

## High Speed Two (HS2) Ltd Board Meeting

**Minutes of the meeting 06 April 2017  
Boardroom, One Canada Square**

Members	In Attendance	Apologies
David Higgins Chairman	Jim Crawford (item 06) Managing Director, Construction	Andrew McNaughton Technical Director
Andrew Adonis Non-executive Director	Nicole Geoghegan (via phone) General Counsel and Company Secretary	
Steve Allen Chief Financial Officer	[REDACTED] Strategic Communications Advisor	
Richard Brown Non-executive Director	[REDACTED] [REDACTED] Director of Railway Operations	
Christine Emmett Non-executive Director	[REDACTED] [REDACTED] Assistant Company Secretary	
Mel Ewell (via phone) Non-executive Director	David Prout Department for Transport (DfT), Observer	
Neil Masom Non-executive Director	Chris Rayner (items 10 and 14) Managing Director of Railway Operations	
Roger Mountford Non-executive Director	[REDACTED] [REDACTED] Director of Rolling Stock & Depots Programme	
Alison Munro Managing Director, Development		
Duncan Sutherland Non-executive Director		
Mark Thurston Chief Executive Officer		
Jo Valentine Non-executive Director		

### **1. Welcome and Declaration of Interest**

1.1 The following declarations were made:

- 1.1.1 Jo Valentine advised the Board of her appointment as Chair to Heathrow Southern Rail;
- 1.1.2 Roger Mountford advised of his appointment as independent Chair of the Lafarge Pension Fund;
- 1.1.3 Mel Ewell advised of his appointment to the Board of Trustees of the Duke of Edinburgh's Award and as Non-executive Director of London City Airport; and
- 1.1.4 Alison Munro further declared her interest in OFWAT in relation to item 15 on the agenda.

2. **Minutes of the previous meetings and matters arising.**
  - 2.1 The Board noted the minutes from 23 January 2017, 02 March 2017 and 24 March 2017 and agreed these as a true record.
  - 2.2 The Board noted the status of the actions.
  - 2.3 **The Board requested that Andrew McNaughton provide a verbal update at the next meeting in support of the two reports provided on slab track and gradient.**

Action: Andrew McNaughton

3. **Health and Safety Report**
  - 3.1 The Board noted the Health and Safety Report for February 2017.
  - 3.2 **It was agreed that an update from Kelibray will be provided via the HS2 Executive Health, Safety and Environment Panel.**

Action: Mark Thurston/ Emma Head

4. **CEO Report and Monthly Management Information**
  - 4.1 The Board noted the report from the CEO and the monthly Board Report for February 2017.
  - 4.2 The following key points were raised and noted:
    - 4.2.1 The Board noted the update with regard to the stakeholders and asked that an update be provided a future date with regard to classification and mapping of the different stakeholders;
    - 4.2.2 It was agreed that Government will be referred to as the project Sponsor and not a stakeholder;
    - 4.2.3 The Board commended the progress of the Land and Property team;
    - 4.2.4 **Further communication between HS2 Ltd, Hillingdon and MP's will continue in order to agree a way forward within the requirements set out in agreement;**

Action: Mark Thurston

- 4.2.5 **The Board were updated on the revised organisation and the communication sent out internally will be forwarded to the Board;**

Action: Mark Thurston

- 4.2.6 The Board received a handout of an extract of management information and noted the development of the reporting to the Board; and
- 4.2.7 The Board requested data to show utilisation of contingency and suggested that more data and plans be displayed on walls of the offices to track and socialise progress.

- 5. Report from the inaugural Programme Committee 20 March 2017**
- 5.1 The Board noted the report from the inaugural Programme Committee held on 20 March 2017.
- 5.2 The following key points were raised and noted:
- 5.2.1 The Board noted the membership and attendance to the Committee;
- 5.2.2 The Committee will receive more refined management information at the future meetings;
- 5.2.3 The main item of review and discussion at the Committee was Baseline 6.1. The report to the Board referenced the key items which were actioned prior to presenting the item to the HS2 Ltd Board; and
- [REDACTED]
- 5.3 The Board noted the review of the electrification programme in Network Rail and the lessons learned following the National Audit Office review.
- 5.4 The Board noted that there are bigger lessons learned to be considered in terms of management of the supply chain.
- 5.5 The Board noted the closeout activity to review Baseline 6 assurance actions and suggested that the Programme Committee might review and test this at a future date together with reviewing the early approach to Baseline 7.
- 6. BL6.1**
- 6.1 The Board noted the paper seeking approval of Baseline 6.1 and associated Programme Change Requests (PCR).
- [REDACTED]
- 6.3 The Board noted the detail on the financials and Qualitative Schedule Risk Analysis (QSRA) modelling and emphasised that the testing of this is key.
- 6.4 The Board noted the outcome of the line of defence (LOD) process and noted that the lessons learned will be documented.
- 6.5 Management confirmed that in closing out the assurance actions that there are no further material movements.
- 6.6 **The Board discussed the platforms at Old Oak Common and queried whether there is a full business case. The Board requested further challenge on the proposal and allocation of the platforms.**

Action: Mark Thurston/ David Higgins

- 6.7 The Board noted the target programme approach and that HS2 Ltd will formally report against target price and target schedule.
- 6.8 The HS2 Ltd Board endorsed BL6.1 and the associated PCR's noting the onward transmission of the item to DfT BICC.

**7. Governance Review**

- 7.1 The Board noted the paper requested approval of the revised governance and delegations and received a presentation.
- 7.2 The Board discussed the arrangements of the revised regime and requested examples of in-year spend.
- 7.3 **The Board approved the revised governance structure and delegations on the condition that they will be further provided with explanation of how this links to the approved budget and operates with change control and contingency.**

**Action: Steve Allen/ Nicole Geoghegan**

**8. Development Agreement Principles**

- 8.1 The Board noted the paper requesting approval of the principles supporting the Development Agreement (DA) refresh.
- 8.2 The Board noted that the update to the DA will be delivered in tranches and that this decision was in relation to tranche one only.
- 8.3 The Board noted that tranche two will return to the Board towards the end of the calendar year.
- 8.4 Management confirmed that the four models outlined will feed into the reporting cycles and documents for DfT and HS2 Ltd.
- 8.5 **The Board noted the reference to benefits and suggested that it be given stronger emphasis in the paper.**

**Action: Steve Allen/ Nicole Geoghegan**

- 8.6 The Board approved the tranche one principles supporting the DA refresh and authorised the CFO and General Counsel and Company Secretary to review and approve the detailed drafting to ensure alignment with the approved principles.

**9. Corporate Plan Update and Interim Business Plan**

- 9.1 The Board received an update on the staged approach to the Corporate Plan noting that this will return to the Board for approval in June 2017.
- 9.2 The Board approved the workforce plan and budget detail contained in the interim business plan and agreed that some of the Non-executive Directors will feed in to the work on the corporate plan.

**10. Customer Proposition and Operational Concept**

- 10.1 The Board received a presentation on the operational concept and customer proposition.
- 10.2 The Board noted the presentation but requested detail on the following points:
  - 10.2.1 The Board discussed the potential for the phased approach to the operational concept;
  - 10.2.2 The Board requested a review of steps to prepare for future decisions;
  - 10.2.3 The Board asked for better visibility on the approach and detail of security;
  - 10.2.4 **It was agreed that the approach to the concept will be developed with the DfT for wider consultation with stakeholders.**

Action: David Higgins/ Mark Thurston/ [REDACTED]

**11. Report from the Audit and Risk Assurance Committee**

- 11.1 The Board noted the report from the Audit and Risk Assurance Committee meeting of 09 March 2017 which had considered the preparedness for the financial year end.

**12. Report from the Commercial and Investment Committee**

- 12.1 The Board noted the report from the Commercial and Investment Committee (CIC) of 22 March 2017 which considered three out of the four topics on the Board agenda.
- 12.2 The Chair of the CIC provided the Board with a verbal update from the extraordinary meeting which had taken place immediately prior to the Board to consider the assurance information in order to support the issue of the PQP for procurement of a Master Development Partner.
- 12.3 The following key points were raised and noted:
- 12.4 The Committee had discussed the definition of 'agency' at the meeting on 22 March 2017 and agreed the more accurate definition was development manager.
- 12.5 The Committee had received an update that the SoS has granted an extension of timing of four weeks for the process to Invitation to Tender stage.
- 12.6 The Board noted that the approach to the dialogue with bidders should not be time limited so as not to undermine the company's negotiation position
- 12.7 The Board noted that it is key to formalise the relationship with Network Rail (NR) and also that the collaboration agreement will develop the relationship with the DfT and NR.
- 12.8 The Board also noted that the period for evaluation shouldn't be unduly limited to allow for a robust process for tenders.
- 12.9 Management confirmed that they were content with the timings.

- 12.10 The Committee asked the Board to note the key advantage of the escalated timetable which allows alignment of the MDP with RIBA3 development.
- 12.11 The Committee requested that management develop the detail and engagement with the design panel.
- 12.12 The Committee confirmed to the Board that they were satisfied with management responses and would anticipate that the IAP will provide a formal response via correspondence in due course.
- 12.13 **The Board requested that management consider and develop the qualitative assurance element which will be needed at ITT stage. The Board requested detail of this prior to the ITT request at the Board.**

Action: [REDACTED]

- 12.14 The minutes of the Commercial and Investment Committee were requested to support the DfT Observer in his request for approval to issue the PQP.
- 12.15 The Board noted that the assurance activity will continue in parallel.
- 12.16 It was agreed that the CEO would speak with the chair of the Independent Assurance Panel for confirmation of their review approach and advise the DfT Observer.

**13. Stations: (1) Category Plan Approval, and (2) Design Procurement: Plan and PQQ publication approvals**

- 13.1 The Board note the paper requesting approval of the Stations Category Plan and Stations Design Services Contract Procurement Plan.
- 13.2 The Board discussed the alignment of the timing for stations decisions with the previously discussed customer proposition.
- 13.3 The Board requested a clearer picture of the stakeholder mapping which will flow into the January decision.
- 13.4 **Management are to clarify with DfT the requirement on the strategic narrative with the procurement.**

Action: Jim Crawford

- 13.5 The Board discussed how to commercialise the development opportunities and Management confirmed that there was nothing HS2 Ltd are progressing for this matter which will preclude future site development.
- 13.6 The HS2 Ltd Board approved the paper noting its onward transmission to BICC.

**14. Rolling Stock Procurement: Issue of Contract Notice and Pre-Qualification Pack**

- 14.1 The Board noted the paper seeking approval for the issue of the contract notice and pre-qualification pack for the rolling stock procurement.
- 14.2 The Board noted the comments from the CIC and approved the issue of contract notice and issue of the pre-qualification pack.

**15. Initial works on the 42" Water Main at Euston**

- 15.1 The Board noted the paper and comments of the CIC and approved that Thames Water carry out 42" main diversion works commencing April 2017, via a Design Construction Agreement (DCA); and
- 15.2 Approved the financial authority in the sum of £17.7m to carry out phase 1 and phase 1a works.

**16. Phase 2A Scheme Design for Deposit including Schedule, Cost, Risks and Outline Business Case**

- 16.1 The Board noted the paper and received a presentation for the deposit of the Phase 2a hybrid Bill.
- 16.2 The Board noted and recommended the aspects of the Phase 2a scheme and the sign offs proposed in the assurance and approval schedule.
- 16.3 **It was agreed that the Board will receive a further update on Crewe following confirmation of the remit with the DfT.**

Action: [REDACTED]

**17. Corporate Affairs Report**

- 17.1 The Board noted the corporate affairs report for February 2017.

**18. Board Future Workload**

- 18.1 The Board noted the forward workload for the HS2 Ltd Board.

**19. Report on Status of Actions from Board Effectiveness Review**

- 19.1 The Board noted the report summarising the status of the actions from the Board Effectiveness Review.
- 19.2 **It was agreed that reference to the quarterly sessions with permanent secretary, HS2 Ltd Chair and Deputy Chair will be included in the summary.**

Action: Nicole Geoghegan

**20. Company Secretariat Report on Board activity**

- 20.1 The Board noted the report summarising the quarterly Board activity.

**21. Chair's Report**

21.1 The Chair had no further items to add for discussion.

**22. Any Other Business**

22.1 There were no additional items of business raised for discussion.