

# Meeting minutes

## HS2 Ltd Board

**Meeting date** Wednesday, 30 October 2024  
**Meeting location** The Podium, London  
**Meeting time** 09:00-14:15

Members	Attendees	Apologies
Jon Thompson (Chair) Chair	██████████ Chief Financial Officer (Interim)	Emma Head Chief Railway Officer
Joanna Davinson Non-Executive Director	██████████ (item 7) Commercial Delivery Director – Civils & Services	
Alan Foster Chief Executive Officer (Interim)	██████████ Advisor to the Board	
Elaine Holt Non-Executive Director	██████████ (item 7) Commercial Delivery Director – Systems & Rolling Stock	
Stephen Hughes Non-Executive Director	Non Owen Company Secretary	
David Goldstone (items 1-8) Non-Executive Director	██████████ (item 5) Programme Controls Director	
Ian King Non-Executive Director	██████████ General Counsel	
Nelson Ogunshakin Non-Executive Director		
Keith Smithson 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 received a verbal update on a potential change to the register of business interests, the details of which will be added to the register on confirmation and published.
- 1.3 The Board noted the appointment of David Goldstone as Chair of the Office for Value for Money and noted that the register of interests would be updated accordingly.

- 1.4 The Board noted that apologies for the meeting had been received from Emma Head for this meeting.
- 1.5 The Board received a Values Moment from the Interim Chief Executive Officer on safety and reflections from the recent Safety Step Up Week.

## **2 Minutes of the Previous Meeting and Matters Arising (HS2B\_24-063)**

- 2.1 The minutes of the meeting held on 25 September 2024 were approved as an accurate record of the meeting.
- 2.2 The Board noted the status of the actions.

## **3 Chair Summary – September 2024 (HS2B\_24-065)**

- 3.1 The Board received and noted the Chair Summary for October 2024, as included within the meeting pack.
- 3.2 The following key points were raised and noted:
  - 3.2.1 The Chair summarised the letter issued to him by the Secretary of State (SofS) noting that much of what the SofS is striving to achieve, is to be supported and her use of independent parties to provide assurance is to be welcomed.
  - 3.2.2 The Board noted that the parallel reviews will have importance and that clarity on the objectives of these is key.
  - 3.2.3 The Board noted the priority from the SofS for the Programme being safe delivery with cost focus.
  - 3.2.4 The Board noted that there had been no decisions received on the scope guidance provided by HS2 Ltd.
  - 3.2.5 The Board noted the tension between active workstreams and resetting the Programme with Government and whilst agreement remains outstanding with HS2 Ltd and the DfT on the cost position and assurance of the numbers. The Board noted that [REDACTED] could also reinforce the DfT position.
  - 3.2.6 The Board noted the importance to move to a presentation of the deliverables, the control of this involved, which will then inform the number to delivery.
  - 3.2.7 The Board discussed that there will be areas of higher risk across the delivery profile.
  - 3.2.8 [REDACTED]  
[REDACTED]  
[REDACTED]
  - 3.2.9 Regularisation is required with confirmation of the Development Agreement position.

- 3.2.10 The Board noted that whilst there continues to be a difference in view between HS2 Ltd and the DfT on the value of the Estimate at Completion (EAC) the Programme Review from the incoming CEO will be key.
- 3.2.11 The Board noted the establishment of a joint Cost Oversight Group to review the work.
- 3.2.12 The Board queried whether there was an interim position of what is being delivered in the meantime between now and Spending Review submission.
- 3.2.13 The Board discussed the Programme Review being led by the incoming CEO and the anticipated outcome of this. The Board noted the importance to keep the incoming CEO sighted on the wider activities and reviews taking place.
- 3.2.14 The Board noted the James Stewart review and the Terms of Reference for the same as circulated.
- 3.2.15 [REDACTED]
- 3.2.16 [REDACTED]

3.3 The Board noted the updates.

## 4 Interim CEO Report – October 2024 (HS2B\_24-064)

- 4.1 The Board received and noted the Interim CEO Report for October 2024, as included within the meeting pack.
- 4.2 The following key points were raised and noted:
  - 4.2.1 The interim CEO offered reflections from the recent Ministerial Taskforce (MTF) meeting which was considered as positive, constructive and informed and a request for momentum on these meetings has been made although the sequencing is yet to be agreed.
  - 4.2.2 The Board queried what response had been made to the areas of support HS2 Ltd has requested, noting that there is a two phased approach being made to cost and cash profiles. Emphasis was made to decisions for the High Speed Rail Systems (HSRS) contract award and the MWCC Reset and that no decision has been made on scope guidance resulting from the Network North announcement.
  - 4.2.3 The Board noted that the Cost Oversight Group is envisaged as a task and finish meeting but that would hopefully be more of a step for more cohesive ways of working in the future.
  - 4.2.4 **The Board went on to discuss the Executive Priorities workstream and the timelines involved for each of the swim lanes presented. The Board noted this as a helpful externally facing product but requested detail on the interface with internal requirements.**

**Action: Alan Foster**

- 4.2.5 The Board discussed that the Executive Committee continue to observe staff morale in light of the various workstreams in flight and noting that capability and capacity are also points of review.
- 4.2.6 The Board noted that [REDACTED]  
[REDACTED]
- 4.2.7 The Board noted that the previously reported Strategic Change Coordination Office (SCCO) work has been absorbed into the Executive Priorities.
- 4.2.8 The Board noted that the Estimate at Completion (EAC) will be discussed as part of the Spending Review (SR) work.
- 4.2.9 It was agreed that a forward look would be worked between the Chair and Company Secretary in order to reflect the Board and F&PC discussions on various in flight activities.**

**Action: Jon Thompson/ Non Owen**

- 4.2.10 The Board received an update on the Spending Review (SR) noting that the preference would have been to do this with a Baseline position. Management are preparing to build from cashflow projections provided to inform a budget position.
- 4.2.11 Management advised that the Forecast 2 process will give more recent data points, and the supply chain are preparing Bottom up Forecasts (BUFs) but that these will not be available and assured to include in SR submission, but reviews and calibration points will follow. Updates as relevant will be provided to future Board meetings.
- 4.2.12 The Board noted that the supply chain seem well prepared for the BUF process.
- 4.2.13 The Board noted that this will be a maturing product and that the detail will be broken up into review points as subsets of the work.
- 4.2.14 The Board noted that although it might not be the full detail, there will be some assurance taking place and that this should be demonstrated/ reported.**

**Action: Alan Foster**

- 4.2.15 Management advised that there will be a house view on the EAC and that visibility of a range remains key.

4.3 The Board noted the updates.

## **5 [REDACTED] (HS2B\_24-067)**

- 5.1 The Programme Controls Director joined the meeting.
- 5.2 The Board received and noted the [REDACTED] as included within the meeting pack.

5.3 The HS2 Ltd Board were asked to note:

- 5.3.1 The summary of the [REDACTED] and the response of HS2 Ltd in relation to the themes, findings and recommendations.
- 5.3.2 The plan to review the implementation of the agreed recommendations in the soon to be established [REDACTED].

5.4 The following key points were raised and noted:

- 5.4.1 The Programme Controls Director provided an introduction to the work, the Improvement Project for Programme Controls (IPPC) and the recommendations of [REDACTED]
- 5.4.2 The Board noted the intent for a product of key milestones and when these improvements will be implemented, noting that some of these have already commenced.
- 5.4.3 The Board noted that there is a DfT led steering group.
- 5.4.4 The Board noted that the [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 5.4.5 The Board noted that [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 5.4.6 [REDACTED]  
[REDACTED]  
[REDACTED]
- 5.4.7 The Board discussed the quality of the data from the supply chain noting that there is a requirement to consolidate and systemise the monthly assurance checks with support of benchmark data. An update will also be made to the Works Information for another level of data from the MWCCs.
- 5.4.8 The Board were encouraged to see the work however queried the timing for delivery, noting that the timings are driven from the [REDACTED] rather than HS2 Ltd.
- 5.4.9 The Board noted that some of the recommendations are more controllable than others.
- 5.4.10 The Board noted the timing and next steps including workshops which will report via the [REDACTED]
- 5.4.11 The Board discussed capability more generally, noting the summary in the paper is a good articulation on the thin client and will come up again. The Board assigned an action to [REDACTED]**

[REDACTED] and so what options are available.

Action: Shira Johnson/ [REDACTED]

**5.4.12 The Board queried whether the issue is more on access to data or capability and queried whether the HS2 Improvement Programme (HIP) is still being used to assess capability. Management advised that capacity also needs to be an assessment point.**

Action: Shira Johnson

5.5 The HS2 Ltd Board noted the update and thanked Management for the work done to date.

5.6 The Programme Controls Director left the meeting.

## 6 [REDACTED] (HS2B\_24-068)

6.1 The Commercial Delivery Director for Civils & Stations and the Commercial Delivery Director for Systems & Rolling Stock joined the meeting.

6.2 The HS2 Ltd Board received and noted a presentation [REDACTED]  
[REDACTED]

6.3 The following key points were raised and noted:

6.3.1 The Board received a reminder of [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

6.3.2 [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

6.3.3 [REDACTED]  
[REDACTED]  
[REDACTED]

6.3.4 The Board discussed the importance of looking to the future outturn position at this stage but whilst demonstrating good Value for Money (VfM).

6.3.5 [REDACTED]  
[REDACTED]  
[REDACTED]

6.3.6 The Board queried whether the approach and lessons learned is being applied to wider contracts, with Management advising that this was under review.

6.3.7 Scope decisions are required to inform cost certainty.

**6.3.8 The Board suggested engagement with the Treasury Officers of Accounts (TOA) to support Accounting Officer advice.**

**Action: Alan Foster**

6.4 The HS2 Ltd Board noted the update.

6.5 The Commercial Delivery Director for Civils & Services and the Commercial Delivery Director for Systems & Rolling Stock left the meeting.

## **7 Actual Cost Assurance (ACA) Strategy Update (HSB2\_069)**

7.1 The HS2 Ltd Board received and noted the update on the development and implementation of the new Actual Cost Assurance (ACA) Strategy, as included within the meeting pack.

7.2 The HS2 Ltd Board were asked to note the initial findings and recommended early actions arising from the development of the ACA Strategy.

7.3 The following key points were raised and noted:

7.3.1 The Chair of the Audit and Risk Assurance Committee advised the Board that this matter had been requested by the Committee to the Board due to the importance of the decision and that the Accounting Officer will be required personally to sign off from a final accounts position on the Main Works Civils Contracts (MWCCs). The Committee had discussed the levels of control and assurance needed on the final numbers and received a briefing on the new Strategy associated with this work.

7.3.2 The interim CFO provided the overview and context for the ACA Strategic Framework aimed to ensure appropriate spend to the appropriate recipients at the right time and for the right deliverables. There are key tests and deliverables to be applied to this as part of the Framework.

7.3.3 [REDACTED]

7.3.4 The control aspect of the Framework is looking [REDACTED]

7.3.5 The Board noted that there is a three stage approach being taken to the Framework and implementation of the same, but that ACA will run for the remainder of the Programme.

7.3.6 The Board discussed the matter raised in the Audit and Risk Assurance Committee on the misalignment of a thin client and the level of control and oversight of costs required.

**7.3.7 The Board requested definition of what is meant by low, medium and high and how to quantify in the materials as provided.**

Action: [REDACTED]

- 7.3.8 The Board requested visibility of what has been delivered to date in terms of activity with quantification of what is still left to do.**

Action: [REDACTED]

- 7.3.9 The Board noted that the conclusion of the third phase is expected by the end of the calendar year.

- 7.3.10 The Board confirmed support of the work to date and direction of travel and confirmed that there is openness to improvements.

- 7.4 The HS2 Ltd Board noted the update.

## **8 Report from Audit and Risk Assurance Committee 08 October 2024 (HS2B\_24-070)**

- 8.1 The Audit and Risk Assurance Committee Chair provided a report from the Audit and Risk Assurance Committee held on 08 October 2024 which had considered the following matters:

- 8.1.1 A review of recent performance including continued onus from the Committee to close outstanding assurance actions.
- 8.1.2 Review of the evolving risk position for strategic risks and risk appetite as per the action set for the next meeting.
- 8.1.3 A verbal update from the National Audit Office, noting that a transition plan for change in NAO personnel will need to be overseen.
- 8.1.4 A progress report from the Head of Internal Audit, noting broadly that delivery is on plan, but this can be back loaded.
- 8.1.5 A proposed approach and timeline for an internal effectiveness review of the Audit and Risk Assurance Committee for the financial year 2024/25.
- 8.1.6 An update on the HM Treasury 'Dear Accounting Officer' guidance.
- 8.1.7 A proposed implementation plan around an Undertakings and Assurance (U&A) Sprint, noting that this is in response to Limited audits received historically and the plan to improve this. There was further discussion from the Board on whether there is also a challenge to the cost of U&As further to the discussion at the Finance and Performance Committee.
- 8.1.8 An update on the initial findings of Actual Cost Assurance strategy development, as tabled on the Board agenda.

- 8.2 The Board noted the update.



## 9 Report from People Committee 10 September 2024 (HS2B\_24-071)

9.1 The People Committee Chair introduced the report summarising the meeting held on 10 September 2024 which had considered the following matters:

9.1.1 A review of recent performance.

9.1.2 An update on the People and Organisation Programme, noting that a further update was commissioned back to review the benefits and outputs following disappointment from the Committee not to have this as part of the update.

9.1.3 [REDACTED]

9.1.4 An update on EDI Strategy which is progressing with positive work but with warning from the Committee not to over engineer the Strategy.

9.1.5 [REDACTED]

**Action: Shira Johnson**

9.1.6 The Committee discussed the position of retention for senior roles and what options might be pursued to mitigate flight risk.

9.1.7 **It was agreed that the agendas for each Committee meeting would be shared with the wider Board prior to the meetings taking place.**

**Action: Non Owen**

9.2 The Board noted the update.

## 10 Verbal Update from Finance and Performance Committee 29 October 2024 (HS2B\_24-072)

10.1 The Committee Chair provided a verbal update from the Finance and Performance Committee (F&PC) held on the 29 October 2024, which had considered the following matters:

10.1.1 Performance in the period, covering Health, Safety and Security, Key Performance Indicators, and holistic Management Information (MI) with a follow up requested on CPI and SPI performance.

10.1.2 An update on Rolling Stock with a request for a further update to the January 2025 F&PC with [REDACTED]

- 10.1.3 [REDACTED]  
[REDACTED]  
[REDACTED]
- 10.1.4 [REDACTED]  
[REDACTED] and showing what future ordering issues might occur.
- 10.1.5 An update on Old Oak Common Lane noting a further update is due back to the January F&PC.
- 10.1.6 Schedule Optimisation where discussion was held on HS2 managing to earliest delivery dates but noting that cost is the bigger driver from Government (following safety) and asked for assurance that the earliest critical path delivers the lowest cost.
- 10.1.7 A further update on the Estimate at Completion (EAC).
- 10.1.8 An update of Scope and Funding Checkpoint and P6 figures with a request from the Board for a better level of visibility for what has been delivered and what risk has emerged in the period.
- 10.1.9 The Committee has agreed that the frequency of the meeting will be changed to quarterly to allow for better trending in the MI to be clearer. **It was agreed that in the intervening months an update would be provided via the CEO Summary.**

**Action: Emma Head**

10.2 The Board noted the update.

## **11 AOB/ Meeting Close/ Meeting Float**

- 11.1 The Board noted the Forward Look as provided in the meeting pack.
- 11.2 The Board noted that there had been finalisation of Executive and Non-Executive buddies and Network buddies.
- 11.3 The Board noted that Bringing Into Use consents had been discussed at the Environmental Sustainability Committee and will be subject to a wider Board briefing.
- 11.4 There being no further business the meeting was closed.