

## High Speed Two (HS2) Ltd Board Meeting held on 05 May 2016

### Minutes

Boardroom, One Canada Square, London E14 5AB

Members	In Attendance	Apologies
David Higgins Chairman	XXXX Department for Transport (DfT), Observer	
Andrew Adonis Non-executive Director	XXXX Chief Executive Officer, Genius Methods, Observer	
Steve Allen Chief Financial Officer	Jim Crawford (item) Managing Director Design and Construction	
Richard Brown Non-executive Director	XXXX Procurement Construction Director	
Christine Emmett Non-executive Director	XXXX General Counsel and Company Secretary	
Simon Kirby Chief Executive Officer (CEO)	XXXX Phase Two Development Director	
Neil Mason Non-executive Director	XXXX Hybrid Bill Delivery Director	
Roger Mountford Non-executive Director	XXXX Project Commercial & Development Director	
Alison Munro Development Director	Andrew McNaughton Technical Director	
Duncan Sutherland Non-executive Director	Beth West (item) Commercial Director	
Jo Valentine Non-executive Director	XXXX Head of Land Assembly	
	XXXX Assistant Company Secretary	

#### **1. Declaration of Interests**

- 1.1.** There were no declarations of interest other than those already recorded in the register.

#### **2. Briefing on Main Works Civils Contract — Key Features plus decision on final cascade of Baseline Six (BL6) to the seven Lots**

- 2.1.** The Board noted the Main Works Civils Contracts Costs (MWCC) and Invitation to Tender (ITT) briefing paper and received a presentation on the key dates timeline and two-stage overview.

2.2. The Commercial and Investment Committee and the HS2 Board will be asked to recommend the release of the ITTs on 12 and 17 May, respectively. The HS2 Board were asked to note the direction of travel of the ITTs in advance of the ITT release approval request, as described in the paper.

2.3. Following discussion it was agreed:

2.4. To consider whether it will be possible to [REDACTED]  
[REDACTED]  
Action: Jim Crawford

2.5. To provide additional assurance, the Board requested detail behind the proposed saving efficiency approved by the Board, and how this [REDACTED];  
Action: Jim Crawford

2.6. Each contract has [REDACTED]  
[REDACTED]  
which will be presented at the CIC meeting on 12 May;  
Action: Jim Crawford

2.7. The 6-8 most significant time/cost risks will be presented at the CIC meeting on 12 May summarising [REDACTED]  
[REDACTED]  
Action: Jim Crawford

2.8. Detail of [REDACTED]  
[REDACTED]  
[REDACTED] will be presented at the CIC meeting on 12 May;  
Action: Jim Crawford

2.9. The legal position regarding [REDACTED] will be reviewed in the event that [REDACTED]  
[REDACTED]  
Action: XXXX

2.10. The Board will receive a copy of the LOD3 assurance report at the meeting on 17 May;  
Action: Beth West

2.11. The sensitivity scenarios presented to CIC on 29 March to be updated to reflect the [REDACTED];  
Action: Jim Crawford

2.12. The CIC paper on 12 May to reflect how the proposed KPI Scorecard will [REDACTED]

Action: Jim Crawford

2.13. The Board will receive a report from the CIC meeting of 12 May at the Board meeting on 17 May; and

Action: Roger Mountford

2.14. The Construction team to advise what design needs to be done prior to Contract award (April 2017) to improve the appearance of the Project or to reduce risk.

Action: Jim Crawford

2.15. The Board:

2.15.1. Approved the additional requested efficiency overlay to the MWCC contracts; and

2.15.2. Noted the direction of travel of the ITTs.

### **3. Minutes of Previous Meeting and Matters Arising**

3.1 The Board agreed that the minutes of the meetings held on 03 March and 07 April 2016 would be reviewed to incorporate a number of amendments. Once agreed these will be presented for signature at the meeting on 15 June 2016.

Action: XXXX

### **4. Report from Commercial and Investment Committee meeting, 29 April 2016**

4.1. The Board received an update from the Chair of the Commercial and Investment Committee (CIC) from the meeting held on 29 April.

4.2. The sole area of discussion at the meeting was 'The Procurement of Land Referencing Services'. The revised paper was discussed in detail under Item 09.

4.3. The Board noted the update and the minutes from the meeting held on 29 April 2016.

### **5. Chair's Report**

There were no matters to report under this item.

### **6. CEO's Summary**

6.1. The Board noted the report from the Chief Executive and noted the following key points:

- 6.2. Work continues with the Department for Transport (DfT), HM Treasury and the Cabinet Office for the ongoing Periodic Update review. The review of Phase One is reaching finalisation and Phase Two and rolling stock will continue to the end of May;
- 6.3. The purpose of the review is for the identification of potential savings resulting in scoping queries and discussion on pipeline options;
- 6.4. The Board received the update on the National Audit Office (NAO) value for money audit which has to date provided positive feedback. The report has not yet been published and the Board fully anticipate that communications released with the report will focus on scrutiny of costs and the schedule of the Project.

## **7. Health & Safety Report — March 2016**

- 7.1. The Board received the regular update on Health and Safety matters for the reporting period of March 2016 and also received a verbal update from the Chair of the Health, Safety and Environment Committee, on the meeting held on 28 April 2016. The following key points were noted:
- 7.2. An independent review has been conducted of reporting against the RIDDOR regulations. Following the review, it was concluded that this was a non-reportable incident caused from repetitive strain;
- 7.3. The Health, Safety and Environment (HSE) Committee had received an update on the establishment of a Grant Management Body (**GMB**) and had requested that the GMB be established by January 2017 to allow proactive planning and management of issues;
- 7.4. The HSE Committee have requested sight of the HSE elements of the MWCC ITT and associated test questions/ criteria, which would be circulated by correspondence;
- 7.5. The Board were informed about the new safety behaviours workshop and were encouraged to attend; and
- 7.6. **As part of the CEO report, it was agreed that a quarterly update will be included to review recruitment and the transition of staff to Birmingham.**  

**Action: Simon Kirby**
- 7.7. The Board noted the update.

## **8. Finance and Commercial Report**

- 8.1. The Board noted the financial results and commercial report for the financial year ending 31. March 2016 for HS2 Ltd and the HS2 Project. The following key points were raised and noted:
- 8.2. The full year outturn cost for HS2 Ltd set out in the paper, which was below the quarter two forecast and outside the target variance of plus one percent;
- 8.3. Flexibility to over or underspend by up to ten percent in any given financial year will apply from April 2016; and
- 8.4. Underspend for the year has been partially due to the lengthy governance process which is involved with the various stakeholders and accounting rules.

**9. Procurement of Land Referencing Services**

- 9.1. The Board received an update from the meeting of 29 April 2016 and noted the paper accompanying the item which was taken as read;
- 9.2. The original contracts no longer fitted well with the construction period or the geographical areas that had been decided for the Major Civils Works packages and a new tender would offer an opportunity to refresh and restructure contracts; and
- 9.3. HS2 intends to award three work package contracts under the present Lot 4 framework for four years, providing potential benefit of local area knowledge and landowner continuity.
- 9.4. The Board approved:
- 9.5. The procurement of the post-Royal Assent Land Referencing Services through the Phase One Professional Services Framework, via a mini-competition commencing in May 2016;
- 9.6. The award of three Package Orders based on the Construction Area Team boundaries; and
- 9.7. Package Orders to expire 3 years after the end of the Framework, December 2020; four years in total.

**io. House of Lords Update**

- ao.i. The Board received an update that Royal Assent is still on track for approval by the end of the year;

- 10.2. The House of Lords petitioning period ended on 3.8 April and 821 petitions were received in line with the planning assumption of 800;
- 10.3. The Bill has passed through the first and second readings and is at Committee stage;
- 10.4. The Board discussed Additional Provisions and how the convention for dealing with such items is normally managed; and
- 10.5. The DfT has tasked HS2 to review and track potential costs involved in this process for assurance that these remain at a minimum.

**11. Phase Two Update**

- 11.1. This item was discussed in the presentation given for item 12.

**12. South Yorkshire Region**

- 12.1. The Board received a presentation on the various Phase Two B technical options and cost estimates, including route options to facilitate consideration of links with the Northern Powerhouse, necessity to stay within budget and station location options;
- 12.2. When considering the value of connections, economic development, regeneration, and job potential etc. a key consideration for HS2 is cost and delivery of benefits.
- 12.3. The Board noted the progress in identifying potential options to proceed and the assurance work being conducted in order to make a final decision scheduled for July 2016.
- 12.4. The Board:
- 12.5. Noted the improvement in the affordability position with regard to Phase Two B;
- 12.6. Endorsed sharing of the updated cost estimate to DfT in order to facilitate ongoing work; and
- 12.7. Noted that a further report will be brought to the Board in June with an updated estimate to reflect further ongoing work on the cost estimate.

**13. Board Future Workload**

- 13.1. The Board noted the content of the future workload paper. It was agreed that the suggestions made would be added to the forward plan.

Action: XXXX

**14. Corporate Affairs Report**

- 14.1. The Board received a monthly update on the activity of the Corporate Affairs department.
- 14.2. The update was taken as read and was noted by the Board.

**15. Date of Next Meeting —17 May 2016 (MWCC ITT)**

**16. Any Other Business**

- 16.1. The Board noted the proposed draft letter from the Chief Executive to the DfT Permanent Secretary regarding BL6 Phase One Costs and Contingency.

**Signed:**