



8 December 2022

Rt Hon Sir Lindsay Hoyle MP
Speaker
House of Commons

Rt Hon. the Lord McFall of Alcluith
Lord Speaker
House of Lords

SB/C/22/29

Dear Sir Lindsay and Lord McFall,

We are aware that, subject to parliamentary approval, the legislation to abolish the Sponsor Body will take effect on 1 January 2023 and at this point the formal accountability for overseeing the R&R Programme will transfer to the Corporate Officers of the Houses.

I and my colleagues on the Sponsor Board have in recent months reflected on what has worked well and not so well, since the Board's formal establishment in April 2020. As part of the handover process, we agreed it would be helpful to share our thoughts with the Client Board (and Programme Board once established)—some of the lessons we have learned in overseeing the crucial programme to restore and renew the Palace over the past two and a half years may be of use to those now tasked with doing so. The contents of this letter have been discussed and agreed by the Sponsor Board.

In terms of what went well, Sponsor Board members felt we had a deep understanding of the key challenges and complexities in delivering the R&R Programme as well as the background to the project. This was very important in helping us conduct our role as Board members effectively and understand the implications of the strategic decisions we were asked to take. It is equally important that members of the new Boards devote time and energy to acclimatising themselves with R&R matters, given the complexity of some of the required decisions and the significant sums of money involved.

We also believe that, on the whole, the Sponsor Board was able to maintain good oversight of the activities of the Delivery Authority and value-for-money on the Programme. This was aided by the support we received from the broader Sponsor Body team. We are pleased that there will be a “lift and shift” of Sponsor Body staff into the new joint department in Parliament. It is essential that the quality, experience and knowledge of those staff is not lost during this period of transition.



We have three main observations regarding the challenges experienced by the Sponsor Board. First, in our view, many of the difficulties we experienced as a Board resulted from the institutional structure set up under the Parliamentary Buildings (Restoration and Renewal) Act 2019 Act—particularly the creation of an independent sponsor function. We, of course, understand the arguments for independence, such as the desire to minimise political interference. In practice, however, independence clearly did not work.

A particular problem was that the structure under the 2019 Act effectively created two “clients” for the Programme—the Sponsor Body as the formal client and Parliament which could be considered the “ultimate client”. This double client set-up created a challenging and complex political environment in which to make progress with the Programme; and we acknowledge that the Board’s relationship with key political stakeholders within both Government and Parliament needed to be closer and to be able to benefit from almost daily contact with the major political influencers—which an independently chaired body had some difficulty in doing. The new governance arrangements, with the Client Board, Programme Board and Client Team embedded within the parliamentary structure, should of course improve this fundamental structural problem and create fewer barriers. It will be important that senior parliamentary members involved in governance positions act as political champions for the programme and are visible to parliamentary colleagues. It is also vital that the Chair of the Programme Board is a senior political figure with the authority and standing to be able to drive decision taking and achieve consensus.

Second, it is vital to get proper clarity about Parliament’s requirements for the Programme. In theory, the high-level requirements for the scope of the Programme were set out in the 2019 Act. But in practice, the views of key political stakeholders within Government and Parliament did not align to the (more ambitious) aspirations for the Programme implied by the Act. It will be crucial for the Client Board and Programme Board to have clarity about the requirements for the programme—and to understand who, ultimately, is responsible for providing this clarity. If it is the view of Parliament that the cost of this programme and the permissible period of decant needs to be severely limited, then it is vital that this is agreed up front and that funds are not wasted on an extensive and expensive Delivery Authority that would be more suited to a major refurbishment project.

Our final observation is that, on reflection, the Sponsor Body was not sufficiently flexible to adapt our approach to the Programme to take account of wider political and economic changes, not least the pressures on the economy following the coronavirus pandemic. We allowed ourselves to be directed solely by the statutory requirements set out in the 2019 Act whereas a more flexible interpretation of parts of the Act relating to the scope of the works could, in hindsight, have been helpful. In addition, many of the people brought into the Sponsor Body (and Delivery Authority) previously worked on large infrastructure projects and, although very capable and talented individuals, this also perhaps presented a challenge when we needed to downscale our ambitions for the programme to reflect changing external circumstances. On reflection, the Sponsor Board could have perhaps placed more pressure on the Delivery Authority to be more creative in its problem-solving. Going forward, greater flexibility and creative problem-solving will be important if the programme of works is to make good progress in an uncertain political and economic climate.



HOUSES OF PARLIAMENT

R&R SPONSOR BODY

Liz Peace CBE
Sponsor Board Chair
Houses of Parliament
Restoration and Renewal
Sponsor Body

We hope that our reflections are of some assistance to the Client Board and Programme Board as you take over responsibility for overseeing the programme of works. We would be grateful if this letter could be shared with the Programme Board, once established; members of the Sponsor Board would be willing to meet new Programme Board members on an individual basis if that would be deemed helpful. We wish you well in delivering this hugely important project to safeguard the home of our democracy.

Yours sincerely

Liz Peace CBE
Sponsor Board Chair
Houses of Parliament
Restoration and Renewal Sponsor Body