed Rail Group as appended to the materials submitted.



- 6.5.2 The Board noted that [REDACTED]
- 6.5.3 HS2 Ltd has responded to the DfT in order to demonstrate how the Programme could respond to the [REDACTED]
- 6.5.4 Discussions continue to take place at the Executive Committee to deal with any further potential reductions.
- 6.5.5 The Board noted that there is no opportunity to seek reestablishment of flexibility between in year spend.
- 6.5.6 The Board requested that this work also be shown in the context of all other moving reviews and activity.**

**Action: Alan Foster**

6.6 The Board noted the update.

## **7 [REDACTED] (HS2B\_24-055)**

- 7.1 The Commercial Delivery Director for Civils & Services joined the meeting.
- 7.2 The Board received and noted a presentation as to the status of the [REDACTED]
- 7.3 The following key points were raised and noted:
  - 7.3.1 The interim CEO provided some context to the discussion advising that Management are taking stock of progress to date [REDACTED] noting that activity has been underway for some time.
  - 7.3.2 The Board [REDACTED]
  - 7.3.3 [REDACTED]
  - 7.3.4 Board Members [REDACTED]
  - 7.3.5 The Board noted that [REDACTED] continue in parallel as good practice and business as usual.

7.3.6 Management confirmed that the HS2 Ltd team remain focussed on reviewing and pointing out areas of dissatisfaction and that these are being logged.

7.3.7 [REDACTED]

7.3.8 [REDACTED]

7.3.9 [REDACTED]

7.3.10 [REDACTED]

7.3.11 [REDACTED]

7.3.12 The Board noted that the new Procurement Act coming into force will include strengthened provisions for resolving issues which have been experienced with current live contracts.

**7.3.13 The Board noted [REDACTED]**  
**[REDACTED]**  
**[REDACTED] A report into this has been commissioned by the Executive Committee who will then take a view on where this should be shared further, for example the Commercial and Investment Committee.**

**Action: Non Owen for scheduling**

**7.3.14 It was agreed that the materials shared on the day would be added to Admincontrol following the meeting.**

**Action: Non Owen**

7.4 The HS2 Ltd Board noted the update.

7.5 The Commercial Delivery Director for Civils & Services left the meeting.

## **8 Report from Environmental Sustainability Committee 02 August 2024 (HS2B\_24-056)**

8.1 The Committee Chair provided a report from the Environmental Sustainability Committee held on 02 August 2024 which had considered the following matters:

- 8.1.1 An update from the Green Network which raised the point of allocation of Non-Executive Directors' time and expertise to support the various Network activities in HS2 Ltd.
- 8.1.2 A review of the latest Management Information (MI) including an update on a technical and integration challenge of the pantograph for which a positive solution has been identified.
- 8.1.3 Phase 1 Consenting Strategy Update which focussed on the concept of Bringing into Use (BIU) and will be the subject of the next deep dive.
- 8.1.4 Update on Government changes, policy and public perception.
- 8.1.5 A Deep Dive on Carbon Targets.

8.2 The Board noted the update.

## **9 Report from Health Safety and Security Committee 08 August 2024 (HS2B\_24-057)**

9.1 The Deputy Chair introduced the report from the Committee Chair summarising the meeting held on 08 August 2024 which had considered the following matters:

- 9.1.1 A review of recent performance including quality, a recent safety incident, and health and wellbeing metrics noting that new reporting is in place.
- 9.1.2 A discussion on the Operational Plan where frustration had been expressed as to the time taken to develop and implement this, given the time passed in the reportable period. The Operational Plan has now been signed off via the Executive Committee and an action assigned for an earlier view and agreement for next year's plan.
- 9.1.3 A progress report on the Health and Safety Performance Indicator (HSPI) metric review, noting that the Committee Chair has observed the measure is not very relatable and there are differing views amongst Committee Members on how penetrable the overarching score is. The Committee have agreed that whilst the metrics will continue to be used, there will be differing presentation to show the detail that sits beneath, and a dashboard will be used to assist and elevate this.
- 9.1.4 A presentation on safety lessons learned regarding viaduct construction.
- 9.1.5 A Rail Safety Systems update.
- 9.1.6 A Deep Dive into hazards in Civils Delivery including working at height.
- 9.1.7 Governance of the Committee and how this is run.

9.2 The Board noted the update.

## 10 Report from Commercial and Investment Committee 20 August 2024 (HS2B\_24-058)

- 10.1 The Committee Chair provided a verbal update from the Commercial and Investment Committee held on 20 August 2024 which had met informally to hold a discussion on the Supply Chain Management Information and a preliminary discussion on the future use of the Committee, noting the planned changeover in Chair and following the peak activity of new investments.
- 10.2 [REDACTED]
- 10.3 The Committee went onto receive a broader update on the progress with the HSRS packages.
- 10.4 The Committee received a deep dive into the supply chain organisations [REDACTED]
- 10.5 The Committee went on to discuss the future scope and remit of the Committee and noted that a review of the Terms of Reference would be undertaken, and any proposed changes submitted to a future Board for approval.
- 10.6 The Committee had also thanked and recognised the contribution to Committee activity and broader HS2 Ltd activities from the outgoing Procurement and Supply Chain Director, noting the meeting as his final during tenure at HS2 Ltd.
- 10.7 The Board noted this as the final Committee meeting to be Chaired by Roger Mountford prior to Stephen Hughes taking over this responsibility. The Board thanked Roger for his engagement and commitment to the Committee during tenure as Committee Chair, noting that this has been since the inception of the Committee in 2016.
- 10.8 The Board noted the update.

## 11 Report from Audit and Risk Assurance Committee 20 August 2024 (HS2B\_24-059)

- 11.1 The Committee Chair provided a report from the Audit and Risk Assurance Committee held on 22 August 2024 which had considered the following matters:
- 11.1.1 Risk, Control and Assurance Management Report for which the Committee continue to observe positive improvements.
  - 11.1.2 Senior Information Risk Owner update.

- 11.1.3 Strategic Risk Update noting that an update on this matter will be brought back to the HS2 Ltd Board for annual review.
- 11.1.4 Actual Cost Assurance and Cost Verification Status Update.
- 11.1.5 Counter Fraud and Business Ethics Update.
- 11.1.6 Learning Lessons from Whistleblowing reviews and improvement planning.
- 11.1.7 Annual Report and Accounts 2023/24 and any further changes made following publication of the NAO Audit Completion Report. The Board noted that despite changes to the Programme in the period and varying levels of technicality for accounting treatments, the conclusion of the Annual Reports and Accounts was a positive outcome. [REDACTED]  
[REDACTED]  
[REDACTED] The Board will remain updated on this matter.
- 11.1.8 NAO update.
- 11.1.9 Internal Audit Progress Report.

11.2 The Board noted this as the final Committee meeting to be Chaired by Stephen Hughes prior to Keith Smithson taking over this responsibility and the Board thanked Stephen for his engagement and commitment to the Committee during tenure as Committee Chair.

11.3 The Board noted the update.

## **12 Verbal Readout from Extraordinary People Committee 09 September 2024 (HS2B\_24-060)**

12.1 The Committee Chair provided a verbal report from the Extraordinary People Committee held on 09 September 2024 which had considered the following matters:

- 12.1.1 The Board noted that the Committee had considered the introduction of the role of [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 12.1.2 The Board noted recent approvals received from HM Treasury to extend the Remuneration Annex to March 2025 and the progress made with Pay Freedoms.
- 12.1.3 The Board noted success to receive approvals for extension for a Person with Significant Financial Responsibility.
- 12.1.4 The Board noted that preferred candidates have been identified to take up roles as Civils Delivery Director and Systems Delivery Director.
- 12.1.5 The Board commended the Deputy Chair for her contribution as the Chair of the People Committee in the strengthening of the Executive Committee and

Senior Leadership Team and providing much more stability in the period. The Board also extended thanks to the Deputy Chair for her role in Chairing the HS2 Ltd Board during the period of the Chair fulfilling Executive Chair responsibilities.

12.2 The Board noted the update.

## **13 AOB/ Meeting Close/ Meeting Float**

**13.1 Due to his previous cross cutting involvement, Stephen Hughes requested a briefing on the Old Curzon Street site.**

**Action: Non Owen/ Huw Edwards**

**13.2 David Goldstone summarised a very positive experience on a site visit and encouraged attendance by other Board Members where possible. It was agreed that the current schedule of site visits be shared and that a schedule for 2025 be populated and shared as soon as possible.**

**Action: Emma Head/ Non Owen**

**13.3 Reflecting on the site visit, David Goldstone queried whether enough Board focus is being given to quality and outputs. It was agreed that a session on the same would be considered and scheduled to the Finance and Performance Committee.**

**Action: Non Owen for planning**

13.4 The Board noted that a previous campaign for new Non-Executive Directors has been stopped.

**13.5 The Board discussed the role of the HSRS Alliance Chair in advance of the contract awards and requested consideration for attendance and method of updates to the Board.**

**Action: Non Owen/ Chris Rayner**

**13.6 It was agreed that the Deputy Chair would make a proposal for Non-Executive Director engagement with the Networks.**

**Action: Elaine Holt**

**13.7 It was agreed that following the volume of activity a placeholder would be issued to Board Members for a hybrid meeting in December 2024, to be utilised if required.**

**Action: Non Owen**

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

13.9 There being no further business the meeting was closed.