

**High Speed Two (HS2) Ltd Board Meeting held on 22 May 2014**

**Minutes**

**HS2 Ltd Board Room, Eland House, Bressenden Place, London, SW1E 5DU**

**Present:**

David Higgins, Chair  
Alison Munro, Chief Executive  
Richard Brown  
Andrew McNaughton, Technical Director  
Duncan Sutherland  
Beth West, Commercial Director

**Apologies:** Mike Welton

**In Attendance:**

Simon Kirby, Chief Executive – Construction  
David Prout, Department for Transport Observer  
Kieran Rix, Director of Finance and Corporate Services  
Tom Kelly, Director of Communications (items 1,9 and 10)  
XXXX, General Counsel and Company Secretary  
XXXX, Assistant Company Secretary

1. **Declarations of Interests**

1.1 There were no changes to the previously declared interests.

2. **Minutes of Previous Meeting and Matters Arising**

2.1 The minutes of the meeting held on 30 April 2014 were agreed as a true record and signed by the Chair.

2.2 The Chair welcomed Simon Kirby who had joined the organisation as Chief Executive – Construction.

2.3 The Board discussed the list of actions arising from previous meetings and noted progress to date.

2.4 It was noted the internal audit plan 2014/15 would be circulated to the Company's Executive and the Audit and Risk Assurance Committee for approval.

Action: Director of Finance  
and Corporate Services

2.5 It was noted a further update on the Ground Investigations project would be given at the next Board meeting.

Action: Technical Director

2.6 The Board noted that a large scale programme of engagement with the Company's supply chain had been carried out. It was agreed that the Commercial Director would discuss the outcome of market engagement with the CEO – Construction to determine whether any further report to the Board is required.

Action: Commercial Director

2.7 There were no further matters arising.

3. **Chair's Report**

3.1 The Board received a verbal update from the Chair on key developments since the last Board meeting including an update on discussions with the Treasury with regard to flexibilities.

3.2 The Board received an update on the recruitment process for Non Executive Directors and noted interviews would take place in July.

3.3 The Board noted the appointment of Jim Crawford as Programme Director – Phase One.

#### **4. Update from 8 May Audit and Risk Assurance Committee meeting**

- 4.1 The Board was briefed on the meeting of the Audit and Risk Assurance Committee which took place on 8 May 2014.
- 4.2 The Board was advised that the Committee had received the draft annual report and accounts 2013/14 including the draft internal audit statement. It was noted that the NAO has no major concerns. The Committee discussed some minor revisions to the draft internal audit statement and noted a further draft of the report and accounts would be brought back to the next meeting of the Committee.
- 4.3 It was noted that the Committee still had outstanding concerns on business continuity arrangements.
- 4.4 The Board was also updated on the findings of the CIPFA financial management review of the Company.
- 4.5 The Board noted the update.

#### **5. Update from 8 May Remuneration Committee meeting**

- 5.1 The Board was briefed on the meeting of the Remuneration Committee held on 8 May 2014.
- 5.2 It was noted the Committee had received redrafted Terms of Reference for discussion. Agreement of the revised Terms of Reference had been postponed pending the outcome of proposals on flexibilities.
- 5.3 It was noted the Committee had also asked officers to progress with an evaluation exercise by Hay Group.

#### **6. Chief Executive's Report**

- 6.1 The Board received an update from the Chief Executive on key developments since the last Board meeting.
- 6.2 It was noted that, as of the date of the Board meeting, 1023 petitions had been received and that this was consistent with the expectations of the hybrid Bill team.
- 6.3 The Chief Executive briefed the Board on property acquisition issues including the DfT's proposals in relation to social housing at Euston. It was

agreed that the Chief Executive would brief the Board in June on the property budget, and an update would be given on property management.

Action: Chief Executive/  
Commercial Director

6.4 It was agreed that an update on Phase Two will be given to a future meeting of the Board.

6.5 The Board noted the report.

## **7. Health and Safety Report**

7.1 The Board received an update on Health and Safety matters.

7.2 It was agreed that the Board would be briefed before the Phase One project is notified to the Health and Safety Executive under the Construction Design and Management regulations (CDM).

Action: Director of Finance  
and Corporate Services

7.3 The Board noted the report.

## **8. Corporate Plan 2014 to 2017**

8.1 The Board received the Company's draft Corporate Plan 2014 to 2017 for the Company for comment.

8.2 The Board noted a minor amendment to the Plan. It was noted that members would return any further comments to the Director of Finance and Corporate Services by 28 May 2014, and subject to these comments the Board approved the Corporate Plan 2014 to 2017.

## **9. Euston Update**

9.1 The Board was briefed on proposals regarding delivery of the revised Euston scheme envisaged in HS2 Plus. The Board discussed key issues to be resolved between the Company and Network Rail as to their respective roles in the delivery of the revised Euston scheme, given the challenges posed by the redevelopment of the station in the context of an operational railway.

9.2 It was noted that the Euston proposals would benefit from the input of a specialist commercial development director and it was agreed that this recommendation would be followed up with Network Rail.

Action: CEO – Construction

9.3 The Board noted progress to date on the proposals for delivery of the revised Euston scheme. It was agreed that further work would take place on the proposals, including how Treasury requirements would be satisfied, for future consideration by the Board.

Action: Commercial Director

9.4 The Board was briefed on the process to be followed to obtain powers to construct the revised Euston scheme, including progress to date and key risks. It was agreed that a further update would be given to the June meeting of the Board.

Action: Chief Executive

## 10. Regeneration Company

10.1 The Board was updated on work underway between the Company and London and Continental Railways (LCR) to propose a structure to the Secretary of State for the creation of a regeneration company (Regenco) to deliver development and regeneration activities around the future HS2 stations; and discussed proposals as to how Regenco might be structured.

10.2 The Board discussed possible options for the resourcing of Regenco and emphasised the importance of clarity in relation to the parties' respective contributions.

10.3 It was noted that the proposals related to land outside the operational framework of the stations and that detailed work is underway to develop the proposals. The Board observed that this work should include reflection on the unique aspects of each station.

10.4 The Board noted the proposals and agreed that the Board should receive a further briefing at the June meeting.

Action: Commercial Director

## 11. Equality, Diversity and Inclusion Policy

11.1 The Board received a revised Equality, Diversity and Inclusion Policy for endorsement and proposed next steps to progress the objectives in the Policy.

11.2 The Chief Executive summarised for the Board the work done to date by the Company in relation to equality, diversity and inclusion. It was noted that an Equalities Impact Assessment had been produced as part of the hybrid Bill process and that the Company and DfT are working on mitigating the impacts. It was agreed that equality training would be rolled out across the

organisation as part of the Policy and it was agreed the Board would receive this training.

Action: EDI Lead

11.3 The Board noted that the Chief Executive is the nominated Equalities Champion on the Board.

11.4 The Board approved the Equality, Diversity and Inclusion Policy and the next steps outlined.

## **12. Finance Report**

12.1 The Board received an update on financial performance for April 2014.

12.2 The Board received an update on the Annual Report and Accounts 2013/14 and noted the audit was progressing well. It was noted the Annual Report and Accounts would be brought back for approval at the next Board meeting.

Action: Director of Finance and  
Corporate Services

## **13. Communications Report**

13.1 The Board noted the Communications update.

## **14. Management Information**

14.1 The Board noted that changes would be made to the format of the Management Information and the new format will be in next month's version.

## **15. Ground Investigations**

15.1 The Board received an update on the preparations for the Ground Investigations (GI) workstream. It was noted a multi-staged approval process is being programmed in order to obtain the necessary approvals for GI work.

15.2 It was noted a full update on GI would be brought to the next Board meeting.

Action: Commercial Director

**16. Commercial Report**

16.1 The Board received an update from the Commercial directorate for the period May 2014.

16.2 The Board discussed petitioner issues relating to landowners on the Phase One route.

**17. Risk report**

17.1 The Board noted the report.

**18. Date of next meeting – 12 June 2014**

**19. Any Other Business**

*19.1 Operational Property*

[Commercial in confidence – details redacted]

*19.2 Operational Property – Long Term Proposals*

The Board received an update on long term operational property proposals.

**Signed:**