

High Speed Two (HS2) Ltd Board Meeting

Minutes of the extraordinary meeting

24 March 2017

Room 511, Sanctuary Buildings

Members	In Attendance	Apologies
David Higgins Chairman	[REDACTED] Department for Transport (DfT), Observer	Richard Brown Non-executive Director
Andrew Adonis Non-executive Director	[REDACTED] Department for Transport (DfT), Observer	Andrew McNaughton Technical Director
Steve Allen Chief Financial Officer	Nicole Geoghegan (via phone) General Counsel and Company Secretary	Duncan Sutherland Non-executive Director
Christine Emmett Non-executive Director	[REDACTED] Strategic Communications Advisor	
Mel Ewell (via phone) Non-executive Director	[REDACTED] Assistant Company Secretary	
Neil Masom (via phone) Non-executive Director	[REDACTED] Commercial Development Director	
Roger Mountford Non-executive Director	[REDACTED] Commercial Director	
Alison Munro Managing Director, Development		
Mark Thurston Chief Executive Officer		
Jo Valentine Non-executive Director		

1. Welcome and Declaration of Interest

1.1 The Chairman thanked the Board for their attendance at the extraordinary Board meeting.

1.2 There were no new declarations of interest raised at this meeting.

2. Procurement of a Master Development Partner (MDP) for Euston Over-site Development (OSD)

2.1 The Board noted the paper seeking approval for:

2.1.1 The strategy to procure a Master Development Partner for Euston Station Development; and

2.1.2 Implementation of the next phase of the strategy, being the launch of the OJEU procurement.

2.2 The Board were also asked to consider the risks/benefits of an expedited procurement timetable and approve its implementation.

- 2.3 The Board agreed that the use of the term “Over-Site Development” should be “development”.
- 2.4 The Board discussed the following points:
- 2.4.1 The fundamental issue is the formalisation of the Master Development Partner (MDP) role;
 - 2.4.2 How HS2’s “agency” role should be best defined. The Board agreed that HS2 Ltd should prepare the remit of what will be required from the MDP.
 - 2.4.3 It was agreed that HS2 Ltd will initiate the process of defining its agency role, returning to the Board at the point of issuing the invitation to tender (ITT).
 - 2.4.4 The Board discussed the form of tendering and the method proposed, which gives flexibility in the short term and adopts the lessons learned from market engagement.
 - 2.4.5 The Board discussed the process to reach the point of issuing the ITT and agreed that if the principles and expectations aren’t clear by this time then the ITT should not be issued.
 - 2.4.6 The Board discussed the procurement of the Station itself and noted that, whilst there are potential benefits for the MDP to build the station, there is no appetite from the market.
 - 2.4.7 HS2 Ltd will have the interface and integration risk and it was agreed that, further to the feedback from the market, this risk element of the should be clearly fed back to the Secretary of State (SoS).
 - 2.4.8 The Board discussed the stakeholders involved and it was agreed that a stronger emphasis on the importance of working with GLA, DCLG and the London Borough of Camden should be detailed.
 - 2.4.9 The Board encouraged Management to liaise with wider stakeholders e.g. The British library and housing associations.
 - 2.4.10 The Board went on to discuss the assessment process and the inextricable link between quality and cost.
 - 2.4.11 The Board noted that the application of the most commonly used weightings of 70/30 technical to commercial will be used.
 - 2.4.12 The Board discussed the process of shortlisting tenderers and encouraged Management to have the appropriate capacity for the detailed negotiation. Management have supplemented the team with external resources to support the work.
 - 2.4.13 The Board agreed that there has been good progress with the key commercial terms and instructed Management to continue the development so that all parties are clear.

2.4.14 The Board discussed the approach to the phasing of development parcels (the Phasing Plan) referred to in the key commercial terms, which currently indicates that the Approaches to Euston Station being the first Phase. The Board noted that there is flexibility in this approach.

2.4.15 **The Board noted the timeline and that the summary of the indicative statement of intent will be included in the PQO. The Board were asked to review these and register any objections to content as a matter of urgency.**

Action: HS2 Ltd Board

2.5 The Board noted that the commercial proposition has been through BICC and TAP who endorsed the direction of travel.

2.6 The Board requested that a summary of differences between Kings Cross and Stratford be detailed.

2.7 **The Board noted the plan for the commercial advisory group. It was agreed that the link for the job specification would be shared.**

Action: [REDACTED]

2.8 **It was agreed that the Commercial and Investment Committee will meet to consider and review the Independent Assurance letter, legal assurance letter and summary of close out of LOD1 and LOD2 actions. The documents will be available for the wider Board also.**

Action: [REDACTED] / CIC

2.9 The Board noted the DfT delegation from BICC.

3. Phase 2b Update

3.1 Mark Thurston left the meeting whilst this item was considered.

3.2 The Board received an update with regard to the Phase 2b development partner.

3.3 The Board agreed that further information should be sought from the preferred bidder and that any decision by the Board in relation to the procurement would be sought via correspondence in the week commencing 27 March 2017.

4. Any Other Business

4.1 There were no additional items of business raised.