



Department for Transport

From the Secretary of State
The Rt Hon Mark Harper MP

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Iain Stewart MP
Chair, Transport Select Committee
House of Commons
London
SW1A 0AA

24 January 2024

Dear Iain,

Appointment of Chief Executive Officer (CEO) of HS2 Ltd

Thank you for your letter of 19 September 2023 regarding the appointment of the new CEO of HS2 Ltd and the interim arrangements that have been put in place until a permanent successor to Mark Thurston is in post. I sincerely apologise for the delay in replying to your letter.

I recognise the significant public and Parliamentary interest in this appointment and am keen that we engage with the Committee in the most appropriate way. As you know, this is not a role that is subject to a pre-appointment hearing by the Select Committee. Such bespoke hearings are not standard practice and I consider there to be a significant risk of securing an exceptional candidate if one were to be introduced for this role.

I would of course be pleased for the successful candidate to meet the Committee very soon after they are in the role, so that they are able to understand fully your views.

As you are aware, until the recruitment process has concluded, I have appointed Sir Jon Thompson as Executive Chair. I appreciate it is unusual to have the responsibilities of the CEO combined with that of the Chair in a single role, however during a time of significant change for the HS2 programme I concluded it was vital to maintain continuity in leadership and where Sir Jon brings a unique range of experience and expertise to be able to fulfil this enhanced role.

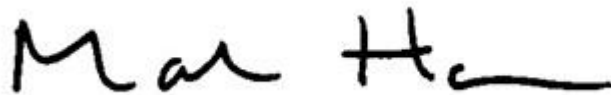
The Department has reviewed HS2 Ltd's corporate governance to ensure that there is effective scrutiny of decisions, robust leadership and safeguards against potential conflicts over this period. In doing so we have:

- Formally assigned roles and responsibilities to the Executive Chair and Deputy Chair to avoid ambiguity;
- Proactively re-allocated responsibilities where the Executive Chair would be conflicted, to the Deputy Chair;
- Made it incumbent on the Executive Chair to avoid and manage conflicts; and
- Put in place a feedback loop for the Department on the effectiveness of the board under these arrangements, giving us the opportunity to intervene in extremis.

These responsibilities are set out in full at Annex A.

Sir Jon and I are both clear that he must recruit a permanent successor as soon as possible, balancing pace with the need for an open, thorough, robust and comprehensive process. Sir Jon and Elaine Holt, Deputy Chair, are leading the recruitment exercise for the new CEO. While the process is run by HS2 Ltd, there will be representation from the Department's Permanent Secretary, Dame Bernadette Kelly and HM Treasury on the Assessment Panel. I have agreed with Sir Jon that there will be the opportunity for me to input into the process in advance of the final decision. I expect decisions to be made in the first quarter of this year and the successful individual to start in post as soon as they are able (acknowledging possible notice periods).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Harper', with a stylized, cursive script.

The Rt Hon Mark Harper MP

SECRETARY OF STATE FOR TRANSPORT

Executive Chair - duties and responsibilities in fulfilling Chair role

The Executive Chair must continue to exercise their core Chair accountabilities to:

- carry out such duties and exercise such powers in relation to HS2 Ltd as may from time to time be assigned or vested to them by the Board;
- abide by statutory, fiduciary and common law duties as Chair of HS2 Ltd;
- at all times ensure that the Board acts within the terms of, and complies with, all governance arrangements in the Framework Document as updated from time to time;
- promote the highest standards of integrity, probity and corporate governance throughout HS2 Ltd and particularly at Board level and abide by HS2 Ltd's rules, policies and procedures regulating such conduct;
- ensure that tools and resources are in place for the achievement of HS2 Ltd's aims;
- ensure the provision of accurate, timely and clear information to the Board;
- chair the Board and general meetings of HS2 Ltd, including setting the agenda for such meetings;
- demonstrate leadership and best practice in equality, employment, diversity, social and sustainability issues in managing HS2 Ltd; and
- immediately report to HS2 Ltd their own wrongdoing or the wrongdoing, or proposed wrongdoing, of any senior manager or director of HS2 Ltd of which they become aware.

They must discharge the duties and responsibilities of the Chair under the [HS2 Ltd Framework Document](#) as updated from time to time (including any variations required to reflect the role of Executive Chair). In particular, in respect of the Framework Document dated August 2022, they must:

- ensure that the Board carries out the duties set out in clauses 4.15 to 4.17 of the Framework Document;
- carry out the duties of the HS2 Ltd Chair as set out in clauses 4.18 to 4.22 of the Framework Document;
- carry out the duties of an individual Board member as set out in clause 4.25 of the Framework Document; and
- carry out any other responsibilities as set out in the Framework Document.

The Deputy Chair of the Board (or any other Board member nominated by the Secretary of State from time to time) will take the lead on the following matters under the [HS2 Ltd Framework Document](#):

- providing scrutiny and challenge of Executive Board directors (clause 4.4);
- chairing any committees normally chaired by the Non-Executive Chair and taking the lead in matters set out in clauses 4.9 to 4.11 in place of the Non-Executive Chair;
- setting performance objectives and remuneration terms and providing scrutiny of the Executive Chair's setting of performance objectives and remuneration for other senior executives;
- ensuring that there are appropriate mechanisms in place for the independent appraisal of the performance of the Executive Chair;
- acting as Chair of the Board in circumstances where the Board is minded to instruct the Executive Chair in their capacity as Accounting Officer to carry out a course inconsistent with duties as set out in clause 4.35; and
- such other aspects of the Chair's role as set out in clauses 4.20 to 4.22 inclusive as the Deputy Chair or the Board determine from time to time.

The Executive Chair must adhere to the highest personal and professional standards, in accordance with the seven principles of public life developed by the Committee on Standards in Public Life.

They will have the same statutory duties as any other director of HS2 Ltd.

Executive Chair - duties and responsibilities in fulfilling Chief Executive Officer role

The duties as Chief Executive Officer in respect of the [HS2 Ltd Framework Document](#) dated August 2022, are set out in clauses 4.27 to 4.32 of the Framework Document (including in capacity as Accounting Officer);

These sit alongside the duties that apply to all individual Board member as set out in clause 4.25 of the Framework Document.