



Restoration and Renewal of the Palace of Westminster Programme (R&R)

Independent Peer Review (IPR)

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About this Report

This report is a snapshot review of the Restoration and Renewal of the Palace of Westminster Programme, reflecting the conclusions of an Independent Review Team. In undertaking this five day review, the Review Team has relied solely on the confidential briefings provided by the interviewees it has met, supported by a suite of relevant background papers provided by the R&R teams.

It is presented at the conclusion of the review to the Senior Responsible Owner and to the Corporate Officers for the two Houses.

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EXECUTIVE SUMMARY

In July 2022, both Houses of Parliament set a new mandate for the Restoration and Renewal of the Palace of Westminster Programme (R&R). They endorsed the recommendations of a joint report from the two Commissions, which involved replacing the R&R Sponsor Board and Sponsor Body with a revised governance model and introducing a new approach to the works.

This independent review was commissioned to provide the Corporate Officers, SRO and newly established Programme Board with the assurance that the R&R Programme is progressing in line with the new mandate. Our focus is on “Phase 1”: the development and approval by both Houses of proposals relating to the design, cost and timing of Palace restoration works. This is due to be completed by end of 2024, with an important intermediate milestone being the opportunity for both Houses to debate and approve a strategic case by the end of 2023.

The Review Team’s findings and recommendations are set out below. We commend all those involved for the considerable progress made over the past year. Activities include the successful transfer of the Sponsor Body into Parliament, establishing new governance models (with Client and Programme Boards put into place), and the development of a broad range of options for the works, for review and debate by those Boards.

Successful delivery of Phase 1 of the R&R programme appears feasible, albeit challenging. It will need timely responses to significant issues that already exist. These are recognised and led to the varying degrees of confidence we heard in the programme’s deliverability. Issues include:

- The Client Team (in-house successor to the Sponsor Body) is facing resource constraints. It currently has insufficient suitably qualified and experienced people to take forward key elements of the programme. There is a need to accelerate actions that ensure it has access to the capability it needs, in particular to take forward essential engagement activities.
- The crucial need for robust engagement and communications. Related material has to bridge parliamentary and programme management language to enable effective scrutiny of the range of options being presented for the works. Generating a wave of positive feeling that builds confidence in the robustness of any decision taken will require strong advocacy. This calls for action by the Client and Programme Boards, political champions who have been convinced by the case made, and external voices who can galvanize wider support.
- The previously identified need to “design for uncertainty”. This includes assessing how options might respond to uncertain future events or to changing Parliamentary expectations over the long timescales of R&R. Phasing delivery of the works could help secure early progress (standalone phases can deliver value in their own right while contributing to a long term vision). This needs testing further as it differs from the single fully scoped programme envisaged by the R&R Act.

These issues, although significant, appear resolvable at this stage if addressed promptly. That was also reflected by people, overall, being slightly more optimistic than neutral in their level of confidence on whether a robust decision will be made to agree a strategic case by end 2023 (as a pre-cursor to an outline business case in 2024). Our recommendations are set out below.

Confidence should also be taken from the successful transition to the new mandate and progress over the past year. The teams and key individuals involved have shown themselves to be committed, collaborative and focussed on achieving a successful outcome. They are more than capable of stepping up to the challenges ahead – not least of which is navigating the complexities of a general election period. Ultimately, successful delivery of Phase 1 by the end of 2024 will be reliant on advocates in both Houses, reinforced by external opinion, catalysing a wave of positive support for a preferred option.



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Summary of concerns, evidence and recommendations

These recommendations build on those given in our previous report and focus on those actions that support delivery of the strategic case at the end of 2023 (and concluding Phase 1 by the end of 2024).

An assessment of progress against previous recommendations is given in Annex C.

Ref	Recommendation	Risk this addresses
23-01	To communicate, and where possible simplify, the organisational, governance and data sharing interfaces between R&R and Parliamentary teams in order to support efficient and effective decision making.	New arrangements have yet to fully embed, and at this early stage are reliant on the collaborative behaviours, initiative and commitment of all those involved. Unclear processes and interfaces could lead to additional unnecessary work. Continuing on this basis is likely to add pressure to an already challenging timeframe for Phase 1, particularly agreeing the strategic case and option(s) to take forward by the end of 2023. Allied to this, reducing uncertainty for individuals should improve their working environment, and helps tackle retention risks.
23-02	To ensure Client Team (CT) has, or has direct access to, the suitably qualified and experienced people needed to enable it to secure agreement by both Houses of the strategic case by end 2023. This includes capability to enable early focus on essential engagement and communications activities. Note: this will likely involve a mix of resourcing models (e.g. secondees, consultants, contractors) in the short term. (Builds on previous IAAP recommendation 22-06)	Currently, capability and capacity gaps in the CT present risk to delivery of the 2023 work programme and have the potential to delay Phase 1. In addition, CT needs the capability that allows it to establish itself and build the confidence of new Boards and members of both Houses through consistently high quality outputs.
23-03	To develop an all-up cost of delay estimate in order to provide added context to the urgency of a strategic case decision in 2023 that enables meaningful progress towards the Outline Business Case (conclusion of Phase 1) by end of 2024.	The potential absence of decision, or pressure for more analysis or for collecting more data or other evidence that may not be warranted at this stage in the programme. <i>Note: detail on “cost of delay” is provided in the main body of the report (paragraph 22).</i>



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23-04	To gain early Programme Board (PB) agreement to a robust engagement and communication strategy, with supporting materials, that: - Enables Client Board (CB)/PB and other political champions to create a positive “wave of feeling” for the programme and build momentum towards a preferred option. - Galvanizes key external voices in support of R&R. - Establishes mechanisms to monitor stakeholder confidence in approval of the strategic case in 2023 (and beyond) and to keep in mind those activities that enhance confidence.	Note: If appropriate, this action could form part of wider PB work on strategy. The intent through scrutiny and advocacy (internal and external) is to build confidence in the robustness of any decision taken. This needs to recognise concerns about the cost of living, alongside assessing the long term economic value to the country that comes from stewardship of a uniquely important national building of UNESCO status and enabling Parliament to fulfil its democratic purpose effectively. To be effective, it will be important for any materials produced to bridge parliamentary and programme management languages.
23-05	To reflect the stated intent of “designing for uncertainty” by: - clarifying the extent to which different options are robust to a wide range of uncertain future events, and to potential changes in Parliamentary requirements over the long time-scale of R&R. - identifying options for phasing the programme (with standalone phases that deliver value in their own right while contributing to a long term vision) as opposed to a single, fully scoped programme. - determining risks, trade offs and actions that may be needed to enable phased delivery of the programme, given the requirements of the R&R Act. (Builds on previous IAAP recommendation 22-07)	Decisions are currently based on a single, fully scoped programme (with the potential for enhancements or added options at a later date). However, there may be considerable value in taking a more phased approach. Breaking the programme into discrete phases would allow an early start on delivering the works, enable confidence to be built in delivery capability and provide explicit recognition of affordability constraints. It is understood that the R&R Act might constrain such an approach. This needs to be tested, and the art of the possible identified. <i>Note: detail on “phasing” is provided in the main body of the report (paragraphs 43 - 48)</i>



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Comments from the SRO

SRO Comments

I thank the Review Team for their work, and this very helpful report. A return visit of such an experienced and knowledgeable panel was especially welcome.

I am pleased the RT feel the transition work has gone well and this is a tribute to many teams' and individuals' hard work across the Client Team, Delivery Authority and in both Houses, in support of the R&R programme. As the SRO of that transition programme, I would like to thank all those colleagues again here.

This report and its recommendations should help set us up further for success as we continue to work together. The recommendation around costing delay has historically been challenging to meet given that much of the spend on the Palace currently is a mix of maintenance and capital works, so any further guidance would be welcomed there, and similarly we will need guidance on adopting a phased approach to works and funding when investigation following the earlier review determined that the Act requires us to put forward a fully costed package. We accept the challenge and understand the positive intention behind it.



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Review Team findings and recommendations

Introduction

1. The Commissions of the House of Commons and House of Lords met in March 2022¹ 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 two 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. A report setting out this new mandate was agreed in June 2022, and subsequently endorsed by both Houses in July 2022.
3. This Review Team provided independent advice and assurance for the Commissions in May 2022 on options for replacing the SB and the new approach, with our recommendations feeding into their June report. As part of this, we noted three broad 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 and communicate why the programme is needed, the urgency of these works and its long term vision. It also needs the support of strong, influential political champions.
 - 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 programme's Parliamentary context and it must be able to adapt, for example, to the changing fiscal and societal contexts that might reasonably be expected over its lifetime.
4. The Review Team was reconvened to provide independent assurance for the Accounting Officers, SRO and the newly established Programme Board that the R&R Programme is progressing in line with the new mandate set by both Houses. Our primary focus was whether actions had been taken and plans developed in response to the recommendations set out in the Commissions' Joint Report, and their effectiveness in addressing previously identified risks and issues. The Terms of Reference are set out in Annex A.
5. Within this report, we frequently use the following acronyms:

CB	R&R Client Board: Both House Commissions meeting jointly to agree recommendations about the R&R programme to be made to both Houses
CT	R&R Client Team: The staff body providing sponsorship for the R&R programme and tasking the Delivery Authority
DA	Delivery Authority: An independent company limited by guarantee designing and delivering R&R works
PB	R&R Programme Board: A Board with delegated authority from the Client Board to direct and oversee the R&R programme
R&R Act	The Parliamentary Buildings (Restoration and Renewal) Act 2019

¹ Joint statement from the House of Lords and House of Commons Commissions, published 18 March 2022



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RT	Independent review team (the Independent Advice and Assurance Panel – IAAP)
SB	Sponsor Body (now the Client Team)

Implementation of new governance and client team arrangements

Transition implementation

6. The teams across the R&R programme (in-house and external) are to be commended for their excellent progress, and collaborative work at pace, in taking the new mandate forward. Since July 2022, they have established a new governance structure, setting up the CB (which has since met four times) and PB, which meets for the first time in February 2023. The SB's workforce and functions have been transferred into the new in-house CT, a statutory instrument was approved to wind up the SB, and new contractual/ delivery framework established, and closer working relationships developed with the Delivery Authority (DA) and the Strategic Estates teams.
7. Early workstreams were established to consider all the facets associated with a transition of the SB into Parliament. As such, further to the Houses' decisions, we heard that the transition has progressed in a timely and relatively smooth fashion. The statutory instrument to transfer the responsibilities and duties of the SB to the two corporate officers on behalf of Parliament was in force at the beginning of the year as planned. The teams have worked exceptionally hard to keep to the transition timetable and to the overall phase 1 timetable. The only concern has been delays in the setting up of the PB, originally anticipated to be in place by end 2022 but this slipped to end of February 2023.
8. There has been positive feedback from all those involved in the process, including the strengthened sense of collaboration and communication that has emerged from the transfer of SB into Parliament. The transition is still embedding, and some of the new processes have yet to fully embed (so may currently be over-reliant on personal networks, relationships and goodwill). Points raised in discussions suggest that attention is needed on the following:
 - a. enabling the DA to operate through a single point of contact. We heard several people mention a lack of clarity in roles and responsibilities at the interfaces, with a sense that people saw the different CT, House of Commons R&R and House of Lords R&R teams as distinct interfaces.
 - b. ensuring clarity on how the R&R decision frameworks link into wider parliamentary governance, systems and controls, and relevant strategic plans (such as any masterplan for the Parliamentary estate). In practice, interface risks are managed by having the same individuals involved on comparable Parliamentary and R&R Boards. At a day-to-day level, we heard of positive interactions across working interfaces with Strategic Estates.
 - c. clarifying arrangements for data and knowledge sharing, with an emphasis on sharing data if at all possible (with due recognition of commercial or security constraints). There has been recent progress in this area and the need may be one of raising awareness of what has already been done. Strategic Estates holds extensive information on outturn cost information for capital works on the Parliamentary Estate (e.g most recently, the Elizabeth Tower) and the extent to which this information can be shared with DA, so that it can be taken into account in their cost estimates for R&R, will increase overall confidence in the R&R option shortlisting process underway.
 - d. ensuring due recognition of how current uncertainties are affecting individuals who are impacted by the organisational changes being put in place (this includes people within parliamentary teams as well as transferred teams from the former SB). Although not unusual in times of significant change, we heard concerns about how people were feeling in the face of uncertainty. The resultant retention risks compounding the loss of



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experience and know-how from those who have already left as part of these changes. It suggests that even more focus on management communications about organisational change could be helpful.

R1: To communicate, and where possible simplify, the organisational, governance and data sharing interfaces between R&R and Parliamentary teams, in order to support efficient and effective decision making.

Governance frameworks

9. The PB is just being established, with its first meeting at the end of February 2022. A strong capability has been assembled and we heard positive feedback on induction processes. This is a promising start, but it is too early to assess its effectiveness. Some concerns were raised about the weight of expectations being set for the PB and its ability to influence members across both Houses, the breadth of decisions required and the pace at which it will have to operate in its early months.
10. The RT heard how circulation of CB notes to the wider Parliamentary teams working on R&R shortly after their meetings had been well received. The same can be expected from early circulation of PB notes to these teams. We suggest that the PB adopt a comparable transparent internal practice.
11. The RT were briefed on the number and range of boards, committees and groups that meet with all or part of their agendas linked to R&R. There is a strong perception of an overly bureaucratic and confusing governance framework beneath the new structure (this mainly relates to what was described as the Tier 2 and Tier 3 levels in the programme, although – as noted above – clarity on interfaces to other Parliamentary governance frameworks is also needed). As a rule of thumb, major programme staff should spend on average no more than (20%) of their time (i.e. one day per week) servicing programme governance requirements, as distinct from progressing the programme itself. The R&R governance context creates a risk that some people will exceed the 20% benchmark. We understand that some simplification has already happened. With the CB and PB structures now in place, wider governance arrangements should be regularly reviewed to ensure their on-going efficiency and effectiveness.

Client and Delivery Authority Teams

12. The RT heard that new ways of working associated with the transfer of the SB functions into Parliament had enhanced collaborative behaviours. Enabling the DA to have more direct but supported involvement within Parliament was working well.
13. There is on-going work to design the organisational structure of the new CT, and to determine the roles it needs to fulfil its function. While this work is necessary, the associated timelines may prove to be too long. The RT heard that the CT urgently needs additional suitably qualified and experienced people to deliver essential engagement and communications activities, as well as to challenge and support the DA (such as scrutiny of DA finances and options assessment). Appropriate action should be taken now to address identified capacity and capability gaps in order to mitigate risks to programme delivery and to CT credibility. Getting the right capabilities into the team in the very near future is likely to involve a mix of resourcing models (e.g. secondees, consultants and contractors) and/ or providing direct, focussed support through other teams across Parliament.

R2: To ensure CT has, or has direct access to, the suitably qualified and experienced people needed to secure agreement by both Houses of the strategic case by end 2023. This includes capability to enable early focus on essential engagement and communications activities. Note: this will likely involve a mix of resourcing models (e.g. secondees, consultants, contractors) in the short term.



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14. The RT understand that the CT organisational design primarily focusses on Phase 1 needs (the next 12-24 months). It recognises that while the roles or remits being proposed may extend into the subsequent delivery phase, this is not being assumed (it is too early to be taking decisions in relation to Phase 2 Delivery, as the R&R scope and preferred delivery strategy are yet to be established). This is consistent with our previous recommendations.
15. The RT heard concerns about retaining relevant capability and know-how within the sponsor functions, DA teams and key suppliers. Certain programme hurdles can only be cleared by maintaining sufficient momentum. The down-selection of R&R options, approval of the strategic case and later the business case are good examples of such hurdles. Retention of critical capability will become a growing risk if programme momentum is not maintained.

Delivery of Phase 1 (the strategic case and outline business case)

16. Phase 1 covers the period up until proposals relating to the design, cost and timing of Palace restoration works are approved by both Houses allowing the R&R main works to begin. Completion of Phase 1 is expected by end of 2024. A key milestone before then will be the opportunity for both Houses to debate and approve a strategic case by the end of 2023.
17. The R&R CT has responsibility for developing and owning the Phase 1 plan. Nonetheless, it is a collaborative and inter-dependent plan covering activity across the R&R CT, DA and wider Parliamentary teams.
18. The first part of the Phase 1 plan involves getting a shortlisted option (or options) agreed by both Houses by December 2023. It involves developing a long-list of options for shortlisting by June and, from the shortlist, to propose an end state vision and preferred option(s) that can be endorsed by a vote and that has traction through a period of political uncertainty.
19. Over the past year, the teams have undertaken an extensive exercise to re-think a full range of options based on different outcomes and different construction approaches. Robust transparent evidence will be required to help decision makers determine the full impact of alternative options. In addition, further iterations may be called for if the engagement activities require consideration of further matters before a shortlist or strategic case for preferred option(s) can be agreed. The timetable appears to have very little scope in it to accommodate response to feedback.
20. During the course of this review, RT carried out an informal, confidential poll of the 25 people interviewed on their confidence (from zero to full confidence) that a strategic case will be approved by the end of 2023, with this approval being a clear decision that has sufficient traction to enable the outline business case (OBC) to be progressed. There was a full spectrum of views. The majority were in the mid-range, slightly on the optimistic side of neutral (comparable to an "amber" assessment of delivery confidence in other public sector programmes). This level is not unexpected given the timing of our review and significant challenges ahead. A great many factors influence an individual's feeling of confidence in a strategic case decision being taken in 2023, but overall a collective poll like this provides a good indication of the probability of a successful strategic case outcome.
21. As a follow-up question, those interviewed were asked to name one thing which would materially increase their confidence score. The two most common replies were: better Member engagement and strong political championship. We expand on this below.
22. The current cost estimates for the R&R programme provide an indication of how delayed life-cycle maintenance investment can compound over decades to create exceptional and very considerable catch-up costs. An all-up cost of delay figure needs to be developed in order to understand the implications of not achieving the 2023 (and 2024) deadlines. This all-up figure would go beyond the on-going maintenance and repair costs, and may prove to be substantial. It should take into account factors such as:



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- i) on-going maintenance costs and their anticipated growth in real terms. The current cost of repair and maintenance of the Palace was recently reported to the Public Accounts Committee as £1.4m per week;
- ii) the operational and environmental (e.g. carbon) costs of continuing to operate the building as it is;
- iii) continued inexorable degradation of the building and the consequentially greater future remediation costs;
- iv) forecasts of inflation over the medium term;
- v) progressive loss of amenity within the building, together with its consequential impact on workforce productivity and wellbeing; and
- vi) the opportunity costs of benefits arising from R&R being deferred.

R3 To develop an all-up cost of delay estimate in order to provide added context to the urgency of a strategic case decision in 2023 that enables meaningful progress towards the Outline Business Case (conclusion of Phase 1) by end of 2024.

23. Looking beyond a decision on preferred option(s) in December 2023, subsequent timing for getting an OBC prepared and decided upon by the end of 2024 is equally challenging. This is especially so if, as may be the case, more than one option needs developing to demonstrate clearly the robustness of the final option selected. The entirety of the Phase 1 programme is also subject to the impacts of a general election, which is due at some point over this period.

Engagement

24. Perceptions of ineffective engagement, and of insufficient transparency, undermined previous governance arrangements. As noted above, this was the area most frequently mentioned in response to how the programme could improve confidence in delivery of a robust strategy case by end 2023, and hence Phase 1 by end 2024.
25. Engagement and communication plans have yet to be finalised. Capability and capacity gaps in the CT (see above) will slow progress, and action to resolve these is needed.
26. Learning from past experience, efforts have been made to develop a more comprehensive strategy of engagement on the options that are now being considered. It had been envisaged that this could start before the PB was up and running, so helping to inform its decision making on shortlisting options. However, it has been realigned such that the approach for engagement can reflect the PB's views on the engagement plan and content.
27. As engagement plans are developed, the point made by the Joint Commissions needs to be kept front of mind: "The new client team will need to speak both programme and parliamentary languages." The CT has a crucial remit to bridge different groups, drawing on the programme management and engineering expertise found in those developing the options and on the experience and understanding within parliamentary teams of getting things done within complex political and parliamentary environments. There is a need, for example, to ensure that agreed criteria for option selection visibly prioritise the ability to fulfil Parliament's core functions (linked to criteria scrutiny; legislation; debating; budget/ taxes).
28. The many disparate and competing views across Parliament on a preferred approach remains of concern. In the main, major projects that involve billions of pounds of expenditure have had political champions to help drive them. At their best, these may be initially sceptical individuals who, having scrutinised what is proposed, become convinced by the need for the expenditure. Our previous report referenced the need for effective advocacy and political champions, and this has been confirmed by the Joint Commissions as an important aspect of the CB / PB role. It will be important for the PB to establish at an early stage what information and support they need to fulfil that function to best effect.



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29. It would help if more voices from outside of Parliament were heard in support of R&R, in order to frame the positive aspects of safeguarding the Palace of Westminster which is a uniquely important part of our national heritage (and already part of a World Heritage Site). This should help balance any views and concerns about Parliamentarians “doing up their own workplace” with the necessary role of stewardship for a unique building of national importance in a way that allows democracy to function effectively. The public (with up to date polls), business groups, heritage bodies, tourist boards, UNESCO could all provide that type of reassurance and help create a wave of support.
30. We reference above our own “straw poll” in how confident people feel about delivery of Phase 1. This is a key metric for the PB to track, and routinely “taking the pulse” on confidence would be of value.
- R4 To gain early PB agreement to a robust engagement and communication strategy, with supporting materials, that:
- a. Enables CB/PB and other political champions to create a positive “wave of feeling” for the programme and build momentum towards a preferred option.
 - b. Galvanizes key external voices in support of R&R.
 - c. Establishes mechanisms to monitor stakeholder confidence in approval of the strategic case in 2023 (and beyond) and to keep in mind those activities that enhance confidence.

New approaches to the works

Health, safety and well-being

31. The RT were pleased to note the emphasis on safety, including in appointments to the PB and in the intended new bi-cameral role of Director of Parliamentary Safety to provide leadership and strengthen co-ordination of related capability across teams.
32. In our previous report we noted conflicting perspectives on a range of safety related issues, highlighting the value of bringing together and communicating evidence-based assessments of safety performance and cultures, of actual risk exposures associated with asset condition and of employee well-being. Exploring this further falls outside the scope of this review. The PB should pick this up, supported as appropriate by relevant Parliamentary safety committees.
33. The Parliamentary workforce (employees, Members’ staff and contractors) is a key stakeholder group for the PB to consider within its option selection process, as the nature, timing and implementation plans for R&R have an impact on the well-being of all those working in the Palace. There is broader value to be gained from this engagement contributing to a positive of safety culture (which normally comes from good leadership, good worker involvement and good communications).
34. The Joint Commissions report made a commitment to engage with those working in the Palace, with that commitment shared by the senior leaders we met. Over the past year there have been almost 100 meetings with relevant teams and other engagement material produced in support of constructive discussions with teams working across the parliamentary estate. This has tended to focus on those people who, because of their functions, have a direct technical interest in the design and development of the programme. We heard that the degree to which the employees affected in their day to day work felt (or wished to be) actively engaged is variable. This will need to be addressed as part of the engagement work.
35. During this review, the RT again heard that although the Palace of Westminster has systems and controls to ensure that people can evacuate in the event of fire, everything else could be lost to fire, smoke and water damage. In our previous work, we highlighted the benefits of early, staged removal of elements of the heritage collections. It offers practical risk mitigation (protect priceless treasures and reduce excessive fire load in the main corridors) and



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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. We understand that related work has begun. The PB may wish to explore whether this is happening at sufficient pace.

Option development and long-term vision

36. There has been extensive work over the past year to develop and explore a wide range of programme options. These capture different scope in terms of ultimate benefits to Parliament (the “what” / outcomes) and different construction approaches (the “how” / delivery approach). These are assessed against criteria agreed by the CB in October 2022, and also tested against a scenario based on a rolling programme of priority works that progressively make the building safer and more resilient. We understand that these assessments are due to be presented to the PB for discussion in the near future, in order to identify a shortlist of viable delivery options that may be taken further as part of strategic case development. We understand that the intent is to narrow alternatives down to options that are broadly similar (or a single preferred option). There could be merit in taking forward a small number of more distinct options to the OBC. Although this would add some cost, it could mitigate the risk of the Houses not being in a position to downselect to a single option by end of 2023 or to views changing either side of a general election.
37. An interim vision has been adopted from the motions agreed by both Houses in July 2022 “to preserve the Palace of Westminster for future generations and ensure the safety of all those who work in and visit the Palace, now and in the future”. We understand that the vision and accompanying narrative will be developed as part of the strategic case, once the preferred option(s) and scale of ambition is clearer. This is an important action. As we noted in our previous report, a clear, compelling and agreed long-term vision could support wider opportunities and generation of broader benefits for our country (such as for heritage, for innovation, for skills). Related objectives could be introduced for a fully scoped programme and for any intermediate phases (should a phased approach be adopted).
38. It is unusual for so many of those ultimately accountable for the implementation of a major programme of investment, to focus more on the downsides than the transformational benefits of the programme. In fact, it is hard to think of a major public investment which has progressed with such an uneven narrative. It will be important for the PB to help develop a more balanced narrative and long-term end-state vision for the R&R programme.

Designing for uncertainty

39. Taking decisions on major programmes invariably involves uncertainty, with incomplete information and imperfect knowledge about context being a fact of life. The Commissions report and recommendations reflected the need to “design for uncertainty”.
40. At the programme level, there are those uncertainties directly linked to programme delivery such as the physical condition of the Palace, the demands of a heritage building or supply chain dynamics. The RT heard that these are being addressed through well-established risk management approaches that include use of extensive structural surveys, reviews of past experience and proposals for “pilot projects”. Costs estimates are benchmarked where possible and subsequently presented as probabilised cost assessments to give a sense of confidence in numbers. There will be a need to ensure that any communication of risk and confidence levels is in a language that will be understood by those unfamiliar with programme management terminologies.
41. At the more contextual level, there are those uncertainties linked to inevitable changes in societal, economic or technological environments, or political cycles, over the lifetime of the programme and life of the assets being built. Designs and delivery approaches need to be robust to a wide range of uncertain future events, and to potential changes in Parliamentary requirements and expectations over the long time-scale of R&R. Failure to do so could lead



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to growing opportunity costs for Parliament and start-stop programme delivery. The RT heard some potential examples of mechanisms to deal with these types of uncertainty, such as:

- a. incorporating a degree of “future proofing” into the designs, such as building a new service tunnel that – irrespective of future needs – provides scope for new services, future maintenance and managing across boundaries of the parliamentary estates.
- b. designing the core scheme in a way that allows future options, such as putting in place additional accessibility, to be readily introduced at a later point.
- c. considering the possibility of shorter life expectancies for the works, with any future renewal then in line with conditions at that time.

42. How the programme was “designing for uncertainty” and/ or incorporating “future proofing” was not immediately obvious to many of the people we met with. There are typically costs associated with keeping options open, and with building flexibility into designs etc, but the opportunity costs of locking into a fixed approach too early may be much higher. The refurbishment works are intended to deliver services over many decades, so the potential for missed opportunities needs to be minimised. Moreover, a programme without flexibility presents a higher hurdle in terms of approvals which can lead to bias in favour of the status quo, even if the costs of not taking a decision are significant – which the RT heard they were (see Para 22 on costs of delay).
43. The RT recognise the strong political, legal and economic incentives to specify all the details of this programme at an early stage. However, it is likely that not all decisions need to be made at this early stage. If so, then keeping options open within a context of a consistent long term vision and programme goals could materially improve the opportunity to deliver benefits as the future becomes clearer. At the moment that these decisions must be made, plans should be adapted to reflect the best available information.
44. At present, emerging plans are based on defining the full extent of the Phase 2 works. This includes considering a base scheme which allows for future “add-ons”. This is the approach envisaged in the Parliamentary Buildings (Restoration and Renewal) Act 2019 (“R&R Act”)
45. Several people commented on the attractiveness of phasing the programme. By phasing we mean breaking the programme into more manageable, but still sizeable, packages of work that will set out a path for achieving the agreed long term ambitions and vision. Importantly, each phase is justified and delivers value in its own right (this distinguishes a “phase” from a project stage, normal in construction, which may involve a step such as digging out foundations and thus requires completion of further stages to derive benefit).
46. A frequently quoted example, with many parallels, was the refurbishment of Canadian Parliament. Its long term vision is being delivered, and funding approved, through a series of 5 year “blocks” (phases). Each block includes primary projects to rehabilitate key heritage buildings, urgent building repairs to ensure ongoing viability of buildings, and to address health and safety issues, and planning activities to develop the next five year program. The engineering feasibility of such an approach would need to be tested for the Palace of Westminster. In concept, the primary elements of individual phases might include building a new service tunnel; restoring a chamber; or progressing major repairs on a zonal basis. If time-based, phases could also be aligned to parliamentary/ general election cycles.
47. Breaking the R&R Programme into discrete delivery phases could:
 - a. allow an early start on delivering the works, which in turn enables confidence to be built in delivery capability and avoids escalating the costs of delay (para 22);
 - b. provide explicit recognition of affordability constraints, particularly at a time when many people across our nations are facing financial hardship;
 - c. address concerns about creating financial or other issues for future generations of parliamentarians; and



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- d. reflect the long timescales involved and be more consistent with the intent of “designing for uncertainty”.

These benefits need to be balanced against any additional whole-life costs that phasing might bring. Even if a phased approach is adopted, in which funding is only approved for the immediate phase, there is still value in supporting transparency in decision making by providing an indicative range for the overall programme costs.

48. However, the R&R Act envisages Parliamentary approval for funding that covers the entirety of Phase 2 (Palace restoration) in advance of the restoration works beginning. This was presented to the RT as a significant constraint to a more phased approach. There would be strong merit in exploring the options and to set out the art of the possible in a world more uncertain than the R&R Act might have envisaged. For clarity, we are not proposing amending the primary legislation but setting the challenge of testing thinking.

R5 To reflect the stated intent of “designing for uncertainty” by;

- a. clarifying the extent to which different options are robust to a wide range of uncertain future events, and to potential changes in Parliamentary requirements over the long time-scale of R&R.
- b. identifying options for phasing the programme (with standalone phases that deliver value in their own right while contributing to a long term vision) as opposed to a single, fully scoped programme.
- c. determining risks, trade offs and actions that may be needed to enable phased delivery of the programme, given the requirements of the R&R Act.

Areas of good practice

Commend	Describe specific details of successful delivery
Transition work	Statutory Instrument in force as planned, New teams set up.
Collaborative behaviours	Visibly strengthened collaboration across the R&R programme, that enhances working across organisational and functional boundaries.
Option development for the Strategic Case	A completely refreshed approach to developing a range of options for consideration by the R&R programme.

Acknowledgement

Review Team 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 Samanta Lehto Celestino was a major factor in successful completion of the review. Her professional contribution was 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 A - Terms of Reference for the Review

Background

The purpose of this review is to assess actions taken and plans developed in response to the recommendations set out in Joint Commissions Report and their effectiveness in addressing previously identified risks and issues. Significant risks and issues emerging since the last review should also be reflected if they have an impact on the overall delivery of the programme, with a particular focus on the delivery of Phase 1 where costed proposals need to be approved by both Houses. The underlying intent of the review is to provide the Accounting Officers, SRO and the newly established Programme Board the assurance that the R&R Programme progressing in line with the new mandate set by both Houses.

Questions to explore

The key questions on which advice is sought is:

- In light of the Joint Commissions Report recommendations are the new governance proposals on track and are there remaining significant risks to the programme in this area?
- In light of the Joint Commissions Report recommendations on a new approach to the works is the approach now being proposed in line with those recommendations and are there key remaining risks to generating political consensus on the programme proposals in Phase 1 that the programme can mitigate?
- Are there any key remaining risks from transition to the new arrangements that the programme needs to continue focus on?

Timelines and Reporting

This work is to be carried out between 20-24 February, with a final report to be submitted soon after that date in order to inform the Accounting Officers, SRO and newly established R&R Programme Board. The outcomes from this review and advice of the panel are expected to be published.



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ANNEX B – List of Interviewees

Name	Organisation and Role
Nicholas Beach	Deputy Counsel to the Chairman of Committees, House of Lords
Sir John Benger	Clerk of the House of Commons
Judith Brooke	House of Lords Restoration & Renewal Director (job-share with Kate Meanwell)
Mike Brown CBE MVO	Chair of the Delivery Authority
Simon Burton	Clerk of the Parliaments, House of Lords
Marianne Cwynarski CBE	Director General (Operations), House of Commons
Caroline Dickinson	Organisational Design Consultant
The Rt Hon Nigel Evans MP	Deputy Speaker/ Chair of R&R Programme Board
Ken Gall	President of the Trade Union Side
David Goldstone CBE	Chief Executive Officer of the Delivery Authority
Steve Hails	External R&R Programme Board member
Catherine Hallett	Interim Managing Director of Strategic Estates
Andy Helliwell	Chief Operating Officer, House of Lords
Sir Lindsay Hoyle	Speaker of the House of Commons & Co-Chair of the R&R Client Board
The Rt Hon. the Lord McFall of Alcluith	Lord Speaker, House of Lords & Co-Chair of the R&R Client Board
Liz Peace CBE	Ex-Chair of the Sponsor Board
Patsy Richards	Interim Managing Director of the R&R Client Team
Alison Rogers	Head of Programme Development, Delivery Authority
Saira Salimi	Speaker's Counsel, House of Commons
Mhora Samuel	Engagement Project Manager, R&R Client Team
Charlotte Simmonds	Interim Deputy MD of the R&R Client Team & House of Commons Restoration & Renewal Director
Helen Soulou	Head of Programme Assurance, Delivery Authority
The Rt Hon. the Lord True CBE	Leader of the House of Lords and Lord Privy Seal
Matt White	Programme Director, Delivery Authority
James Young	Chief of Staff, R&R Client Team



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ANNEX C – Progress with previous recommendations

An overview of progress against previous recommendations is given in below. The reference in brackets (P**) cross-references these to relevant pages in the Joint Commissions report. This assessment is primarily based on perceptions gained during interviews, supported where relevant by documentation provided. It is not a formal audit.

Ref	Recommendation	Note on progress
22-01 (P31)	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.	Completed. New governance arrangements were confirmed by the Joint Commission in June 2022, endorsed by both Houses in July 2022 and subsequently implemented.
22-02 (P31)	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.	Not yet due to begin. It is too early to design Phase 2 governance model.
22-03 (P45, P47, P48)	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.	Action complete, implementation on-going. The governance structures have been established / retained and populated along the lines set out in the Joint Commissions report. The Programme Board is due to meet for the first time in late February 2023. There will no doubt be a period of embedding new ways of working over coming months.
22-04 (P51, P53)	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.	On-going: the commitment of the Client and Programme Boards to providing strong engagement across the many communities involved, and the importance of doing so, is widely recognised. How this is to be achieved is yet to be determined.
22-05 (P31, P38, P39)	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.	Action complete, implementation on-going. The new client team structures have been established along the lines set out in the Joint Commissions report, with on-going work to ensure it has the capabilities it needs (see next action). There remain details to embed about how the CT works in practice, including on aspects such as links into other HoL and HoC operational teams, broader governance frameworks, and data sharing.



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22-06 (P49)	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.	On-going: the organisational design for the Client Team is well advanced but not finalised. The RT expressed concern about capacity gaps and timescales to populate new roles. It recommended using a variety of resourcing mechanisms (e.g. secondments, contractors, fixed term contracts) to enable the required pace (an approach that is typical for programmes of this nature).
22-07 (P57)	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".	On-going: the need to design for uncertainty is recognised and consideration is being given to scope for "future proofing". However, exactly how this is achieved has yet to be determined or agreed. Concerns were raised that the detail of the R&R Act could limit use of options such as phased delivery to address the uncertainties involved (that might otherwise be usefully applied in this case).
22-08 (P57)	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.	On-going: development of a long-term end-state vision will be taken forward as part of strategic case development, once there is greater clarity on scope of works and scale of ambition.
22-09 (P17, P18, P26)	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.	Action completed. Criteria were agreed by the Client Board in October 2022.
22-10 (P26)	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)	On-going: proposals are being made for pilot projects and other early activities that can be conducted by the Delivery Authority or, in advance of Phase 2, Parliament's Strategic Estates team, but these have yet to be finalised.



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Progress with other Joint Commission recommendations

Ref	Recommendation	Note on progress
P18 P26	The evaluation criteria for the delivery method should explicitly include health and safety risks to building users, including during the works.	Completed: This is included in the evaluation criteria, and safety remains an important consideration for the programme.
P54	To consider how best to ensure that the statutory duty to seek the views of staff is met, and will engage with the Parliamentary TUS and representatives of Members' staff on this development.	On-going: there have been extensive meetings and discussions over the past year, albeit mainly with those who roles mean they have a direct technical interest in R&R developments. This will need embedding in forward plans, and extending to the wider group of people working in the Palace.
P49	While relevant major programme expertise must not be undervalued, neither must parliamentary expertise and insight. The new client team will need to speak both programme and parliamentary languages.	On-going: this forms part of the on-going organisational design work outlined above under recommendation 22-06.
P58	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.	Completed: the Commissions (in their new role as Client Board) provided the required decision making over the transition period, including e.g. on criteria to support assessment of programme options. The Programme Board is now in place.
P60	To determine clear accountabilities for the interim arrangements which will be in place until such a time as the Sponsor Body's functions have transferred to Parliament.	Completed. The transition phase and transfer of Sponsor Body's functions to Parliament has been completed.