

High Speed Two (HS2) Ltd Board Meeting held on 16 January 2014

Minutes

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

Present:

Sir David Higgins, Chair
Alison Munro, Chief Executive
Sir Brian Briscoe
Richard Brown
Duncan Sutherland
Mike Welton
Andrew McNaughton, Technical Director
Beth West, Commercial Director

Apologies: None

In Attendance:

David Prout, Department for Transport Observer
XXXX, Project Development Director, Network Rail (item 5)
Kieran Rix, Director of Finance and Corporate Services (items 6 and 10.2)
XXXX, Chief of Staff (item 3)
Paul Chapman, Interim Director of Communications (item 7)
XXXX, Head of Health and Safety (item 10.1)
XXXX, General Counsel and Company Secretary
XXXX, Assistant Company Secretary

1. **Declarations of Interests**

1.1 The Chair declared an interest in relation to item 4 (HS2 / Network Rail / DfT Tripartite Co-operation Agreement) and withdrew from the room for the discussion of this item. Richard Brown chaired the meeting for the discussion of this item.

1.2 There were no other changes to the previously declared interests.

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

2.1 The minutes of the meeting on 19 December 2013 were agreed as a true record and were signed on behalf of the Board by Richard Brown as the Chair's appointment had commenced on 1st January 2014 and he was not present at the 19 December Board meeting.

2.2 The Chair confirmed that he wishes to ensure that the Board reviews all major decisions of the Company.

2.3 It was agreed that there will be a Chair's report to all future Board meetings. The Board would also receive regular reports from the Chairs of the Audit and Risk Assurance Committee and the Remuneration Committee.

2.4 The Board discussed the list of actions arising from previous meetings and noted progress to date. It was noted dates for closure of actions should appear in future Action Lists.

Action: General Counsel
and Company Secretary

2.5 The Board discussed the importance of the future integration of HS2 and the existing rail network including the membership and remit of the group to be established to look at this. It was agreed that the working group should focus on a broad scope. It was noted that the remit of the Group is on the agenda for the first meeting of the Tripartite Cooperation Board (TCB). The Chief Executive undertook to provide feedback to the Board on the outcome of the TCB discussion.

Action: Chief Executive

2.6 The Board considered arrangements for the next Board Effectiveness Review. It was agreed that best practice from PLCs should be considered when structuring the next Board Effectiveness Review and it was agreed that Mike Welton would provide a note on this for the Chair. It was noted that consistency with government requirements in relation to the review would have to be maintained.

Action: Mike Welton/ General Counsel
and Company Secretary

2.7 It was noted that Heads of Terms for the Development Agreement between the Department and the Company are expected to be in place by the end of February 2014.

2.8 Mike Welton reported that, through the Audit and Risk Assurance Committee, he had undertaken to review how some illustrative risks would be dealt with under the Company's risk procedure to test its effectiveness as a management tool.

Action: Chair / Mike Welton

2.9 There were no further Matters arising.

3. Chair's Report

3.1 The Chair informed the Board of the arrangements in place for his transition from Network Rail Chief Executive to Chair of High Speed Two.

3.2 The Board received an update on senior staffing and recruitment arrangements. It was noted that the Chief Executive will continue to be the Accounting Officer.

4. Chief Executive's Report

4.1 The Board received an update from the Chief Executive on key developments since the last Board meeting.

4.2 The Board was briefed on progress with the hybrid Bill including the meeting of the Standing Orders Committee and on engagement with affected parties along the route.

4.3 It was noted that the Phase Two consultation events have now been completed and the analysis of responses is under way. It was agreed that a short note would be provided to the Board on the process to be followed in relation to Phase Two from now to the Secretary of State's decision.

Action: Chief Executive

4.4 The Board was updated on discussions taking place on arrangements around Euston and noted discussions continued to take place in a positive spirit.

4.5 The Board discussed the balance of skills on the Board and it was agreed the Chair would discuss this matter further with the Department for Transport (DFT).

Action: Chair

4.6 The Board noted that judgement in the Supreme Court case is scheduled to be handed down on 22 January 2014. It was agreed that a summary would be circulated to the Board once the judgement has been handed down.

Action: General Counsel and
Company Secretary

4.7 The Board discussed the letters which were sent to residents in the Aylesbury area which had stated that properties would be required for 203 weeks instead of 2 to 3 weeks. The Board expressed regret at the distress this had caused and noted that the need for accuracy had been reiterated.

4.8 The Board also discussed letters which had been sent to approximately 15,000 residents and which had been criticised as being excessively technical. The Chief Executive confirmed that these letters had been in the terms required for compliance with the Standing Orders of Parliament.

5. HS2/Network Rail/DfT Tripartite Cooperation Agreement

5.1 The Board received an update from the Chief of Staff on the provisions of the proposed Tripartite Cooperation Agreement (TCA) between the Company, Network Rail and DfT.

5.2 The Board was advised that negotiations were close to conclusion and that amendments to the TCA since it was last considered by the Board were not considered material and key concerns of the Company had been met.

5.3 It was observed that the TCA did not address the growth agenda and it was agreed to revisit the objectives of the TCA to include reference to growth. It was also agreed a governance chart would be shared with the Board showing the respective responsibilities of each party under the Agreement.

Action: Chief of Staff

5.4 Subject to amendment of the TCA to include reference to growth, the Board agreed that the Company could enter into the TCA and delegated authority to the Chief Executive to finalise and sign the agreement on behalf of the Company.

6. Remit for Costs Reduction

6.1 The Chair briefed the Board on the remit which he has been given to conduct a review of HS2 with a view to reducing costs. It was noted that the Chair has been tasked to report on the review by early March 2014.

- 6.2 It was agreed that a progress update would be brought back to the next Board meeting and discussion of emerging findings would take place at this stage.

Action: Chair

- 6.3 It was noted that a project team will be established and will be co-ordinated by Network Rail's Project Development Director. The review will be run through individual workstreams using workshops and will report to a Steering Group led by the Chair which will include representatives of the Company, DfT and Network Rail. It was noted that senior representatives of TfL will participate in some of the workshops

7. Finance Report

- 7.1 Kieran Rix briefed the Board on the Finance report for December 2013 including the arrangements in place for change control.
- 7.2 It was noted the 2014/15 Budget would be presented to the Board at its March meeting for approval.
- 7.3 The Board received an update on the negotiations for new office accommodation for the Company.

8. Management Information

- 8.1 The Board noted the Management Information dashboard for December 2013.

9. Communications Report

- 9.1 Paul Chapman briefed the Board on communications activities in the last month.
- 9.2 The Board was briefed on the property industry engagement event scheduled to take place in Birmingham on 24 February 2014.

Action: Interim Director
of Communications

- 9.3 The Board discussed the Ambassadors and Advocates programme. It was noted that good progress was being made in attracting more individuals to the programme.
- 9.4 The Board discussed the latest work being carried out by the Company on community engagement. It was noted that a more detailed briefing on the

Company's approach to community engagement would be provided at the February meeting of the Board.

Action: Interim Director
of Communications

10. Commercial Report

10.1 The Board discussed the December Commercial Report which included an update on the Ground Investigations procurement.

10.2 It was agreed that the Board would receive a report on the Ground Investigations procurement at its February meeting and that the report would cover how the eventual contracts will be managed.

Action: Commercial Director

10.3 The Board discussed property activity during December and the process for property acquisitions. It was noted that the volume of blight notices submitted had reduced. It was agreed that a report on the management of acquired properties would be put to a future meeting of the Board.

Action: Commercial Director

11. Reports for Noting

11.1 Health and Safety

11.1.1 The Board noted the Health and Safety report for January 2014. It was agreed that future reports would appear closer to the beginning of the agenda.

11.1.2 The Board discussed the duties of the Company under the CDM regulations. It was agreed that further consideration would be given to the options open to the Company in relation to CDM compliance.

Action: Head of Health
and Safety

11.2 Risk

11.2.1 The Board noted the Risk Report.

11.2.2 The Chair of the Audit and Risk Assurance Committee briefed the Board on the Committee's discussion of a comparison of the risks owned by the Company and those owned by the DfT.

12. Date of next meeting – 19 February 2014

13. Any Other Business

13.1 The Board received an update on plans for the next Board meeting which will be held with a number of related events in Leeds.

13.2 It was agreed that the Chair and the Chief Executive would discuss strategic issues to be included in an annual schedule of board meetings.

Action: Chair / Chief Executive

13.3 There was no further business.

Signed: