CB/22–23/MIN2

MINUTES

R&R Client Board

Meeting date	7 November 2022
Meeting location	Boothroyd Room
Meeting time	16:45–18:00

Attendees

Client Board	Officials
Nickie Aiken MP	Meg Conway Wait (Commons)
Dr John Benger	David Goldstone (Delivery Authority)
Simon Burton	Gosia McBride (Commons)
Deidre Brock MP	Patsy Richards (Client Team)
Marianne Cwynarski	Tristan Stubbs (Lords)
Thangam Debbonaire MP	James Young (Client Team)
Mathew Duncan	Ed Potton (Commons)
Lord Gardiner of Kimble	Judith Brooke (Lords)
Lord German	Charlotte Simmonds (Commons)
Andy Helliwell	Philip Hall (Client Team)
Lord Hill of Oareford	
Shrin Honap	
Sir Lindsay Hoyle MP (Chair)	
Lord McFall of Alcluith (Chair)	
Penny Mordaunt MP	
Lord Newby	
Nora Senior	
Baroness Smith of Basildon	
Lord Touhig	
Lord True	
Lord Vaux of Harrowden	
Louise Wilson	
Sir Charles Walker MP	

1. Welcome and Standing Items

Mr Speaker chaired the meeting.

The Chair welcomed the Board to its second meeting. He explained that owing to a transport strike, exceptionally some members were joining the meeting online.

Apologies were received from Nick Brown MP and Lord Judge.

The R&R Client Board agreed the minutes of its meeting on 17 October 2022 with no redactions, and noted that it would regularly publish minutes.

2. Oral update from interim CEO of the Sponsor Body

The Client Team (CT) informed the Client Board that the draft regulations to amend the Parliamentary Buildings (Restoration and Renewal) Act 2019 had been circulated to both Commissions for consultation, as required under section 108(a) of the act. The effect of the regulations was to abolish the R&R Sponsor Body, transfer its functions and property to the Corporate Officers of both Houses and make consequential amendments and modifications.

The CT said that consultations with staff, the delivery authority and parliamentary teams was ongoing and positive. The Delivery Authority (DA) agreed that consultation across Parliament was going well.

The R&R Client Board noted the update from the interim CEO of the Sponsor Body.

3. Governance arrangements [R&R Programme Board]

A Commons Official (CO) told the Client Board that a short paper on R&R Programme Board governance arrangements had been circulated via email prior to the meeting.

Candidates for the external member positions had been interviewed the previous week. The paper circulated made proposals for the overall composition of the R&R Programme Board, with:

- 4 Members of the House of Commons (two nominees of the Speaker, a nominee of the Commons Leader and a nominee of the Commons Shadow Leader);
- 3 Members of the House of Lords (a nominee of the Lord Speaker, a nominee of the Lords Leader and a nominee of the Lords Opposition Leader);
- 2 Officials – the Clerk of the House of Commons and the Clerk of the Parliaments. In addition, the Head of the R&R Client Team, Managing Director of Strategic Estates and CEO of the Delivery Authority would have the right to attend meetings;
- Up to 4 external members.

The proposed composition reflected the desire of political parties across both Houses to have representation on the R&R Programme Board and for the Board to contain a majority of parliamentarians. Names of members and terms of reference would be agreed by correspondence.

A member asked who would chair the R&R Programme Board. The Chair clarified that a Commons Member would chair the board and would be nominated in due course.

The R&R Client Board:
a) agreed the composition of the R&R Programme Board;
b) noted that it would agree the names of R&R Programme Board members by correspondence in due course;
c) noted that it would agree the R&R Programme Board's terms of reference by correspondence in due course; and
d) agreed the composition of the R&R Programme Board and next steps for agreeing the names of the members and terms of reference.

4. Strategic Case Approach

The CT presented the document, which provided an approach to developing a strategic case that could be presented to both Houses by the end of 2023.

Framework options were being worked up. Strategic objectives and an end-state vision would feed into the strategic case. Member consultation had been built into the timeline, and it would be important to help Members understand where R&R sat in relation to other works on the estate.

In discussion the following points were raised:

- That it was important to think carefully about communicating shortlisting options, particularly around costings and timings, which would be immature at this stage of the programme. CT responded that costings and timings were built into the shortlisting process, and that cost assessments would mature as the process went on. It would be necessary to work out the mood of the Houses and the options that would be most acceptable. The DA noted that some work could be done in parallel. If political agreement could be reached for a smaller number of options, the process would take less time.
- That it was also important to indicate that options should be narrowed down. The biggest risk to R&R at this stage was that Members from both Houses might change their minds on scope. It was therefore necessary for the Client Board to indicate its preferred option.
- That the possible options should not simply continue the same base project with different processes, but should represent an opportunity to think about different creative ways of approaching the project. A member proposed that narrowing down the options to a rational number would enable detailed costings sooner.
- That providing an overall vision for the process would be necessary when launching a consultation with Members. It was important to sell the project. This would include setting out clearly the options on value, cost and decant, though there was still the space for more creative decant solutions.
- That a lot of survey work had been carried out, including intrusive surveys in the summer recess looking into ground conditions and the building fabric and Members would welcome detail on what had been uncovered. Communicating the value of survey work was also necessary to support continued political agreement.
- There was a question about how much of the necessary ongoing works could be completed under the R&R project and how much could be handed back. It was, for example, important to consider how the Victoria Tower project would fit into the R&R context. The CT and DA confirmed that many options were being considered, as were imaginative options for engaging with colleagues.
- That the Client Board supported the Strategic Case containing a preferred option.

The R&R Client Board:

a) agreed the key decision points and milestones for the Strategic Case;
b) endorsed the proposed form and content of the Strategic Case;
c) noted the further work on an iterative approval of the preparatory R&R works.

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5. Estimates, risk, assurance and audit arrangements

A Lords Official (LO) drew the Board's attention to a slight rewording, and clarified that the Audit Committees of the two Houses would audit the new R&R Client team, including their role in tasking the Delivery Authority and in holding the Delivery Authority to account. However, they would not provide assurance on the activities of the Delivery Authority which would continue to be an independent statutory body with its own audit and risk assurance committee.

In discussion the following points were raised:

- That the process for scrutiny of estimates should be tightened. A member felt that although the sponsor body was responsible for challenging estimates, the process had not been robust enough in the past. They felt that the new proposals did not improve the process and failed to consider the possibility of taking a different approach.
- That it was important to improve transparency. An LO replied that transparency was a key plank of the proposed arrangements. A CO emphasised the role for the Programme Board in bringing these strands together, and that there would be a mechanism for the Programme Board to escalate issues as necessary. It was suggested that the Programme Board would not have capacity to get into sufficient detail on such issues. The Client Team would therefore need to enhance its capability in this area to provide the Programme Board with the necessary assurance.
- That there was a potential for duplication between the estates budget and the R&R budget. A CO clarified that there was a process for determining where project budgets should sit. Contentious decisions could be fed to the Programme Board, which would be able to work out where they should sit.
- That because costs coming through the Client Team would be scrutinised by the Houses' Audit Committees, and Delivery Authority costs would be scrutinised by the Parliamentary Work Estimates Commission (PWEC), it might be difficult to track costs for R&R. An LO noted that PWEC had a very specific remit in relation to checking annual estimates against the Phase 1 expenditure limit set by the two Commissions. There were additional levels of scrutiny at Client Board and Programme Board level, providing a structure of scrutiny with layers and points of escalation, and a commitment to produce annual performance reports to report transparently the full costs.
- A member asked whether any external members of the Programme Board would have backgrounds in accountancy and audit. An LO confirmed that recruitment was being undertaken with these skills in mind. It would also be possible to bring on additional assurance as necessary.
- A member asked whether a report from the chair of the Delivery Authority would be sent to the Audit Committees in order for members to understand possible risks and how they might be managed. The DA responded that it was set up by legislation under the Companies Act; the DA was therefore not a parliamentary body and had its own audit committee and board. The CEO was the accounting officer and had obligations around scrutinising the organisation's use of public money. There was significant external scrutiny through the National Audit Office and Commons Public Accounts Committee. The Chair of the DA Risk Assurance and Audit Committee would be content to provide feedback to the Houses' Audit Committees on a regular basis.

The R&R Client Board:

a) noted the arrangements for approval of the Estimate under the new governance structure;
b) noted the arrangements relating to the supplementary estimate for 2022–23; and
c) noted the arrangements relating to audit, assurance and risk.

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6. Any other business and date of next meeting

There was no other business.

The date of next meeting was 19 December 2022 4.45pm–6.00pm.

7. Papers to note

The Board took note of the forward look and Sponsor Body 2022 Quarter 2 report.