



House of Lords  
House of Commons  
House of Lords Commission  
and  
House of Commons Commission

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# **Restoration and Renewal of the Palace of Westminster—a new mandate**

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**Joint Report**





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**Joint Report**

*1st Report of the House of Lords Commission, Session 2022–23,  
ordered by the House of Lords to be printed on 13 June 2022*

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House by the Speaker and ordered by the House of Commons  
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## Executive summary

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The Palace of Westminster sits at the heart of a UNESCO world heritage site and is a global symbol of our parliamentary democracy. We acknowledge our responsibility as custodians of this unique part of our national heritage and pledge our support to safeguard it for future generations. We are committed to ensuring the health and safety of all those who live and work in the Palace, now and in future.

In March we published a joint statement in which we shared our concerns about the approach being taken by the Restoration and Renewal Programme, and set out our proposals for a new approach to the works and to the governance structure of the programme; and our intention to seek independent advice.

Now, having received independent advice, we seek the support of both Houses in agreeing a new mandate for the works, and a new governance structure to support them.

The new approach to the works widens the range of options to be developed to ensure maximum value-for-money, while also better meeting the needs of the Parliamentary community. It focuses on safety critical works first, and the need to commence those as soon as possible. It proposes that a vision for the end-state of the programme is agreed, but that the delivery strategy is reviewed periodically to allow for changes in priorities and requirements.

The proposed new governance structure transfers the sponsor function in-house, and integrates it into existing Parliamentary governance structures through the two Commissions. We propose delegating authority to a programme board which will have the right balance of Parliamentary representation and programme management expertise to steer the project in a way that best meets the needs of Parliament.

We are committed to supporting the programme and we undertake to provide the political leadership required to ensure its progress. We ask that Members of both Houses support the motions which will be tabled to give effect to this report in order to safeguard the future of the Palace.

# Restoration and Renewal of the Palace of Westminster—a new mandate

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## Introduction

1. We confirm and reiterate our shared commitment to preserve the Palace of Westminster for future generations. We recognise our collective duty as custodians of the Palace which sits at the heart of a UNESCO World Heritage site, and our responsibility to ensure the safety of all those who work in and visit the Palace, now and in future.
2. At a joint meeting of the two Commissions on 13 June 2022 we agreed to recommend to both Houses a new approach to the works for the Restoration and Renewal (R&R) programme, and a new governance structure and funding arrangement to support it. Our recommendations are designed to enable a wider range of options to be developed and brought forward than is currently the case, thereby ensuring maximum value-for-money, while also better meeting the needs of the Parliamentary community. This report sets out our new approach in more detail.

## Background

3. In early 2022 emerging costs and timescales were presented to each Commission by the R&R Sponsor Body; these were indicative estimates, providing a work-in-progress view of the direction of travel. The full details of the estimates have since been published.<sup>1</sup> However, in summary, the ranges for the R&R “essential scheme” option presented to the Commissions were:

- At 50% probability of achieving the programme to cost and schedule: £7bn with the Palace vacated for 12 years in a programme of works lasting 19 years;
- At 80% probability of achieving the programme to cost and schedule: £13bn with the Palace vacated for 20 years in a programme of works lasting 28 years.

4. We then met jointly on 17 March following concerns expressed over the costs and timescales presented, and over how the programme governance structure had operated. Following the meeting a joint statement was issued, reiterating our commitment to preserve the Palace of Westminster for future generations (see Annex A). We agreed to recommend a new approach to the R&R programme that recognises not only our collective duty as custodians of the Palace of Westminster, but also our responsibility to ensure the safety of all those who work in and visit the Palace, and we proposed a set of parameters to guide the new approach. We agreed to recommend a change to the governance structure of the programme by replacing the Sponsor Body; we made no proposal to change the role of the Delivery Authority, whose remit it is to deliver the works.

5. We further agreed to seek independent advice and assurance on the new approach to the works, as well as on proposals to take forward our recommendation to replace the Sponsor Body, subject to the agreement of the two Houses.

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<sup>1</sup> *Essential Scheme: Initial Assessment of Cost and Schedule; and Continued Presence: Impact Study:* [https://assets.ctfassets.net/vuy1khqhtihf/13GvESTY51WbrDXnTNmf4O/7599c5a9413402403d26c41cfb8a06b6/Essential\\_Scheme\\_Initial\\_Assessment\\_of\\_Cost\\_and\\_Schedule\\_and\\_Continued\\_Presence\\_Impact\\_Study\\_Final.pdf](https://assets.ctfassets.net/vuy1khqhtihf/13GvESTY51WbrDXnTNmf4O/7599c5a9413402403d26c41cfb8a06b6/Essential_Scheme_Initial_Assessment_of_Cost_and_Schedule_and_Continued_Presence_Impact_Study_Final.pdf)

6. Since our joint meeting in March, officials of both Houses, the R&R Sponsor Body and the Delivery Authority have worked closely together on the transition programme to support next steps. Workstreams have been established to consider the new sponsorship function and the new approach to the works. Others have been established to advise on the financial, legal and HR implications of what is being proposed, as well as due diligence, assurance and risk. Each workstream has representation from all four organisations—the Sponsor Body, Delivery Authority, and both Houses of Parliament—with a view to ensuring that next steps are appropriately informed by lessons learned and different experiences and perspectives on the programme to date. Throughout this report we draw on inputs provided by officials supporting the transition programme. The full set of workstreams and related governance is set out in Annex B.

7. An important part of the transition programme is the delivery of the independent advice and assurance that we have requested. Following our meeting in March a high-level panel of independent experts with significant experience in major programmes, in both the public and private sector, was established. The Independent Advice and Assurance Panel began its work in late April, with this review primarily based on interviews with relevant stakeholders conducted between 9 and 12 May. The panel submitted its final report on 20 May. Full details of the panel can be found at Annex C. We are grateful to the Panel for their involvement, including for the priority which they gave to this work, enabling it to be carried out as soon as possible after our decision to commission it. We value the immense expertise they have brought to our consideration of these issues.

8. The best possible use continues to be made of existing resources in the Sponsor Body and Delivery Authority. A programme of option-neutral activity—work that will be needed regardless of outcomes, and which can inform a wider range of options for delivering the work—was agreed in March. A high priority was placed on continuing with the already planned programme of surveys, and other work necessary to inform future decisions. This work has continued apace: so far this year more than 2,000 spaces have been surveyed by the Delivery Authority, with support from relevant Parliamentary teams. Further intrusive surveys are planned during the summer and conference recesses.

## **Content of this report**

9. We have now received and considered the output from the Independent Advice and Assurance Panel (“the Panel”), and we present its findings for the benefit of the two Houses and more widely (see Annex D). Drawing on the independent advice and assurance received, as well as on work undertaken by officials in both Houses and within the R&R Sponsor Body and Delivery Authority to support the transition programme, this report makes recommendations regarding:

- a) the new approach to the works;
- b) the future of the sponsor function;
- c) funding arrangements; and
- d) legislative change required.

10. The report also sets out an indicative timeline and next steps (see para 73). It is expected that the recommendations in this report will form the basis of motions which are currently planned to be moved in both Houses before the summer recess.

### **The new approach to the works**

11. The statement issued after the joint meeting of the two Commissions in March 2022 included a set of parameters intended to guide the new approach to the works—these are set out below. Their purpose is to enable a wider range of options to be developed and brought forward than is currently the case, thereby ensuring maximum value-for-money, while also better meeting the needs of the Parliamentary community.

- a) A primary commitment to health and safety, including fire safety;
- b) Ensuring lessons from previous project activity are embedded in future project activity;
- c) Works to improve mechanical, electrical and other essential systems should be prioritised;
- d) A shorter life expectancy for the completed works should be considered (i.e. the infrastructure might require further renewal or ongoing upgrades in future decades rather than the current underpinning assumption to avoid this);
- e) A wider range of options to decant Members and staff from areas of the building affected by the works needs to be considered;
- f) There must be a more integrated and cohesive approach between R&R works and other critical works on the Parliamentary estate;
- g) Different levels of ambition for programme scope should be considered to ensure maximum value for money;
- h) There should be a broader range and a greater number of options for delivering the works developed prior to down-selection of final options;
- i) An incremental approach to the works and the funding should be considered, in line with standard practice for many major public works.

### ***Development of options for the works***

12. Work undertaken by the Delivery Authority, in collaboration with officials from Parliament and the Sponsor Body, has examined how to give effect to the new approach. It is proposed that the programme develops potential options which:

- include a range of possible scopes for the works to reflect different levels of ambition, from limited interventions focussed on priority areas such as health and safety, through to wider enhancements to the Palace that offer operational or performance improvements in other areas, such as improved sustainability or visitor access (parameter g);

- consider a variety of ways in which the works can be delivered, including minimising the time and extent to which Members and / or staff are asked to move out of all, or any part of, the Palace, and into temporary accommodation (parameter e);
- consider how a “shorter life expectancy for the completed works” (parameter d) could simplify design and speed up construction.

13. For each option, the programme will set out the broad indications of the associated costs, timescales and risks, as well as impact on Members and staff. This will provide a basis on which decisions can be taken regarding value-for-money, and the trade-offs that will need to be made between scope, cost, timescales and risk; while also taking into account health and safety considerations, as well as any other relevant Parliamentary estate-wide strategies.

14. We note that the Parliamentary Buildings (Restoration and Renewal) Act 2019 (“the 2019 Act”) sets out specific areas of scope to which the programme must have regard when drawing up its proposals. They include security, sustainability, accessibility and participation, among others.<sup>2</sup> This remains the statutory framework.

### *Review of the parameters by the Panel*

15. The members of the Panel were asked to review the parameters in order to provide assurance on whether the approach appeared sensible. The findings of the Panel are that the parameters are “sound”: they “rightly give primacy to health and safety, and are helpful in setting out priorities and guidance for optioneering by the R&R teams.” The Panel recommends that the parameters “should be augmented by clear evaluation criteria” which are designed to support option assessment, and key trade-offs which will need to be made to arrive at a progressively shorter list of possible options for the works. These criteria should take account of longer-term perspectives and link to the programme’s end-state vision and intended outcomes. (Panel Recommendation 9). We consider the role of the end-state vision further under paragraphs 55 to 57 below (in relation to the Panel Recommendations 7 & 8).

16. This recommendation aligns with advice from officials. In order to review the potential options, an iterative process is envisaged which begins with the development of criteria for assessing the options. The Panel suggests that the criteria could include affordability and life-cycle value-for-money; risk exposures for people and heritage; and deliverability and disruption to parliamentary business [Panel, para 47].

**17. We are happy to accept the recommendation by the Panel that the parameters to guide the new approach to the works should be accompanied by clear evaluation criteria linked to the programme’s long-term outcomes to support option assessment. We accept the initial criteria suggested by the Panel.**

**18. In line with our primary commitment to health and safety, we recommend further that the evaluation criteria for the delivery method should explicitly include health and safety risks to building users, including during the works.**

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<sup>2</sup> Parliamentary Buildings (Restoration and Renewal) Act 2019, [section 2\(5\)](#)

**Priority work areas: focusing on Health & Safety**

19. The report of the Panel welcomes the explicit and primary commitment to health and safety expressed in the first of the parameters. However, it notes the concerns expressed to it about the implications of ongoing delays to the programme which include, for example: hearing that the rate of degradation of the infrastructure outstrips the capacity to maintain or repair it; and that this raises the spectre of catastrophic failure. The Panel heard conflicting views on the level and nature of risks faced. It saw strong benefit in bringing together related evidence and assessments, initially on an annual basis, in order to validate changing risk exposures, to raise awareness of the issues, and to inform the need for action [Panel, para 48].

20. In response to the parameters agreed by the Joint Commission meeting in March, officials have proposed four areas of scope that should be prioritised to ensure that health and safety are appropriately prioritised throughout, and that our explicit commitment to health and safety is met effectively. It is proposed that the programme should initially focus on the following priority work areas:

- Fire safety and protection
- Building services
- Asbestos
- Building fabric conservation

21. The scope for each of these priority areas is set out below:

Work area	Summary of scope
Fire safety and protection (parameter a)	<ul style="list-style-type: none"> <li>• Reduce the risk of fire spreading</li> <li>• Enhance general safety and capability for self-evacuation of those with additional mobility or accessibility needs</li> <li>• Enhance fire-fighting facilities</li> </ul>
Building services (parameter c)	<ul style="list-style-type: none"> <li>• Replace life-expired and obsolete mechanical, electrical, drainage and plumbing systems, and data and comms systems</li> </ul>
Asbestos (parameter a)	<ul style="list-style-type: none"> <li>• Address asbestos where it is affected by the works</li> </ul>
Building fabric conservation (parameter a)	<ul style="list-style-type: none"> <li>• Restore exterior and interior fabric (stonework, roofs, etc.)</li> <li>• Prevent further deterioration</li> <li>• Preserve the physical integrity of the site to prevent future safety problems</li> </ul>

22. Prioritising these areas does not rule out work on other areas, such as those which, as we note above, are set out in the 2019 Act and to which the programme must have regard.<sup>3</sup> The programme will therefore continue to have a mandate to consider these areas and how best to address them in order to deliver enhancements to the Palace. This will include looking for opportunities to pursue such enhancements when a value-for-money case can be made to carry them out alongside elements of the priority works.

***Starting the restoration work: urgency***

23. We note and support the Panel’s recommendation 10, which urges a pragmatic approach in the short-term that allows work to be commissioned and undertaken before the strategic case has been approved. The way in which the 2019 Act has been interpreted to date appears to have raised some doubt as to the extent of activity that can be undertaken now. Section 7(2) of the Act states that no Palace restoration works, other than preparatory works, may be carried out before the Sponsor Body has obtained Parliamentary approval for the proposals for the works and the funding. Although the Delivery Authority cannot undertake any restoration works until the works are formally approved, this does not preclude our own in-house teams from carrying out essential maintenance and repair, and other necessary work such as the fire safety programme, or repair of falling masonry, before the Palace restoration works begin. The legislative intention cannot have been to delay necessary works to such an extent that risks are increased. The recent approval of an outline business case for conserving the stonework of the Victoria Tower is an example of such necessary work being progressed in advance of the main restoration works.

24. We endorse the appetite for “getting on with things”, noted by the Panel, and this is of course imperative where the health and safety of building-users is at stake. The same spirit informs the rationale for parameter (f) which seeks “a more integrated and cohesive approach between R&R works and other critical works on the Parliamentary estate.” We want to ensure that urgent and necessary safety works are not needlessly delayed; it is worth noting that in the indicative schedule estimates presented by the Sponsor Body in January 2022, the works were expected to start on site “not before” quarter two of 2027 (with no adjustment for risk or contingency).

25. We were pleased to hear, as was the Panel, of growing coordination and scope for joint working across organisational boundaries between the Delivery Authority and our own in-house teams. We expect that the new governance structure, which we set out below, will further support coordination between R&R works and other critical works, and ultimately the speedier initiation of all safety-critical works on the Parliamentary estate.

**26. In light of the advice and assurance we have received from the Panel, we invite the Houses to endorse:**

- a) **the parameters as set out above (see para 11);**
- b) **the need to develop clear evaluation criteria linked to the programme’s long-term outcomes, to include the health and safety of building users (see paras 17 & 18); and**

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<sup>3</sup> Parliamentary Buildings (Restoration and Renewal) Act 2019, [section 2\(5\)](#)

- c) **the prioritisation of works (set out in paras 20 & 21) in line with our primary commitment to health and safety;**
- d) **the new approach to getting on with safety critical works in advance of the wider restoration works being agreed (paras 23 to 25).**

## The future of the sponsor function

27. The Panel was asked to provide advice on which is the best sponsorship model—in-house or a different arm’s length body—for the R&R programme during the remainder of the definition stage (the period from now up to agreement of the strategic case) and during the programme delivery phase. We did not ask the Panel to review the role of the Delivery Authority; their remit remains unchanged. We remain of the view that an independent body such as the Delivery Authority, with the expertise and capability to deliver major programmes, is the best way to deliver the R&R programme, and we propose no change to this. We note and endorse the positive feedback the Panel reports regarding the Delivery Authority’s capability and approach.

28. The Panel heard different views on the robustness of the current governance structure. Although it noted that the concept—an independent statutory body separate from Parliament to lead the sponsorship of the programme—“in principle could be made to work”, concerns were raised about how it had worked in practice, with particular concerns around perceived distance from end users [Panel, paras 7 & 8].

29. The Panel considers the proposed “re-set” in the sponsorship function a “positive opportunity”. It heard that confidence within Parliament in the existing governance structure had been lost to such an extent that change is necessary; and prolonged uncertainty regarding governance would only increase the risk of loss of capability in the Sponsor Body and Delivery Authority. The Panel also notes that the next 12 to 24 months are likely to be critical in terms of the key strategic decisions that need to be taken in order to complete the programme’s definition phase and deliver a strategic case. In order to ensure continued momentum and keep minds focussed on immediate priorities, the recommendation of the Panel is that the proposed transfer of the sponsor function in-house should be considered a “pragmatic measure” designed to “ensure sustained progress in making critical strategic decisions in this programme definition phase” (see Panel Recommendation 1).

30. Allied to this recommendation is the advice not to preclude alternative future options. The preferred governance structure for the delivery phase of the programme may differ, subject to decisions yet to be made about the scope and delivery model (see Panel Recommendation 2). Although officials involved in the transition programme did consider alternative arm’s length bodies in their review of options, it was hard to discern any significant advantage when compared with the current arm’s length arrangement. The Panel also understood the drivers for bringing Sponsor Body functions in-house [Panel, para 11]. We have noted above concerns regarding the perceived distance of the Sponsor Body from end users; and we discuss in further detail below the importance of political oversight, especially during the critical programme definition phase. Taking both of those factors into account, **we are content to accept the view that further exploration of an alternative arm’s length body is unlikely to deliver a viable alternative governance structure for the programme.**

31. We agree with the assessment of the Panel that this re-set presents a positive opportunity. We also agree that the focus should remain on immediate priorities, focussing on complex decisions that will be needed to underpin the strategic case for the programme. **We invite the Houses to agree that the Sponsor Body should be replaced, and that the sponsorship function should be brought in-house to Parliament to conclude the programme definition phase.**

### *The ‘Client’ team*

32. The Panel proposes a change to nomenclature from ‘sponsor’ to ‘client’; this is intended to signal a new departure (“a positive re-set”) and to ensure clarity of roles. We agree with this approach and with the new nomenclature, and have adopted it throughout this report.<sup>4</sup>

33. The Panel recommends a pragmatic approach to bringing the existing team in the Sponsor Body in-house. It is important that they should retain the “necessary capability, capacity and distinct identity” to deliver the strategic case (see Panel Recommendations 5 & 6). The Panel further recommends that best use is made of the “highly experienced capabilities” that already exist in the Delivery Authority and Sponsor Body, and where appropriate “expanding the Delivery Authority’s existing remit” to deliver priority activities. The new team should include a dedicated leader, appointed as Senior Responsible Owner accountable for the programme, and reporting to the Clerks of both Houses.

34. We note and endorse the Panel’s view that the Head of the new Client team will require “the full range of major programme leadership functions, with a particular emphasis on: stakeholder engagement, upward as much as downward management, consensus building, advocacy and dispute resolution.” [Panel, para 34] We would add that this individual will require a significant amount of credibility and status to successfully steer a programme of this kind through Parliament. The Panel also notes that it will be for the “new Head of the Client Team to determine the extent to which additional resources or skills are needed within their team, and the options for bringing these in (including, for example, interim appointments, secondments from delivery partners or other organisations, and so on).” [Panel, para 36]

35. The Panel suggests taking a pragmatic and straightforward approach to the transfer, with all Sponsor Body staff being moved into Parliament’s administrative structure for the programme definition phase. There are two options. First, the team could be established as a joint department of the two Houses under the Parliament (Joint Departments) Act 2007. The team would be established by the Corporate Officers of the two Houses, with the approval of the Commons Commission and the House of Lords, as in the case of the Parliamentary Digital Service. A joint department would provide a greater degree of formality and organisational certainty around the team. This may be sensible and welcome for a team working to support both Houses. It clearly would be properly bicameral. It would also enable a distinct identity to be maintained, as recommended by the Panel (see Panel Recommendation 5).

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4 Notwithstanding the change in nomenclature, it will be the Delivery Authority that holds the legal duty of the “Client” under the Construction and Design Management (CDM) Regulations for any works undertaken or contracted by it for the purpose of Restoration and Renewal; as it will be Parliament (specifically its Corporate Officers) who hold that legal duty in respect of any works undertaken or commissioned by it that are outside the scope of R&R.

36. Alternatively, the second option would be for the team to be based in one House administration, but serving both (with a Memorandum of Understanding formally setting out the services to be provided by the host House to the other), as is the case with In-House Services and Estates and the Parliamentary Security Department. Such an arrangement would offer greater flexibility; but there would be less clear governance around changes to its remit and it would be more difficult to avoid perceptions of one House leading the programme during the definition phase.

37. In both scenarios, staff from the Sponsor Body would move to Parliament in a TUPE-style transfer. The Sponsor Body advises us that the full complement of staff at January 2022 was 55. Following the joint meeting of the two Commissions in March, the current number of posts budgeted for the 2022/23 financial year is 39. There are a number of vacancies at present, and the total staffing budget for 2022–23, including pension contributions and Employer’s National Insurance Contributions, amounts to approximately £3.98mn.

38. In view of the importance of the programme to both Houses, and the need for organisational clarity, **we recommend that all staff of the Sponsor Body be transferred to a joint department of the two Houses under the Parliament (Joint Departments) Act 2007.**

39. **We further recommend that the transfer is undertaken with all reasonable speed in order to end the current period of uncertainty; and that where feasible, the day-to-day arrangements for transferring to a new department and a new governance structure, can proceed in parallel if not in advance of legislative measures.** For the legislative changes required see paras 68 to 72.

### *Programme governance*

40. The Panel proposes a two-tier governance structure (see Panel Recommendation 3) for the programme definition phase, which covers the period until the approval of the strategic case. The structure is set out below.

- a) **The Client Board for R&R:** the two Commissions will meet jointly as a Client Board for the programme, making critical strategic choices and recommendations, including reviewing the strategic case for the programme prior to seeking endorsement of it from the two Houses. The Client Board will meet at key points in the programme and consider recommendations from the Programme Board.
- b) **The Programme Board:** a joint Board of the two Houses with delegated authority from the Client Board (the two Commissions). It will have parliamentary and non-parliamentary membership, and will be the main forum of the programme, meeting to resolve critical strategic choices and priorities; down-select options brought forward by the Delivery Authority; resolve trade-offs and disagreements as needed to finalise the strategic case; and manage dependencies and conflicts. The Programme Board should meet at least monthly and should have the right composition to meet its remit, which includes providing advice and direction to the two Corporate Officers who will become the statutory duty-holders after the transfer into Parliament.

41. The Panel’s proposal recognises the importance of political oversight, especially during the critical programme definition phase, by ensuring that Members are represented at both Client Board and Programme Board level. It integrates R&R governance into existing Parliamentary structures through the two Commissions. It recognises the very real constraints on the capacity of the Commissions in view of their wider responsibilities, by delegating leadership of the programme to the Programme Board, but with clear reporting lines to the Commissions. The Panel’s proposal also recognises the requirement to retain expertise in the governance of major construction programmes, as well as technical expertise in the operation of the two Houses.

42. The Programme Board will have as its sole purpose the direction and oversight of the programme, and it will be able to dedicate the necessary time and focus to it. Operating as a Programme Board (rather than a joint committee, for example) it will bring together Parliamentary and lay members, with the right skills and expertise, especially in major programmes, to fulfil its remit. The role of knowledge and expertise in the development and delivery of major programmes should not be undervalued as the Programme Board will be expected to engage, inform, mediate and translate between Parliament and the Delivery Authority. We consider in more detail below the importance of engagement in the Parliamentary context (see paragraph 49 to 51); and we reiterate the comments made in para 34 about the need for the Head of the new Client Team to consider the necessary resources and capabilities, including in support of the new governance structure.

43. The Panel notes the importance of the Programme Board being kept “as small, as senior and as stable as possible to support its effectiveness, but as large as necessary to reflect the range of key stakeholders that need to be represented” (Panel Recommendation 3). It suggests that the membership should include “as a minimum [...] the Speakers and Leaders of both Houses (or, recognising the time commitment required over the next 12–24 months, their nominated delegates); the Clerks of both Houses; Head of the Client Team; Head of IHSE; Chief Executive of the DA; and independent members with relevant major programme experience”. [Panel, para 20]

44. While the exact composition of the Programme Board remains to be determined, and the nomination of delegates may well be the best way forward, we note the Panel’s recommendation that its Parliamentary members need to be “senior, influential members who can support the long-term vision and help ensure the robustness of decisions taken by the Programme Board.” [Panel, para 20] We concur with this sentiment, and we would add that commitment to the work of the Programme Board is essential. We would expect nominated Programme Board members to familiarise themselves sufficiently with the programme to contribute effectively and constructively to its decision-making; and where necessary to seek additional briefing and support, which should be provided.

45. Current arrangements for the two Commissions to take equivalent decisions require them to meet separately for decision-making, after meeting together for discussion. This is impractical in the context of a bicameral Client Board. It will also be important that the Client Board has a separate status from the two Commissions, even though its membership will be the same, and that the Client Board could meet during Prorogation (which the Lords Commission, as a select committee, cannot). To address these issues, **we therefore propose that the Client Board be formally nominated by the two Commissions, with each Commission nominating its own members.** We do not expect that parliamentary privilege would apply to the proceedings of the Client Board or the Programme Board.

46. It is important to note that the Sponsor statutory duties and other functions under the 2019 Act will continue to exist after the Sponsor Body’s abolition. The 2019 Act allows for the Sponsor Body’s functions to be transferred to an “appropriate person”, which for practical reasons should be an entity or entities with legal personality. In the Parliamentary context, this means these functions will need to be transferred to the Corporate Officers of the two Houses, the Clerk of the Parliaments and Clerk of the House of Commons (see para 70 below). The Client Board and Programme Board will need to ensure that decision-making is consistent with these statutory duties, as well as being informed by the parliamentary context.

**47. We invite the Houses to agree to support the creation of a two-tier structure for the governance of the R&R programme.**

**48. Subject to the agreement of the Houses to this change, we will work with all relevant stakeholders to propose and agree suitable composition and chairing arrangements of the Programme Board to meet its remit.**

### *Decision-making, engagement, political advocacy and leadership*

49. The Panel notes that there was unanimous agreement that a “far more proactive approach is required to gain political acceptance” for the programme [Panel, para 23], and calls on the Commissions, Speakers, Leaders and Clerks of both Houses to work with the Client Board and Programme Board to agree how “more meaningful engagement across the many communities involved, strong advocacy and political ‘will’ can be achieved” (see Panel Recommendation 4). This chimes with the findings of the National Audit Office’s January 2022 update review of the R&R Programme, which recognised that “to deliver the Programme, the Sponsor Body needs effective relationships with various groups across Parliament who have different perspectives and cultures and work together through many forums and committees.”<sup>5</sup> The new client team will need to navigate these realities if it is to succeed. It will need to play a central role in responding to and balancing multiple and sometimes competing perspectives and translating those into meaningful instructions for the Delivery Authority. **While relevant major programme expertise must not be undervalued, neither must parliamentary knowledge and insight. The new client team will need to speak both programme and parliamentary languages.**

50. Recognising that the client environment is challenging, the Panel’s recommendations are designed “to strengthen the interfaces between Parliament and R&R” [Panel, para 19]. The Panel states that “Effective engagement is predicated on an interactive process of presentation, listening, reflection, persuasion and acknowledgement, on which a consensus can be built.” [Panel, para 27]. We agree that it is important to ensure effective decision-making by consensus on the basis of meaningful engagement.

**51. We endorse and support the Panel’s Recommendation 4 which seeks more meaningful engagement between the Programme and the Parliamentary communities. We accept the role which it places on us as Commissions in working both as the Client Board and through the Programme Board to agree how more meaningful engagement, advocacy and political support can be achieved. The Domestic Committees of the two**

5 NAO, [Restoration and Renewal of the Palace of Westminster: Progress update](#), HC 1016, Session 2021–22, January 2022, page 8, para 12

**Houses will also have an important role to play in advising the Commissions on the discharge of their new functions.**

52. Our recommendation to bring the sponsor function in-house is a structural change designed to strengthen the interface between the R&R Programme and Parliament. Our commitment to the proposed new two-tier governance structure adds further ballast. However, we note the Panel’s advice that more is needed to ensure that the programme moves forward—“no major infrastructure investment programme has been implemented without an effective political champion”. [Panel, para 24] The absence of a such a champion for R&R is described as a “critical weakness” [Panel, para 23], and we are urged to find suitable senior political champions (see Panel Recommendation 4).

53. **We believe that it is essential for the members of the Programme Board to act as political champions of the programme, and to do so with our support. We note the Panel’s recommendation that parliamentary members of the Programme Board should be “senior and influential members who can support the long-term vision and help ensure the robustness of decisions taken by the Programme Board” (Panel recommendation 3). We undertake to ensure that the appointments we make to the Programme Board reflect those expectations.**

54. We have reflected on the panel’s comments highlighting the apparently limited opportunity for staff working on the Parliamentary estate to have their voices heard or for their experiences to contribute to the decision-making during the definition phase of the programme. We note that there is a statutory duty in the 2019 Act to seek the views of staff working on the Parliamentary estate, including staff working for Members of either House.<sup>6</sup> **We undertake to consider how best to ensure that the statutory duty to seek the views of staff is met and will engage with the Parliamentary Trade Union Side, and representatives of Members’ staff, on this development.**

*Securing a long-term end state vision for the programme*

55. The challenges of operating in the Parliamentary environment—described by the Panel as “constantly changing and ambiguous”—are addressed by the new governance structure and the new approach to the works. Both are “explicitly designed for uncertainty and [...] acknowledge the need to anticipate and adapt to changing demands” [Panel, para 42].

56. However, in an attempt to navigate the uncertainty, there is a parallel risk of going too far in the opposite direction and of operating in a way that is too short-term in nature, bringing with it inefficiencies linked to cyclical decision-making and piecemeal works, and failing to realise wider opportunities. The Panel proposes that the Client Board provides the long-term vision and identifies a preferred delivery strategy, but that the delivery strategy is not completely fixed at the outset, and includes decision points for choices to be made at a future date (see Panel Recommendations 7 & 8). This approach might facilitate swifter short-term decision-making without losing sight of the long-term strategy.

57. **We believe planning for uncertainty is the right approach in the current circumstances. The need to re-evaluate the strategy periodically is borne out by the significant and far-reaching changes affecting the UK in terms of the fiscal, societal**

6 Parliamentary Buildings (Restoration and Renewal) Act 2019, [section 2\(4\)](#)

**and political context since the Houses passed resolutions relating to R&R in 2018. At the same time we recognise the need for an end-state vision to guide the development of proposals. We endorse the Panel’s recommendation for the development of a long-term end-state vision during the programme definition stage, alongside an approach to the strategic case that enables periodic review of the delivery strategy.**

### *Interim arrangements for governance*

58. We note the significance of the coming months in terms of determining the direction of the programme to ensure that momentum is not lost during this critical phase. **While work is required to establish the new structures, the Commissions will lead on decision-making for the programme during this interim phase before the Programme Board is established. We note that decisions will be required to progress the development of options. We agree to meet again jointly in the autumn to support this objective.**

59. Until the relevant legislative changes have been made, the R&R Sponsor Body and its Board will continue to exist and to carry out its statutory duties. These include providing oversight of the Sponsor Body executive team, and of the activities of the Delivery Authority. In light of the impending transfer of functions into Parliament, if agreed to by the Houses, it is not expected that the Sponsor Board will take any strategic decisions with regard to the programme during this period. We expect coordination at official and Member level to ensure the best use of resources, and clear direction of the work, during this transition period.

60. **We undertake to determine clear accountabilities for the interim arrangements which will be in place until such a time as the Sponsor Body’s functions have been transferred to Parliament.**

### **Funding arrangements**

61. Current financial governance arrangements for R&R are determined by sections 8 and 9 and schedules 3 and 4 of the 2019 Act. Section 8 establishes the Parliamentary Works Estimates Commission (PWEC), made up of two Members from each House, with the principal duty of scrutinising the Sponsor Body’s Estimates and laying them before the House of Commons.<sup>7</sup> These arrangements are similar to those established for other statutory bodies that report to Parliament, such as the National Audit Office, Electoral Commission and Independent Parliamentary Standards Authority.

62. The Panel recommends that the arrangements for scrutinising and laying the estimate should remain as currently set out in the Act, and that PWEC should retain its current composition and remit [Panel, para 19]. This would mean that the estimate for the R&R programme remains separate from Estimates for the House of Commons Administration and House of Lords, despite the formal transfer of the client function into Parliament.

63. The current arrangements provide for the following:

- i) A single, separate budget for the programme;

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<sup>7</sup> The PWEC’s current Members are, for the House of Commons, the Chairman of Ways and Means and the Chair of the Commons Finance Committee, and for the Lords, the Senior Deputy Speaker and a former Permanent Secretary at HM Treasury.

- ii) Bicameral parliamentary oversight and approval of this budget (currently through the PWEC);
- iii) Formal consultation with HM Treasury on the proposed budget;
- iv) The production of annual accounts, certified by the Comptroller and Auditor General, in line with standard Treasury direction.

64. In light of the significance of the programme and the sums of money likely to be involved, the continuation of all of these factors is welcome, as is the continuing involvement of the National Audit Office in reviewing the programme. We therefore agree with the recommendation of the Panel to maintain existing arrangements for the Estimate. This means in practice that the Clerks of the two Houses would take over responsibility as Accounting Officers for the sponsor function; the position of the Delivery Authority would remain unchanged.<sup>8</sup>

65. It is our expectation that only the costs of the Delivery Authority will be submitted to the PWEC once the transfer of the sponsor function into Parliament has been achieved. The costs of staff in the new client team (currently c.10% of the overall cost of the current arrangements) will be included in the Estimates of the House of Commons Administration and the House of Lords, subject to the usual distribution of costs between the Houses. A financial statement for the R&R programme is provided in Annex E.

**66. We endorse the Panel’s recommendation that the Parliamentary Works Estimates Commission should retain its current remit as set out in the 2019 Act. We recommend that in future Estimates submitted to it should cover only the costs of the Delivery Authority. We recommend this approach to the two Houses.**

### *Phase 1 funding*

67. Under the terms of the 2019 Act, the House Commissions are responsible for setting an overall limit to programme expenditure during Phase 1 (before approval from both Houses has been received for the works and their funding), effectively the programme definition phase. We believe this continues to be appropriate, and it will be even more so once the sponsor function has been transferred to Parliament, subject to the agreement of the Houses. We make no recommendation for change to this arrangement.

### **Legislative change required**

68. Subject to the agreement of the two Houses to the motions that will be tabled to give effect to the content of this report, we would expect work to bring forward the necessary legislative changes to be initiated with a view to bringing the necessary regulations to the two Houses as soon as is realistically possible.

69. The 2019 Act specifies certain functions for the Sponsor Body. Section 10 of the Act enables the transfer of the functions (and of the relevant property, rights and liabilities) of the Sponsor Body to another party by secondary legislation in the form of regulations. Such regulations can only be made by the Leader of the House of Commons after consultation

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<sup>8</sup> [Para 9 of Schedule 2 to the 2019 Act](#) provides that the Sponsor Body appoints the DA’s accounting officer; this duty would transfer to the Clerks of the two Houses.

with the corporate officers and the Commissions of the two Houses, and once the consent of the Leader of the House of Lords has been obtained.

70. We recommend that the functions and responsibilities should be transferred jointly to the Corporate Officers of the two Houses—the Clerk of the House of Commons and the Clerk of the Parliaments, who will together act as the statutory duty-holder. This would mean they would assume statutory accountability for all the functions set out under the Act. The Corporate Officers will act within the existing governance frameworks of each House, including on directions given by the two Commissions, meeting as the Client Board, or by the Programme Board, within their frame of delegated authority. The Client Board and Programme Board will need to ensure, advised by the two Corporate Officers, that their decision-making is consistent with these statutory duties.

71. In addition to transferring the functions and responsibilities of the Sponsor Body, and making any consequential amendments, the regulations would make provision for transferring staff within scope from the Sponsor Body to a new joint department within Parliament with continuity of employment in a TUPE-style transfer.

72. We note for the record that the 2019 Act sets out specific areas of scope to which the programme must have regard when drawing up its proposals, and this remains the statutory framework. The parameters for guiding the approach to the works, and the priority work areas which follow from those, are to be considered supplementary to the Act.

### **Indicative timeline and next steps**

73. We make this report to the two Houses for their consideration in advance of debates that are currently planned to take place before the summer recess. Prior to the debates, motions will be tabled giving effect to the recommendations of this report. Subject to the agreement of the two Houses to the relevant motions, we would expect the necessary legislative instruments to be drafted in the autumn.

## Annex A: Joint Statement March 2022

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The Commission members of the two Houses of Parliament have made a united commitment to preserve the Palace of Westminster for future generations.

At a specially convened joint meeting on Thursday (17 March), the Commission members agreed a new approach to the Restoration and Renewal programme that recognises not only their collective duty as custodians of the globally iconic building—part of a UNESCO World Heritage site—but also their responsibility to ensure the safety of all those who work in and visit the Palace.

The joint meeting was organised following concerns over the emerging costs and timescales of the existing approach, and programme governance.

Following discussions, the Commission members agreed the new approach would be guided by the following parameters:

- a) A primary commitment to health and safety, including fire safety;
- b) Ensuring lessons from previous project activity are embedded in future project activity;
- c) Works to improve mechanical, electrical and other essential systems should be prioritised;
- d) A shorter life expectancy for the completed works should be considered (i.e. the infrastructure might require further renewal or ongoing upgrades in future decades rather than the current underpinning assumption to avoid this);
- e) A wider range of options to decant Members and staff from areas of the building affected by the works needs to be considered;
- f) There must be a more integrated and cohesive approach between R&R works and other critical works on the Parliamentary estate;
- g) Different levels of ambition for programme scope should be considered to ensure maximum value for money;
- h) There should be a broader range and a greater number of options for delivering the works developed prior to down-selection of final options;
- i) An incremental approach to the works and the funding should be considered, in line with standard practice for many major public works.

The Commission members agreed to seek independent advice and assurance on the new approach to the works, as well as on proposals to take forward the Commissions' decisions to replace the Sponsor Body. They also asked the Delivery Authority to place a high priority on continuing with the already planned programme of intrusive surveys, and other necessary work to inform future decisions, as swiftly as possible.

A revised mandate for the works and changes to the sponsorship function will be sought from the two Houses, which is currently planned to take place before the summer recess.

## Annex B: Transition workstreams and governance

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**R&R Steering Group**  
*(Decision making) (existing group)*

**R&R Transition Implementation Group**  
*(Decision making) (existing group)*

**WS1**

Design of the  
Sponsor  
Function

**WS2**

New  
Approach to  
the Works

**WS3**

People

**WS4**

Legal

**WS5**

Finance

**WS6**

Data & Digital

**WS7**

Comms

**WS8**

Due diligence,  
advice,  
assurance and  
risk

## Annex C: Independent Advice and Assurance Panel: pen portraits of members

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**Richard Judge** is an Infrastructure and Projects Authority (IPA) Associate, and has delivered independent reviews of varied complex major programmes. He is an independent panellist for the Major Projects Review Group. This builds on a background at Board level in private and public sector, with 11 years in the civil service at Director and DG level as Chief Executive of varied government bodies (including the Health & Safety Executive, 2014–18). Richard is a Chartered Director and Chartered Engineer with extensive experience of leading and facilitating major change and innovation in public and private sector, which he now applies in non-executive and advisory roles. Richard is leading the review.

**Michèle Dix** is a Chartered Engineer and a Board member for the Major Projects Association and a NED for Crossrail International. Michèle spent 15 years in the private sector including with Halcrow Fox as a Board Director. Michèle joined Transport for London as Director of Congestion Charging in 2000 before becoming Managing Director of Planning in 2007. Michèle recently retired as Managing Director of Crossrail 2, a position she held from 2015 to 2021. Michèle is a visiting professor at University College London.

**Paul Duffree** is the Director of Property for The Royal Household. Prior to taking the role with The Royal Household, Paul was Director of Estates at the Foreign and Commonwealth Office and, before that, Director of FCO Programme Delivery. Paul is a Chartered Surveyor of the RICS and Chartered Director of the IoD. The Royal Household is undertaking a ten-year programme of reservicing works to Buckingham Palace to update essential services and improve visitor facilities, accessibility and energy-efficiency.

**Mike Gerrard** is chair of infrastructure investment company INPP Limited. He has held a number of senior positions within the infrastructure sector, including as a director of HM Treasury Taskforce, CEO of Partnerships UK plc and Managing Director of the Thames Tideway Tunnel. Mike produced the Infrastructure Forum's Governance Report for the sector, and chaired the Crossrail 2 Affordability Review. Mike is a Fellow of the Institution of Civil Engineers.

# Annex D: Findings of the Independent Advice and Assurance Panel

<b>Report version:</b>	V2 (Final)
<b>Senior Responsible Owner (SRO):</b>	Matthew Hamlyn
<b>Date of issue to SRO:</b>	20 May 2022
<b>Programme or project Title:</b>	Restoration and Renewal of the Palace of Westminster Programme (R&R)
<b>Department:</b>	Houses of Parliament
<b>Review dates:</b>	09–13 May 2022
<b>Review Leader:</b>	Richard Judge
<b>Review Team Members:</b>	Michèle Dix Paul Duffree Mike Gerrard

## About this Report

This report is a snapshot review of a programme or project, reflecting the conclusions of an Independent Review Team. It is based on discussion and evidence provided within the review period and is delivered to the Senior Responsible Owner for the programme or project at the conclusion of the review.

## Executive summary

In March 2022, the Commissions of both Houses at a joint meeting agreed a new approach to the Restoration and Renewal of the Palace of Westminster Programme (R&R) and that the R&R Sponsor Body (SB) should be replaced. The Review Team (RT) have been asked to provide independent advice and assurance on options for replacing the SB and the new approach.

In our response, we have adopted a solution that applies good programme management practice pragmatically to the specific circumstances of R&R. Our recommendations are set out below.

We have three broad observations:

- First, this “reset” is a positive opportunity to help the R&R programme through a period in which complex strategic decisions will be required. Notwithstanding the understandable focus on immediate priorities and decisions, Parliament needs to ensure on-going: (1) primacy of health and safety; (2) visibility of the urgency of these works; and (3) support for R&R’s long term vision (which needs refreshing and agreeing). Ultimately, this programme will only succeed with shared ambition, energy and sustained support from across both Houses.
- Second, in principle the existing governance model could be made to work and we acknowledge the commitment and energy of those across all parties involved who

have been striving to this end. Nonetheless, we understand the drivers for bringing the SB in-house with the transfer of sponsorship functions into what would now be termed a “Client Team”. This team must be designed to retain the necessary capability, capacity and distinct identity to deliver a Strategic Outline Business Case (SOBC), including a dedicated leader appointed as Senior Responsible Owner (SRO) who is accountable for the programme.

Structural changes in major programmes often introduce new risks. Care is needed to avoid decisions taken now simply compounding issues already seen. We strongly recommend that focus is kept on those measures and actions that will ensure operational effectiveness, as R&R concludes its definition phase (Phase 1) over the next 12–24 months. This maintains momentum, while also creating space for further consideration of the best governance model to support subsequent delivery (Phase 2)—which can only be confirmed once the R&R scope and delivery strategy are known.

A critical recommendation links to the formation of a Programme Board within Parliament, meeting routinely as a joint Board of both Houses during the definition phase, with delegated authority to resolve critical strategic choices/ priorities, and responsibility to make recommendations to the two Commissions (who act as a Client Board). The proposed structure has parallels to good practice elsewhere—the principles of successful project delivery are as applicable in Parliament as they are on other major programmes.

We also recognise the considerable expertise and experience that has been assembled to support this definition phase, notably within the Delivery Authority (DA) and SB, and encourage that full use continues to be made of all this capability.

- Third, any new approach to the programme works and its governance needs to be explicitly designed for uncertainty. It must be able to adapt, for example, to the changing fiscal, societal and political contexts that might reasonably be expected over its lifetime.

We set out options for achieving this by defining a preferred delivery strategy that takes the programme towards its long term end-state vision and outcomes, as described within a SOBC, and supported by medium term funding commitments. However, this preferred strategy should not be completely fixed at this time, but instead include decision points for options or choices that may be made at future dates, with scope for periodic re-evaluation of priorities (nominally reflecting Parliamentary cycles).

The Review Team thank everyone involved in our discussions for their time and insights. Their palpable pride and sense of responsibility for the Palace of Westminster shone through strongly.

## Summary of concerns, evidence and recommendations

Ref	Recommendation	Risk this addresses
1	<p>Bringing the SB in-house should be viewed as a pragmatic measure, covering what is needed immediately and over the next 12–24 months, to ensure sustained progress in making critical strategic decisions in this programme definition phase.</p>	<p>In principle, the existing governance model could be made to work. However, given the extent of lost confidence and momentum built for bringing SB in-house, attempting to retain the current model is unlikely to be viable.</p>
2	<p>Today’s pragmatism should not preclude alternative future options. The governance model for the delivery phase will need to be separately considered and confirmed after the R&amp;R scope and preferred delivery strategy is agreed.</p>	<p>Creating space within the programme definition phase for reflection on alternative, longer term, governance models mitigates the risk of premature action compounding the issues previously seen or those new risks arising from decisions taken at pace.</p>
3	<p>A Programme Board should be formed within Parliament, meeting routinely as a joint Board of both Houses during the definition phase, with delegated authority to resolve critical strategic choices/ priorities, and responsibility to make recommendations to the two Commissions (acting as a Client Board). The Estimates Commission should be retained.</p> <p>Note: The RT suggests that as a minimum it includes the Speakers and Leaders of both Houses (or, recognising the time commitment required over the next 12–24 months, their nominated delegates); the Clerks of both Houses; Head of the Client Team; Head of IHSE; Chief Executive of the DA; and independent members with relevant major programme experience. Members of PB representing the Speakers or Leaders could be drawn from the Commissions, but in any case need to be senior, influential members who can support the long-term vision and help ensure the robustness of decisions taken by the PB.</p>	<p>Greater “end-user” input to decision making during the definition of scope, preferred delivery strategy and SOBC seek to address the risks (and issues experienced) that would be associated with insufficient buy-in or involvement of Parliament in critical choices and decisions.</p>

Ref	Recommendation	Risk this addresses
4	The Commissions, Speakers, Leaders and Clerks of both Houses need to actively assist and agree with the new Client Board and Programme Board how more meaningful engagement across the many communities involved, strong advocacy and political ‘will’ can be achieved. This includes securing senior political champions, as part of gaining the widespread sustained support and buy-in that is critical to success.	Without a far more pro-active approach to build confidence and to gain political acceptance by the Members and Peers for whatever scope, timescale and cost envelope of the programme is decided, then the programme is unlikely to move forward at the pace required. The RT observes that no major infrastructure investment programme has been implemented without an effective political champion.
5	The Client Team set up to deliver the sponsorship functions in this phase (the successor to SB) must retain the necessary capability, capacity and distinct identity to deliver an SOBC. This includes a dedicated leader, appointed as SRO and accountable for the programme, reporting to the Clerks of both Houses as Accounting Officers.	As with any organisational change, and particularly those delivered at pace, there is potential for distraction and lost capability during the transition. Coupled with the likely recruitment timeframes required to bring in any new capability, this could undermine intended timescales for SOBC delivery.
6	The capability plan for the Client Team (envisaged as a joint team of both Houses) should take full account of the highly experienced capabilities that exist in the DA and SB, expanding the DA’s existing remit where appropriate to deliver priority activities.	There is a risk that traditional organisational structures, previous ways of working across boundaries or perceived requirements of the 2019 Act hinder progress at pace. There is significant value of making full use of the knowledge of R&R and capabilities that are already in place (both in DA and beyond).
7	The R&R programme’s controlling structure and delivery strategy must be explicitly designed for uncertainty, also acknowledging the need to anticipate and adapt to changing demands over its lifetime. The SOBC may identify multiple paths to achieve the vision, with future decision points and periodic review, and on-going monitoring for possible “tipping points”.	The Houses of Parliament present a constantly changing and ambiguous client environment, and the programme will face changing fiscal, societal and political contexts over its lifetime. Condition or performance of infrastructure may also rapidly change. If the programme is not designed to navigate those realities, it is unlikely to succeed.
8	As part of its definition phase, the Programme should develop and gain early agreement to its long-term end-state vision. This should go wider than simply considering the physical building, and be accompanied by a compelling narrative describing the wider opportunity and long-term outcomes.	Without endorsement of a long-term vision, the programme risks becoming a collection of “fixes” that secures a safe and fit-for-purpose building, but misses the wider opportunities for our country—e.g. for heritage, for innovation and for skills development.

Ref	Recommendation	Risk this addresses
9	The parameters set out in the Joint Commission statement (18th March 2022) are sound. They should be augmented by clear evaluation criteria (to support options assessment and future monitoring) that take account of longer-term perspectives, and link to the programme’s end-state vision and intended outcomes.	The parameters rightly give primacy to health and safety, and are helpful in setting out priorities and guidance for optioneering by the R&R teams. They are sound but, in reflecting that immediate focus, there is a risk that people lose sight of longer term impacts and ambitions.
10	There is a need for pragmatic approaches in the short term that allow “no regrets” work to be commissioned and taken forward ahead of SOBC approval (and hence before formal conclusion of the R&R definition phase).	The way that the 2019 Act has been interpreted in relation to sequencing and content of the R&R programme may be acting as a constraint on work that could sensibly be done now with “no regrets” (such as repair of falling masonry).

## Comments from the SRO

On behalf of my colleagues, I’d like to thank the panel for its fresh thinking and expert insight. The report will play a significant role in helping get the R&R programme back on track and resilient enough to ensure we can proceed quickly, efficiently and sustainably. The report will be submitted in full to the Commissions for consideration at their next joint meeting in June 2022.

We would be grateful if the panel were able to provide example long-term end state visions thought to be especially compelling and clear, and the panel’s thoughts on the required skills, knowledge, experience of behaviours required of the Head of the Client Team at this critical phase of the programme.

## Review Team findings and recommendations

### *Introduction*

1. The Commissions of the House of Commons and House of Lords met on 17 March 2022<sup>9</sup> to discuss the future of the Restoration and Renewal of the Palace of Westminster programme (R&R). This specially convened joint meeting was organised in response to concerns over the emerging costs and timescales of the existing approach, and programme governance.
2. The Joint Commissions agreed that there should be a new approach to the works, that are required to protect the Palace of Westminster, and that the R&R Sponsor Body (SB) should be replaced. They set out nine parameters to guide any new approach. The Commissions expect to seek endorsement from both Houses of a revised mandate for the works and changes to the sponsorship function before the summer recess.
3. It is expected that the debates in the two Houses will be informed by the advice that has been prepared for the two Commissions up to that point. This independent peer review

<sup>9</sup> Joint statement from the House of Lords and House of Commons Commissions, published 18 March 2022

provides an input to that advice. The Terms of Reference for this review are provided in Annex 1. The Review Team (RT) have been asked to advise and provide assurance on:

- a) **Options for replacing the SB:** whether this should be in-house or remain as an arms length body, considering these options for both the programme definition phase and subsequent programme delivery phase.
  - b) **The new approach to the works:** whether the new parameters that have been set out to guide the project appear sensible, and whether transition activity is tracking in the right direction to determine a new approach to works.
4. The RT were advised that there is no appetite for primary legislation at this time. Hence any options needed to be considered within the context of that constraint.
5. Our response was shaped by three fundamental observations:
- a) First, that this “reset” is a positive opportunity to help the R&R programme through a period in which complex strategic decisions will be required. In doing this, it needs to retain visibility of why the programme is needed, the urgency of these works and its long term vision.
  - b) Second, the immediate focus should be on those pragmatic measures and actions that will ensure operational effectiveness, as it concludes the definition phase (Phase 1) over the next 12–24 months. While these must be mindful of possible future needs, governance mechanisms to support subsequent delivery (Phase 2) can only really be confirmed when the R&R scope and delivery strategy is known.
  - c) Third, any new approach to the programme and its governance needs to be explicitly designed for uncertainty. There will be an on-going need to navigate the deep complexities, ambiguities and contradictions presented by the programme’s Parliamentary context. It must also be able to adapt, for example, to the changing fiscal and societal contexts that might reasonably be expected over its lifetime.

### ***Governance and decision making: future Sponsorship arrangements***

#### *Context*

6. Options for the Sponsor Body (SB) need to be set in the context of broader governance and decision making on the R&R programme, with its complicated client structures and the ambiguities brought by divergent (but legitimate) end-user views on requirements that can change markedly (particularly given a programme that spans multiple Parliaments).

7. The RT heard different views on the robustness of the existing governance model, in which the SB was set up as an independent body separate from Parliament. Although the concept was seen as reasonable, concerns were raised about how it worked in practice—people highlighted unrealistic expectations of how quickly consensus decisions can be made, complexity and an over-reliance on process (as opposed to relationships and behaviour).

8. There were also different views on how the SB, as an independent body including the Sponsor Board, was intended to interact with members of both Houses. The SB was

perceived as operating in a way that was too distant from end users, lacking the remit or depth of experience to interface effectively with Parliamentary decision makers. There were noticeable differences between how teams within SB saw themselves delivering and how they were perceived within Parliament by end users.

9. There was recognition of the value brought by the professional expertise and project disciplines introduced, and the benefits of an independent body having greater flexibility on pay, recruitment and commercial freedoms (which helped attract strong capability). The RT fully acknowledges the commitment and energy of those who have been striving to fulfil the SB's mandate and ambitions set out in 2019.

10. In principle, the existing model could be made to work. However, we heard that:

- a) confidence within Parliament has been lost to such an extent that, without fundamental change, overcoming negative perceptions is unlikely to be achieved in the short term. That could delay or undermine strategic decision-making.
- b) prolonged uncertainty regarding governance would increase the risk of loss of capability in the SB and the Delivery Authority (DA).
- c) there is negligible appetite for reversing the decision to bring the SB functions in-house.

11. Given all of the above, the RT understand the drivers for bringing SB functions in-house at this time, with the transfer of approximately 40 people (a full transfer is expected), and recognise the inherent opportunities that such a “reset” can bring.

12. Experience in major programmes highlights that fundamental changes to a programme's structure (such as those proposed here) can introduce substantial new risks. Good practice would normally involve extensive development of options prior to any decision being finalised, with clarity on the benefits as well as associated risk mitigations.

13. In the case of R&R, the proposed transfer of SB functions should be viewed as a pragmatic interim measure that will see the programme through its definition phase. It is a practical way of ensuring continued momentum and progress within the programme.

14. This pragmatic approach should not preclude other governance options being developed to reflect the longer term needs. The preferred governance model for the delivery phase will need to be separately confirmed once the R&R scope and delivery strategy are agreed. Creating this space for reflection within the definition phase mitigates the risk of premature action compounding issues previously faced.

**R1. Bringing the SB in-house should be viewed as a pragmatic measure, covering what is needed immediately and over the next 12–24 months, to ensure sustained progress in making critical strategic decisions in this programme definition phase.**

**R2. Today's pragmatism should not preclude alternative future options. The governance model for the delivery phase will need to be separately considered and confirmed after the R&R scope and preferred delivery strategy is agreed.**

15. In order to give these new arrangements the best chance of success, there needs to be strengthened mechanisms for achieving consensus and taking decisions on requirements.

There is an opportunity to make better use of the considerable capabilities that already exist across the programme and allied Parliamentary functions, which could help mitigate the risk that these changes lead to an erosion of knowledge and professional expertise. These points are developed below.

16. The RT sees benefit in adopting new terminology to take full advantage of this reset opportunity where functions or remits are materially changing (such as “Client Board”, “Client Team”, “Programme Board” as replacements for references to sponsorship or the Sponsor Board). These are outlined below. It will be important that any terms used are clearly defined and tested for relevance within Parliament, to avoid possible confusion.

### *Decision making*

17. The pressing need is for a decision-making process that will replace, within a matter of 2–3 months, the current arrangements which are based upon a functioning SB. This new decision-making process needs to be designed only for the period up to the start of Phase 2 (Delivery). The right time to design longer-term arrangements for Phase 2 is within the context of the Strategic Outline Business Case (SOBC) which is to be submitted to Parliament for approval (expected to be in second half of 2023).

18. Taking a shorter-term interim approach lowers the stakes and makes a decision on how to reset arrangements more manageable. Moreover, a two-step approach to the design of decision-making machinery is aligned with the uncertain environment in which future (Phase 2) decisions will have to be taken, insofar as the SOBC itself will define the nature of a strategic delivery plan for which longer-term governance arrangements must be designed.

19. The core of the RT’s recommendations, addressing the immediate need, is to strengthen the interfaces between Parliament and R&R, to recognise demands on time and capacity, and to adopt models consistent with programme management practices successfully applied elsewhere. It involves:

- a) **Client Board:** where critical strategic choices and recommendations, including the SOBC for the R&R programme, are agreed prior to being put to the two Houses to gain the necessary mandate. We suggest that this is a role for the two Commissions, and that they should do so jointly with meetings arranged (from time to time) at key points in the programme. When meeting for these purposes, we suggest that this meeting be known as the Client Board for R&R. Their decisions are informed by recommendations from the Programme Board and the existing Estimates Commission.
- b) **Programme Board (PB):** should be formed within Parliament as a joint board of the two Houses with delegated authority from the Commissions (meeting as the Client Board) to provide direction and oversight to the programme. This includes to: (i) own R&R programme benefits; (ii) down-select options brought forward by the DA; (iii) resolve trade-offs and disagreements as needed to finalise the SOBC; (iii) make recommendations to the Commissions; (iv) prioritise and optimise scope vis-à-vis the boundary between R&R and business-as-usual (BAU), and associated phasing; and (v) manage dependencies and conflicts between R&R and In-House

Services and Estates (IHSE). Programme Boards typically operate on the basis of monthly meetings throughout a programme definition phase.

- c) **Estimates Commission:** retains its current composition and remit, providing advice and scrutiny on the financial and budgetary aspects of the programme and SOBC.
- d) **Client Team:** provide the sponsorship function (replacing the current SB), working with and alongside delivery partners such as the DA and IHSE. This function is outlined in a later section.

**R3. A Programme Board should be formed within Parliament, meeting routinely as a joint Board of both Houses during the definition phase, with delegated authority to resolve critical strategic choices/priorities, and responsibility to make recommendations to the two Commissions (acting as a Client Board). The Estimates Commission should be retained.**

20. The membership of the PB needs to be kept as small, as senior and as stable as possible to support its effectiveness, but as large as necessary to reflect the range of key stakeholders that need to be represented. The RT has not had time to consider what the optimal composition of the PB would be, but suggests that as a minimum it includes the Speakers and Leaders of both Houses (or, recognising the time commitment required over the next 12–24 months, their nominated delegates); the Clerks of both Houses; Head of the Client Team; Head of IHSE; Chief Executive of the DA; and independent members with relevant major programme experience. Members of PB representing the Speakers or Leaders could be drawn from the Commissions, but in any case need to be senior, influential members who can support the long-term vision and help ensure the robustness of decisions taken by the PB. The chair of the PB could alternate between the two Speakers (or their nominated delegates).

21. A table outlining how these responsibilities fit within existing organisational elements (e.g. the Houses, the Commissions and the DA etc, is shown in Annex 3). It is at the PB that difficult trade-offs will be made between cost, time, quality and use of temporary accommodation, whilst maintaining the primacy of health and safety. It also has a function as the forum in which the boundary between longer-term restoration works (R&R) and essential repairs/ maintenance delivered through IHSE (and associated trade-offs) are managed. The RT see continuing benefit from separate reporting lines for the heads of R&R and IHSE into the PB, both of whom should attend the PB. This approach underpins the PB as the place where the trade-offs are made. (The role for Head of R&R—to become “Head of the Client Team”—is covered in para 30).

22. It is a truism of all major infrastructure investment programmes, like R&R, that they are mostly for the benefit of future generations, not our own. Accordingly, it is important for the key governance body of all such programmes (in this case the PB) to include within their composition a sufficiently strong voice on behalf of a long-term perspective. Other means by which long-term thinking can be embedded within a programme is by: (a) having an agreed end-state programme vision; and (b) the discipline of whole life-of-asset costing.

## *Engagement*

23. There was unanimous agreement amongst those whom RT met, that a far more proactive approach is required to gain political acceptance by the Members and Peers for whatever scope, timescale, temporary accommodation and cost envelope of the programme is decided. In looking at other similar major programmes, this is always one of the most challenging aspects. The current and consistent lack of any political champions on R&R is a critical weakness (see also below). The programme will not move forward unless this is addressed.

**R4. The Commissions, Speakers, Leaders and Clerks of both Houses need to actively assist and agree with the new Client Board and Programme Board how more meaningful engagement across the many communities involved, strong advocacy and political ‘will’ can be achieved. This includes securing senior political champions, as part of gaining the widespread sustained support and buy-in that is critical to success.**

24. Moreover, the RT observes that no major infrastructure investment programme has been implemented without an effective political champion. The larger, the more complex and difficult a programme is, the greater the need for this championship. The RT notes that the Olympics and HS2 both had/have dedicated Ministers. The status of R&R as a Parliamentary rather than Governmental programme does not mean that the principles and practices of major programme implementation do not apply. Accordingly, the RT suggest that comparable mechanisms are implemented here, appropriate to R&R’s Parliamentary context and the needs of both Houses, with suitable sponsoring senior political champion(s).

25. The turnover of members of the House of Commons, and to a lesser extent the Lords and staff, present additional challenges given the very long-term nature of R&R. To help mitigate this risk, all new joiners to the Parliamentary family should have within their induction process a comprehensive briefing on R&R (including its needs case, vision, development and delivery, and their personal role in its success).

26. The RT were also concerned that the staff working on the estate were rarely mentioned. They appear to have limited opportunity and encouragement for their voice and experience to be heard, or to add their opinions or inputs into decision making (beyond targeted inputs at working level which, we heard, is itself a challenge because of demands on their time).

27. Engagement and communication needs to involve all people who live, work and visit the estate. Effective engagement is predicated on an interactive process of presentation, listening, reflection, persuasion and acknowledgement, on which a consensus can be built. The Client Board, Programme Board, Client Team and DA should, working together, have a primary goal to bridge and bring together the views of the various political, staff member bodies, visitors, contractors involved. As well as enhancing confidence and trust in the programme, this could help ensure the widest possible insights are heard and acted upon.

## *Sponsorship functions and leadership (The Client Team)*

28. As part of the transfer of the SB to a new interim model, and the changes in ways of working that might be involved, we suggest changing its name to the Client Team.

29. The RT heard that the Client Team may be implemented as a joint team of both Houses (consistent with the main programme boards outlined above and comparable to a workable model for a joint department that we understand already exists for digital services). We note this is likely to be an interim arrangement covering the programme definition phase (12–24 months). As such, we encourage a pragmatic approach to transition that is relatively straightforward to implement, workable for all parties involved and minimises distraction. Client Team management structures can be revisited in due course, as part of confirming arrangements for the delivery phase of the programme.

30. More specifically, the RT see it as essential that this sponsorship team retain the necessary capability, capacity and distinct identity to deliver an SOBC. This also calls for a dedicated leader who is accountable for the successful development of the SOBC for the programme and who is formally appointed as Senior Responsible Officer (SRO) for the R&R Programme as a whole (with responsibilities in line with wider public sector practice). This leadership post is referred to in this report as the Head of Client Team, although it may carry the formal title and remit of DG (to reflect its new context and levels of responsibility).

**R5. The Client Team set up to deliver the sponsorship functions in this phase (the successor to SB) must retain the necessary capability, capacity and distinct identity to deliver an SOBC. This includes a dedicated leader, appointed as SRO and accountable for the programme, reporting to the Clerks of both Houses as Accounting Officers.**

31. The Head of the Client Team should report functionally to the Clerks, and to the Estimates Commission for budgetary approval. Notwithstanding any delegations linked to the SRO appointment, the Accounting Officer responsibilities to Parliament for the R&R programme will need to be explicitly updated once the SB is wound-up. In our view, this would revert to the Clerks. The responsibilities for the Head of Client Team and their supporting team are described in Annex 3.

32. The need to avoid a hiatus following departure of the SB CEO and, moreover, to quickly restore confidence and momentum, strongly argues for a suitably qualified and experienced secondee to fill the post of Head of the Client Team, rather than the post being filled (at least in the short term) via a formal recruitment process.

33. There could be added benefit from such a secondment to support this definition phase. The RT note that secondments in both directions (i.e. between a client organisation and a delivery organisation, in this case the Parliament in-house teams and the DA) can offer benefits of knowledge sharing, skill acquisition and relationship building to client organisations from the outset of a major programme.

34. The skills required of the Head of Client Team embrace the full range of major programme leadership functions, with a particular emphasis on: stakeholder engagement, upward as much as downward management, consensus building, advocacy and dispute resolution.

35. Strong leadership of the Client Team is a necessary condition of successful programme development and delivery, but not sufficient. No leader of the R&R programme will be successful, however well qualified and experienced they are, without a substantial number of senior figures from within the key stakeholders groups for the programme, including all members of the PB, being visible and effective advocates for the programme. There are

simply too many diverse hearts-and-minds to be won-over. This reinforces points made on “engagement” (paras 23–27 above).

### *Capability and capacity*

36. The SB team needs to be brought across to Parliament to form the new Client Team (envisaged as a joint team of both Houses—see para 29). It will be for the new Head of the Client Team to determine the extent to which additional resources or skills are needed within their team, and the options for bringing these in (including, for example, interim appointments, secondments from delivery partners or other organisations, and so on).

37. In developing this capability plan for the Client Team we recommend that full account be taken of the highly experienced capabilities that exist in the DA. The DA has been initially set-up to support programme development (as a pre-cursor to their subsequent role in programme delivery). Many of its resources and processes are suitable for augmenting those that might previously have been found within the SB. For example, the RT has identified four areas where it believes the DA, working collaboratively with the Client Team, can and should play a key role: (i) direct engagement with Members and Parliamentary officers; (ii) options generation and evaluation according to, respectively, parameters and criteria set by the Commissions (Client Board) and implemented by the PB; (iii) SOBC preparation; and (iv) external communications (in coordination with the Client Team and aligned to an overall narrative owned by the Programme Board).

38. The case for expanding the DA’s remit in these areas is underpinned by the consistently high level of confidence which was expressed, by those the RT met, in the DA’s capability and approach. With confidence being an essential and precious commodity during the development of all major programmes, the DA is the natural partner for Parliament to turn to help deliver these priority activities. This is reflected in Annex 3.

**R6. The capability plan for the Client Team (envisaged as a joint team of both Houses) should take full account of the highly experienced capabilities that exist in the DA and SB, expanding the DA’s existing remit where appropriate to deliver priority activities.**

### *Longer term*

39. As noted above, these arrangements are intended to focus on the current definition phase—this provides useful scope for learning what does or does not work. While it is possible that the programme roles or remits proposed above may extend into the delivery phase, this should not be assumed.

40. On-going work within the programme is exploring different options for the future sponsorship models (Transition Workstream 1). While the information and ideas being collated is undoubtedly useful, it is too early to be taking decisions in relation to Phase 2 (Delivery). There first has to be greater clarity on the R&R scope and preferred delivery strategy, together with an understanding of how these needs might evolve over time. To illustrate the point, requirements of a programme that is largely based on a series of smaller, short term activities is likely to be quite different to the one that involves integration and delivery of major works over a sustained period (as currently envisaged).

41. In looking to the future, it is important also to note the possibility of reverting to a (modified) version of the current model that involves an independent SB. If this needs to involve primary legislation, that can be one of the factors considered at that future time. However, this should not overly influence or distract from the immediate needs for a fit for purpose structure.

### *New approaches to the works*

#### *Designing for uncertainty*

42. The original governance structure envisioned in the Act has precedent in large scale programmes of this nature. However, it is based on the fundamental concept of certainty. A project will flow through the standard business case cycles and after the Full Business Case should have relatively clear, unimpeded by the Client, progress to completion. By contrast, the Houses of Parliament present a constantly changing and ambiguous client environment that can be contradictory and unpredictable. The new controlling structure and delivery strategy for the programme therefore needs to be explicitly designed for uncertainty, and to acknowledge the need to anticipate and adapt to changing demands. The strategic reset provides an ideal opportunity to address this reality.

43. The RT's thoughts on navigating uncertainty are intended to provide initial ideas, as opposed to being a definitive route map. Any future mechanisms that are put in place should be for the Client Team to determine, supported by DA and others, and then to gain agreement to these mechanisms from the PB. The RT's proposal is to avoid either: (i) a model that is comparable to other major infrastructure projects in which requirements can be fixed, assessed and approved via an FBC, and then delivered by contractors with the expectation of limited client influence (which would give a false sense of certainty); or (ii) a model that is too short term in nature, largely with piecemeal works agreed on a cyclical basis to reflect changing contexts (which diminish the ability to integrate activities with any confidence, and may be prone to stop/start actions that reduce commercial attractiveness of the programme, value for money and its ability to attract talent).

44. The concept proposed by the RT is that the new Client Board provides the long term vision, and that a clear and preferred delivery strategy is defined to take the programme towards those intended outcomes with monitoring of benefits or other key parameters along the way. However, this preferred strategy is not completely fixed but instead includes decision points for options or choices to be made at some future date. There might, therefore, be more than one path shown to get to the intended end state, with clarity about future decisions that might be needed. Mapping out multiple paths can provide insight into future options, the sequencing of actions over time, potential lock-ins and path dependencies. Importantly, they can also highlight 'tipping points'—such as trigger levels for actions needed to avoid excessive risk exposure. This approach also allows for monitoring and re-evaluating of that strategy on a periodic basis, potentially Parliamentary cycles, in order to allow adaptation of requirements or priorities while understanding the implications for long term ambitions.

**R7. The R&R programme's controlling structure and delivery strategy must be explicitly designed for uncertainty, also acknowledging the need to anticipate and adapt to changing demands over its lifetime. The SOBC may identify multiple paths**

**to achieve the vision, with future decision points and periodic review, and on-going monitoring for possible “tipping points”.**

45. The overview of what this involves can be captured in an SOBC. There would need to be detail covering the short-term horizon (5 years), and outline plans for the medium term (to 10 years). Funding would be agreed, potentially expressed as annual amounts, to cover the medium term (10 year) horizons with a combination of firm (to 5 years) and “in principle” commitments (5–10 years). These time periods are indicative—intended as longer than typical cycles, to fit the scale of works, but will need to reflect whatever is practical in the Parliamentary context. This will require the DA to broaden the range of delivery strategies under evaluation for the SOBC, with important consequences in terms of an overall approach to delivery within the uncertain environment in which the programme exists.

46. Clarity on long term outcomes is fundamental to this approach, yet the RT heard concerns that the vision for the R&R programme (the “why”) is being lost. Without that long-term vision, the programme risks becoming a collection of “fixes” that may combine to deliver against a masterplan to secure a safe and fit-for-purpose building, but that may well miss the many wider opportunities and added benefits that could be generated through this programme for our country (such as for heritage, for innovation, for skills)

**R8. As part of its definition phase, the Programme should develop and gain early agreement to its long-term end-state vision. This should go wider than simply considering the physical building, and be accompanied by a compelling narrative describing the wider opportunity and long-term outcomes.**

#### *Activities supporting the new approaches*

47. The parameters set out in the Joint Commission statement (18 March 22) are sound. They are helpful in setting out priorities and factors to be considered when looking at options for getting to some agreed end-state. These are being factored into operational activities, including development by the DA of a broad range of options, which is already underway. To assess these diverse options and down-select to progressively shorter lists of options, will require the application of a set of evaluation criteria, by which key trade-offs can be made. These criteria may include qualitative or quantitative measures that cover, for example, affordability and life-cycle value-for-money; risk exposures for people and for priceless heritage; deliverability and extent of disruption to Parliamentary business. Importantly, these criteria will need to link to the vision/outcomes described above—which will help capture the longer term perspectives that the parameters currently do not sufficiently emphasise.

**R9. The parameters set out in the Joint Commission statement (18 March 2022) are sound. They should be augmented by clear evaluation criteria (to support options assessment and future monitoring) that take account of longer-term perspectives, and link to the programme’s end-state vision and intended outcomes.**

48. The RT were pleased to note the explicit and primary commitment to health and safety, and have two related observations:

- a) The operational teams have been very effective in maintaining the quality of public areas and minimising disruption to members from local infrastructure failures. While positive, this also brings the issue that it makes the compelling case for action much harder. The RT heard conflicting views on the level and nature of risks faced, but a consistent message that continuing delay in R&R raises the spectre of catastrophic failure—the RT heard that the rate of degradation in infrastructure is greater than the capacity to maintain or repair it. Performance was reported to us as getting worse and with increasing potential to cross a tipping point, after which significant issues could readily and rapidly escalate. There would be strong benefit in bringing together related evidence and assessments on a routine (annual) basis in order to validate changing risk exposures and to inform the need for action. This (annual) status report would be presented to the Commissions and communicated more widely to raise awareness of the issues.
- b) This programme provides an opportunity to strengthen safety culture within the Parliamentary estate and, where needed, to align it (for example) with modern construction practices. Based on feedback received, and observations made during brief visits to different parts of the building, the professionalism, competence and processes brought by external parties could be valuable in embedding good practice.

49. The RT also highlight the opportunities that may arise from an early removal of parts of the parliamentary library collections, art collection, the historic furniture and decorative arts holdings, and some elements of the architectural fabric. Excellent work has already been undertaken in the fire compression system installation throughout the basement which has helped to mitigate fire risk. However, throughout the above ground floors the lack of essential modern fire compartmentation remains a serious concern. The RT heard that although the Palace of Westminster have systems and controls to ensure that people can evacuate in the event of a fire, everything else could be lost to fire, smoke and water damage.

50. It should be considered whether the staged removal of elements of the collections should be undertaken. This approach could have several benefits. It offers practical risk mitigation (protect priceless treasures and reduce excessive fire load in the main corridors) and operational effectiveness (e.g. staged approach to required repairs and restoration). It could also assist in raising awareness and assisting demonstration of the pressing need to undertake the essential R&R works.

51. The RT heard that the Act, and the way it had been interpreted in relation to sequencing and content of the R&R programme, may be acting as a constraint on work that could sensibly be done now with “no regrets”. There is an appetite for “getting on with things”, and in some areas (such as repair of falling masonry) it could be entirely appropriate to simply get on with the work while the detail of programme definition evolves. The RT were pleased to hear of growing coordination and scope for joint working across the DA/IHSE interface, which might offer mechanisms for early delivery.

**R10. There is a need for pragmatic approaches in the short term that allow “no regrets” work to be commissioned and taken forward ahead of SOBC approval (and hence before formal conclusion of the R&R definition phase)**

52. The RT had a brief look at the transition programme for the option of bringing the SB in-house (including, for example, managing legal or HR implications of the change). We did not explore this in depth, as much of the activity is only just getting underway. The timeframes being considered within each element was not always clear, although this is understood to mainly cover 3–6 month horizons. We again highlight the need for focus on the near term and caution about defining what is needed beyond Phase 1 (the definition phase). For example, we understand the intent is to keep teams relatively intact in the process (“lift and shift” and retain as a separate joint department), which seems sensible at this time, but would have been more concerned by any suggestion of deeper integration at this time—not least because of the distraction this could bring at a time when focus is needed. We also support the opportunity, described above, to make more use of the DA during this definition phase.

### Areas of good practice

Commend	Describe specific details of successful delivery
A strong sense of pride and responsibility	Notwithstanding different views and understanding of what might be needed, the RT recognised a consistent sense of pride and responsibility for the Palace of Westminster in those people we met. People care.
Joint working across organisational interfaces	The RT heard of good examples (e.g. data and digital) where the Houses and DA were working closely together, sharing knowledge and capability.

### Acknowledgement

The Review Team would like to thank all those we interviewed during the review for their time and candour. This contributed to the Review Team’s understanding of the Programme and the outcome of this Review.

The effective and timely support provided by Charlotte Park, Fabiola Gladding and Samanta Lehto Celestino was a major factor in successful completion of the review. Their professional contribution, together with all others providing support in indirect ways, were valued and greatly appreciated by the Review Team.

We are also indebted to the invaluable Parliamentary experience and thoughtful insights provided by John Owen throughout the course of the review.

## **Annex 1: Terms of Reference for the Review**

### ***Background***

This review has been commissioned to provide independent advice on governance for the Restoration and Renewal of the Palace of Westminster programme (R&R) and assurance on the proposed new approach to the works.

It has been agreed that the current Sponsor Body should be replaced; the House of Commons Commission has expressed its clear preference for a new separate department serving both Houses and accountable to the Clerk of the House or to both Clerks. The House of Lords Commission did not express a preference. Transfer of the sponsor function to a different arm's length body therefore remains an option under consideration.

### ***Questions to explore***

The key question on which advice is sought is:

- In light of the recent Commission decisions, and bearing in mind events leading up to those decisions, which is the best sponsorship model—in house or a different arm's length body—for R&R in a) the remainder of the definition stage and b) the delivery phase.

The second part of this review is to provide assurance on the new approach to the works. The questions for assurance are:

- In light of the recent Commission decisions, and bearing in mind events leading up to those decisions, are the new parameters set out in the joint statement sensible?
- Is transition activity tracking in the right direction to determine a new approach to works?

### ***Timelines and Reporting***

This work is to be carried out between 9–13 May, with a final report to be submitted soon after that date in order to inform a joint report by the two Commissions, before debates in both Houses which are expected to take place in July.

The outcomes from this review and advice of the panel are expected to be published.

## Annex 2: List of Interviewees

Name	Organisation and Role
John Benger	Clerk of the House of Commons
Judith Brooke	R&R Director, House of Lords (job-share with Kate Meanwell)
Clementine Brown	Head of Parliamentary Engagement, Sponsor Body
Mike Brown	Chair of the Delivery Authority
Simon Burton	Clerk of the Parliaments, House of Lords
Amanda Colledge	Business Case Director / Transition Workstream 2 Chair, Sponsor Body
Isabel Coman	Managing Director In-House Services & Estates
Marianne Cwynarski	Director General (Operations), House of Commons
Lord Deighton KBE	Parliamentary member of the Sponsor Board
Rt Hon Baroness Evans of Bowes Park	Leader of the House of Lords
Ken Gall	President of the Trade Union Side
David Goldstone	Chief Executive Officer of the Delivery Authority
Catherine Hallett	Director Strategic Estates Portfolio Management Office, Houses of Parliament
Andy Helliwell	Chief Operating Officer, House of Lords
Rt Hon Sir Lindsay Hoyle MP	Speaker of the House of Commons
Sarah Johnson	Chief Executive Officer of the Sponsor Body
Rt Hon Lord McFall of Alcluith	Lord Speaker, House of Lords
David Orr	Independent
Liz Peace	Chair of the Sponsor Board
Alison Rogers	Head of Programme Development, Delivery Authority
Saira Salimi	Speaker's Counsel, House of Commons
Charlotte Simmonds	R&R Director, House of Commons
Rt Hon Mark Spencer MP	Leader of the House of Commons
Jake Vaughan	Reading Clerk, Transition Workstream 1 Chair, House of Lords
Matt White	Programme Director, Delivery Authority

### Annex 3: Phase 1—Proposed Accountabilities and Responsibilities

Organisation/Forum/ Party	Accountabilities and Responsibilities:
<b>Members (HoC &amp; HoL)</b>	Approval of: <ol style="list-style-type: none"> <li>1. Strategic Vision and End State</li> <li>2. SOBC approval—and choice of option(s) therein</li> <li>3. Budgetary envelope</li> <li>4. Key parameters for use of temporary accommodation</li> </ol>
<b>Estimates Commission</b>	<ul style="list-style-type: none"> <li>• Approval of budgets</li> <li>• Head of Client Team presents budgets</li> </ul>
<b>Commissions</b>	The Commissions when meeting together to discuss R&R, to be called:  <b>“The Client Board”:</b> <ol style="list-style-type: none"> <li>1. Make recommendations to Members and Peers for approval</li> <li>2. Ownership of parameters and criteria used by DA to generate SOBC and options therein, and by the Programme Board to make trade-offs</li> </ol>
<b>Clerks</b>	<ul style="list-style-type: none"> <li>• Accounting officers for R&amp;R</li> <li>• Head of Client Team reports to Clerks</li> </ul>
<b>Programme Board</b> (a joint board of both Houses, with delegated authority from the Commissions)	<ol style="list-style-type: none"> <li>1. Own R&amp;R programme benefits</li> <li>2. Down-selection of options brought forward by DA</li> <li>3. Resolving trade-offs and disagreements as needed to finalise SOBC</li> <li>4. Making recommendations to the Client Board</li> <li>5. Prioritisation and optimisation of scope vis-à-vis the boundary between R&amp;R and BAU, and associated phasing</li> <li>6. Managing dependencies and conflicts between R&amp;R and IHSE</li> </ol>

Organisation/Forum/ Party	Accountabilities and Responsibilities:
<b>Client Team</b>	<ol style="list-style-type: none"> <li>1. Head of Client Team is accountable for all aspects of R&amp;R as SRO (but not as the Accounting Officer) including for programme health &amp; safety; and reports to the two Clerks and the Estimates Commission</li> <li>2. Present issues and decisions to Programme Board for determination/approval (e.g. options for down-selection and SOBC)</li> <li>3. Engage with Programme Board and Client Board members in advance of meetings to facilitate decision making</li> <li>4. Undertake preparatory work and co-ordination work needed to facilitate issues and decisions presented to Programme Board</li> <li>5. Ownership of Programme requirements</li> <li>6. Manage funding for DA and performance management of DA (e.g. holding DA to account for value for money)</li> <li>7. Supporting DA in its engagement with members and Parliamentary officers and other stakeholders</li> <li>8. Providing/commissioning assurance on key DA outputs (inc SOBC)</li> <li>9. Coordination between R&amp;R and IHSE, and Parliamentary BAU</li> <li>10. Resolve disagreements, tensions, trade-offs, priorities between DA, Houses, R&amp;R and IHSE, as appropriate, escalating to Programme Board as needed</li> <li>11. Oversight and coordination of benefits realisation, outcomes and reporting to Programme Board and Client Board</li> </ol>
<b>Delivery Authority</b>	<p>All current delivery functions, including works health &amp; safety; and for clarity under new arrangements (working collaboratively with the Client Team):</p> <ol style="list-style-type: none"> <li>1. Direct engagement with members and Parliamentary officers</li> <li>2. Options generation according to parameters and criteria set by the Client Board and implemented by the Programme Board</li> <li>3. SOBC preparation</li> <li>4. External comms (in coordination with the Client Team and aligned to an overall narrative owned by Clerks)</li> </ol>

## Annex E: R&R programme finance statement

Since the creation of the Sponsor Body and Delivery Authority in May 2020, the total spend up to the end of the 2021/22 financial year was £212m. A summary breakdown of this expenditure is shown in the table below. The Main Estimate for the Sponsor Body and Delivery Authority for financial year 2022/23 totals £87m, of which £7m relates to the Sponsor Body and £80m to the Delivery Authority.

### Restoration and Renewal: programme expenditure 2020/21 to date (£m)

Areas	Outturn	Q3 Forecast (as per Main Estimate)	Main Estimate
	2020/21	2021/22	2022/23
Sponsor Body	12.3	12.1	7.0
Delivery Authority Corporate Functions	10.7	12.8	11.7
Programme Management	17.7	22.1	17.8
Data and Digital	26.3	29.6	20.8
Palace of Westminster	17.0	39.1	26.3
House of Lords Decant / Accommodation & Optioneering	6.2	4.5	3.8
Heritage Collections Decant	1.7	1.0	1.6
Central Adjustments	(0.1)	(1.0)	(2.0)
<b>Total</b>	<b>91.8</b>	<b>120.2</b>	<b>87.0</b>

Further detail on the planned areas of spend in FY 2022–23 are contained in the Main Estimate Memorandum of the Parliamentary Works Sponsor Body: <https://committees.parliament.uk/publications/22112/documents/164229/default/>.

Given the need to prepare a Budget and Estimate for the new financial year following the Commissions' announcements in February, this 2022/23 Main Estimate was prepared at considerable speed, in a period of uncertainty, and was necessarily based on a series of assumptions about the work to be carried out during 2022/23.

### Spend in light of the Commissions' decisions

Programme's immediate response to the Commissions' decisions was to:

- (1) Agree a new task brief that enables the Delivery Authority to focus on the priorities identified in the joint statement from the House Commissions;
- (2) Revise all of the budgets and activities of both organisations to avoid any unnecessary expenditure;

- (3) Ensure that all of the pre-existing work not currently tasked to continue could be stopped and left in such a condition that it remains available and usable to any future programme.

This has minimised the risk that any current expenditure is nugatory; however, the longer that there is uncertainty in the future direction of the Programme the greater the risk that nugatory spend will be incurred. The recent changes have meant that the Delivery Authority has incurred some nugatory expenditure, totalling £70,000, mainly on the withdrawal of job offers and cancellation of supplier engagement events. We expect the design, surveys and other activities undertaken prior to the Commissions to continue to be useful to inform future analysis.

### **Arrangements for Supplementary Estimate and technical transfer of Sponsor Body functions**

When the Main Estimate for 2022/23 was prepared, in discussion with HM Treasury officials, it was on the basis that any budget issues arising from future changes, including from the emerging new approach to the works and/or to the sponsor function, would be resolved at the Supplementary Estimate stage, by which time the new governance structure, operating model and approach are expected to be clearer.

The expectation is that a Supplementary Estimate will be required in 2022/23, to finalise arrangements in relation to the technical transfer of the Sponsor Body's functions into Parliament, and/or to reflect any changes to the overall budget requirement in-year to respond to any new direction agreed by the Houses during the financial year. The two possible scenarios for how this could materialise, depending on decisions reached, are:

- (1) If agreement has been reached on the “appropriate person” to which the functions of the Sponsor Body will be transferred under section 10 of the 2019 Act, and it is agreed to retain a separate Estimate, the Supplementary Estimate will be published in the name of the “appropriate person”. This Estimate would need to describe the “Machinery of Government” change required to transfer the responsibilities of the Sponsor Body following its abolition. This Supplementary Estimate would also describe any change that is required to the estimated programme outturn expenditure.
- (2) If agreement has not yet been reached on the “appropriate person” to which the Sponsor Body's functions are to be transferred, the Supplementary Estimate would be published in the name of the Parliamentary Works Sponsor Body. (A Supplementary Estimate will only be required in this case if there has been a change in the expected Main Estimate outturn following greater clarity of programme scope.) If the transfer of the Sponsor Body's functions did not take place until the start of the 2023–24 financial year, the financial consequences could be given effect via the 2023–24 Main Estimate.

Any Supplementary Estimate is expected to be laid in February 2023. It will require final approval by the Parliamentary Works Estimates Commission, as prescribed in the 2019 Act.

## Further information on organisational spend

Further information on actual and planned expenditure by the Sponsor Body, Delivery Authority, House of Commons and House of Lords can be found in their respective Annual Reports and Accounts, at the links below. The 2021/22 accounts are currently being audited, so the latest accounts available are those for 2020/21.

- Sponsor Body (consolidated accounts): [https://downloads.ctfassets.net/vuykqhhtihf/2twjOKyICyCumQ6LLshnFG/bc2b757cc86e3b0f7d2d6266b68de887/PWSB\\_ARA\\_2020\\_21\\_online.pdf](https://downloads.ctfassets.net/vuykqhhtihf/2twjOKyICyCumQ6LLshnFG/bc2b757cc86e3b0f7d2d6266b68de887/PWSB_ARA_2020_21_online.pdf)
- Delivery Authority: [https://assets.ctfassets.net/vuykqhhtihf/mbln9S8EW6S45MSc1WLuu/fe545c808d4939bbf689ae585539559b/DA\\_ARA\\_2020\\_21\\_online.pdf](https://assets.ctfassets.net/vuykqhhtihf/mbln9S8EW6S45MSc1WLuu/fe545c808d4939bbf689ae585539559b/DA_ARA_2020_21_online.pdf)
- House of Commons: <https://www.parliament.uk/globalassets/documents/commons-expenditure/admin-annual-accounts/house-of-commons-administration-annual-report-and-accounts-2020-21.pdf>
- House of Lords: <https://www.parliament.uk/globalassets/documents/lords-business-plans/house-of-lords-annual-report-and-accounts-2020-21-publication.pdf>