



HOUSES OF PARLIAMENT
R&R SPONSOR BODY

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3 August 2020

Meg Hillier MP
Chair of the Committee of Public Accounts
House of Commons
London SW1A 0AA

Houses of Parliament Restoration and Renewal Programme

Dear Chair,

Thank you for giving us the opportunity to provide evidence to the Public Accounts Committee about the Houses of Parliament Restoration and Renewal Programme.

We are writing to provide further information about two points which arose during the session on 21 July, regarding the composition of the Challenge Group, which we have established as part of our strategic review of the Programme, and staff costs as a proportion of expenditure to end March 2020. Further information about these points is provided in the Annex.

We would like to emphasise that we are clear that the critical need for the restoration of the Palace of Westminster remains and the purpose of our strategic review is to seek to confirm the optimum approach for achieving this, while taking account of the need to ensure value for money, in line with our statutory obligations. The review will not seek to undermine the basis of the current approach, including the resolutions of both Houses in 2018 and the Act of 2019, but will instead consider whether anything has changed significantly enough to warrant reconsidering the overall strategy for delivering the works.

While the strategic review is considering the overall Programme strategy, the scope of the Palace restoration works, including specific options and costs, will be developed as part of the Outline Business Case, which both Houses are required to endorse under the 2019 Act. This work proceeds apace as a core part of our mandate, alongside the strategic review.

I do hope this letter is helpful to you and the Committee.

Yours sincerely,

Sarah Johnson
Chief Executive Officer
Houses of Parliament
Restoration and Renewal
Sponsor Body

David Goldstone CBE
Chief Executive Officer
Houses of Parliament
Restoration and Renewal
Delivery Authority

ANNEX

Challenge Group

While the review is being led by us, as the CEOs of the Sponsor Body and Delivery Authority, we have also established a Challenge Group to ensure that the outputs of the review are scrutinised from a range of different perspectives, and to minimise any risk of 'group think'. However, it is worth noting that the Challenge Group has been established on an informal basis and it will not have a decision-making role regarding the outcome of the strategic review. Instead, the outcome of the strategic review, including any recommendations, will be considered by the Sponsor Body Board and the Commissions of both Houses in the first instance. We agree that it is important for such matters to be considered by a balance of parties and groups from both Houses and note that the membership of the Sponsor Board and both Commissions provide that balance.

The members of the Challenge Group are:

Liz Peace CBE	Chair, Sponsor Body
Mike Brown MVO	Chair, Delivery Authority
Nigel Evans MP	Deputy Speaker (on behalf of Mr Speaker)
Baroness McIntosh of Hudnall	Deputy Speaker (on behalf of the Lord Speaker)
Rt Hon Jacob Rees-Mogg MP	Leader of the House of Commons
Rt Hon Baroness Evans of Bowes Park	Leader of the House of Lords
Charlotte Simmonds	R&R Director, House of Commons (on behalf of the Clerk of the House of Commons)
Judith Brooke / Kate Meanwell	R&R Directors, House of Lords (on behalf of the Clerk of the Parliaments)
Isabel Coman	Managing Director of In House Services and Estates (on behalf of the Director General of the House of Commons)
Sir Eddie Lister	Chief Strategic Adviser to the Prime Minister
Cat Little	Director General, Public Expenditure, HM Treasury
Nick Smallwood	Chief Executive, Infrastructure and Projects Authority
Sir David Higgins	Independent member - <i>Sir David Higgins is the Chairman of Gatwick Airport, and the former Chief Executive of Network Rail and the London 2012 Summer Olympics Delivery Authority</i>
Paul Lewis	Independent member - <i>Paul Lewis is a Board member of Stanhope plc, the developer, investor and asset manager</i>

Staff costs as proportion of spend

The staff cost as a percentage of total spend to March 2020 is 40%. This includes direct staff employed by the House of Commons (including agency staff) and the programme management and delivery capability through a commercial contract, which was procured by both Houses in 2018, to govern, manage and ensure the production of the required deliverables to maintain progress of the R&R Programme. This is consistent with the NAO report figure 11 'Restoration and Renewal Staff Numbers' and the way the Programme manages its complement of staff.

Staff Spend Analysis	To Date – Mar 2020 (£'m)	% against Total Spend
Direct Staff Costs	17.6	14%
Programme Management Capability (contracted)	32.8	26%
Total Staff Complement	50.4	40%
Total R&R Spend to Date (Staff and Non-Staff)	125.7	