High Speed Two (HS2) Ltd Board Meeting

Minutes
01 September 2016
The Boardroom 19th Floor, One Canada Square, London E14 5AB

Members	In Attendance	Apologies
David Higgins Chairman	XXXX (items 03 and 04) Phase 2 Procurement Lead, Procurement	Andrew Adonis Non-executive Director
Steve Allen Chief Financial Officer	XXXX (items 10) Land & Property Director	
Richard Brown Non-executive Director	XXXX (item 06) Crewe Route Director	
Christine Emmett Non-executive Director	XXXX (item 03) Area Manager, Development	
Simon Kirby Chief Executive Officer (CEO)	Jim Crawford (item 08) Managing Director, Construction	
Neil Masom Non-executive Director	XXXX (item 06) Head of Infrastructure Delivery, IPA	
Roger Mountford Non-executive Director	Mel Ewell Observer	
Alison Munro Managing Director, Development	XXXX General Counsel and Company Secretary	
Duncan Sutherland Non-executive Director	XXXX Strategic Communications Advisor	
Jo Valentine Non-executive Director	XXXX (item 04) Director of Programme Controls, Development	
	Andrew McNaughton Technical Director	
	XXXX (minutes) Assistant Company Secretary	
	David Prout Department for Transport (DfT), Observer	
	Chris Rayner (item 07) Managing Director of Railway Operations	
	XXXX (item 03) Senior Procurement Manager	
	XXXX (item 11) Director of Commercial, Railway Operations	
	XXXX (item 07) Director of Rolling Stock & Depots Programme	
	Beth West (item 03) Commercial Director	

1. **Welcome and Declaration of Interests**

1.1. The Chair and the Board welcomed Mel Ewell to the meeting as an observer, ahead of his formal appointment to the High Speed Two (HS2) Ltd Board.

1.2. The following additional Declarations of Interest were made:

1.2.1. XXXX: Declared an interest due to a recent residential property purchase near to the Birmingham Interchange;

1.2.2. Duncan Sutherland: Declared an interest in Sheffield City Centre Housing. The Board agreed that Duncan would be precluded from contributing to discussions for items 4, 5 and 6.

2. Report from the Commercial and Investment Committee

2.1. The Board noted the reports provided by the Chair of the Commercial and Investment Committee from 30 June 2016 and 22 August 2016. The Chair of the Committee briefly summarised the meeting of 22 August which had considered papers 4, 5 and 6 from the Board meeting agenda and which are all for Department for Transport (DfT) decision.

3. Phase 2b Professional Service Contracts and Development Partner Contract: issue of ITTs

3.1. The Board noted the paper requested approval of amendments to the incentive scheme and the issue of the Invitation to Tender (ITT) documentation. The following key points were raised:

3.1.1. The Board noted the process of due diligence and the Lines of Defence (LOD) using lessons learnt from the Main Works and Enabling Works processes.

3.1.2. The Board noted that there are mechanisms in place should there be the need to terminate the Professional Service Contracts (PSCs). The lessons and experience from the Phase 1 implementation has strengthened the resource. The Board requested visibility of the Phase 1 lessons learnt.

3.1.3. The Board spent time discussing the Scorecard in relation to how the HS2 Ltd Scorecard maps to contract level.

3.1.4. **It was agreed that the contract scorecard would be developed more before the issue of ITT**

Action: Phase 2b team

3.1.5. The Board approved the amendment to the incentive scheme and the issue of ITT subject to the above points.

3.1.6. The Board noted the delegated procurement authority from DfT to the HS2 Ltd Board for the ITT and contract award for this procurement.

4. Phase 2b Cost Estimate

4.1. The Board noted the update paper on the Phase 2b cost estimate for the purposes of producing the Strategic Outline Business Case (SOBC) for the project.

4.2. The cost estimate works on buckets of costings which are at staggered levels of assurance and work is continuing.

4.3. The Board approved the release of the Phase 2b costs estimate for use in the SOBC subject to any further route refinement.

5. **Phase 2b Route Announcement**
   5.1. The Board noted the paper providing technical advice to the DfT as evidence in support of this decision. As the advice is technical HS2 have maintained a neutral position and are not making any recommendation.

6. **Stoke and Macclesfield – response to the DfT for autumn announcement**
   6.1. The Board noted the paper which has been drafted following remit from the DfT for investigation of services to Stoke-on-Trent and Macclesfield.
   6.2. The Board supported the paper for submission to the DfT.

7. **Rolling Stock and Depot Technical Decision – (operating and speed/ tilting trains recommendation)**
   7.1. The Board noted the recommendation paper defining the approach to maximum speed and journey time specification for the rolling stock for Phase 1.
   7.2. The Board noted the proposal for maximum train operating speed of 360 km/h for timetable recovery and 330km/h for timetabled normal maximum operating speed.
   7.3. The Board noted the recommendation that tilting trains are not adopted.
   7.4. The paper was recommended for submission to the DfT.

8. **Euston OSD Change Notices**
   8.1. The Board noted the paper requesting approval of principles to including oversite/commercial development (OSD) into HS2 scope, and formally responding to the DfT change notices (CN0007 and CN0009).
   8.2. The Board accepted the role of 'agent' as outlined in the paper and approved the issue of the two change notices, delegating the execution of this back to the Executive.

9. **Organisational Structure Briefing**
   9.1. The Board received a presentation on the organisational structure review of the HS2 Ltd Executive structure supported by [redacted]. The review comes at a time relevant point for the organisation to review accountabilities and drive effectiveness of the organisation.
   9.2. The Board noted the update.

10. **Land and Property – Governance, Engagement and Process**
   10.1. The Board noted the paper requesting approval of the governance and delegations proposed at HS2 Ltd heads toward the acquisition of land for the construction programme.
   10.2. The Land and Property director updated the Board that there is a fixed supply chain to 2019 with flexibility beyond this point. There is work to communicate the values of the organisation throughout the chain with the Land and Property director being personally involved in the work.
   10.3. Recruitment of the right employees will be managed through the probation period to ensure the right culture and behaviour of the staff.

There is a possibility that the supply chain will be asked to back fill any vacant roles until they can be permanently sourced.

10.4. The Board noted the high level of proposed authorised delegation and stressed the importance of fit for purpose and auditable processes.

10.5. When notices are served it is key to deal with personal servings for residents and businesses in the appropriate way. Work will be undertaken to communicate with local authorities and businesses.

10.6. The Board noted the proposed governance structure and it was agreed that this would be looked at with the governance review.

10.7. The Board asked for clarity on the cross over with the Commercial and Investment Committee and for those novel and contentious issues to be escalated to the Board Sub-committee.

10.8. The Board approved the delegations and governance in principal, noting that Land and Property will return to the Board for a briefing with further detail on the specific reporting to the Board, tracking of disputes and audit process.

11. Intercity West Coast/ Hs2 Franchise

11.1. The Board noted the ongoing engagement between HS2 Ltd and the DfT.

12. HS2 Ltd Freedoms and Flexibilities

12.1. The Board noted the Freedoms and Flexibilities continuation request which had already been discussed by the Board.

12.2. The Board recommended the paper for submission to the DfT.

13. Report From the Health, Safety and Environment Committee

13.1. The Board noted the report from the Health, Safety and Environment Committee meeting on 28 July 2016.

13.2. The Board agreed that an invitation would be extended to Cathy Elliott, the appointed Independent Chair of the panel overseeing the delivery of the HS2 Community and Business Funds.

14. Board Future Workload and Briefings

14.1. The Board noted the future workload content and discussed the subject of the future briefings which will be added to the forward workload.

15. Chair's Report

15.1. The Board noted the Chair's update and the introduction to the afternoon briefing on the September Proposal.

16. CEO's Summary and Programme Dashboard

16.1. The Board noted Chief Executive summary and Programme Dashboard for July 2016.

17. Health and Safety Report

17.1. The Board noted the Health and Safety report for July 2016.

18. Finance Dashboard

18.1. The Board noted the finance dashboard for June and July 2016.

19. Corporate Affairs Report

19.1. The Board noted the report from Corporate Affairs for July 2016.

20. Minutes of the Previous Meeting and Matters Arising

20.1. The minutes from the meetings of 07 July and 11 August 2016 were agreed as a true record.

20.2. The Board noted the status of the actions.

21. Any Other Business

21.1. ***Brexit:*** The Board noted that the DfT are undergoing work and debate on the implications of the exit from the European Union. The Executive are reviewing and the Board will be updated as required.

Signed:

Date: