

Dame Meg Hillier MP
Chair, Public Accounts Committee
House of Commons

1 November 2023

Dear Dame Meg,

Further information following the Committee's evidence session on Restoration and Renewal, held on Thursday 19 October

Thank you for inviting us to appear before the Committee on 19 October to give evidence on the Restoration and Renewal Programme. At the meeting, we undertook to provide you with further information and clarity on several points which the Committee raised.

Q3 Member communication on Reinforced Autoclaved Aerated Concrete (RAAC)

During the meeting, we committed to providing additional communications to update all Members with offices and staff in Upper Committee Corridor North and Upper Committee Corridor South (also referred to as the 'River Range') about the situation with RAAC. We can confirm that all Members with offices in that part of the Palace have now been updated, regardless of whether there was a need to temporarily relocate them. Members with offices in the River Range have been informed that, if they have not been contacted directly by House staff about temporary relocation, it is safe for them to continue to work in their office.

A programme of regular inspections and assessments will be put in place to continue to monitor conditions wherever RAAC has been identified, and we will continue to liaise with individual Members and Accommodation Whips where this may affect them.

Q67 Cost of a riser

During the R&R works to the Palace, there will be a need to install two forms of building services within the building (including such systems as heating, water, fire detection, alarms, light, power, environmental control and business support systems). These will be required in both shortlisted options.

The first form is to establish temporary services to maintain minimum levels of environmental control and safety to protect the building and any retained heritage fabric or objects from damage. Power, lighting and fire systems will also need to be provided for the workforce. Once these systems are in place, it allows the old systems to be decommissioned. These temporary services will be installed and distributed within certain corridors and rooms (horizontal distribution) and using lightwells (vertical distribution). Ideally no new internal risers will be created for these temporary services and it is key that their installation does not restrict the installation of the permanent systems.

The second form is for the new permanent systems. These are planned to be installed as far as possible using the existing risers (once the old systems, and associated asbestos, have been removed). This is most cost effective and minimises impact to the heritage fabric. These existing risers shall be re-used as far as possible to run new systems vertically in the building. Existing spaces under the floor and in the lofts are planned to be used for the horizontal distribution. There will be a need to create new risers and horizontal routes in the building to align with a new fire strategy and allow areas of the building to be more easily isolated and those systems to be replaced in the future. These new risers have not been costed individually since each one would be specific to its use and varies according to height, size, fire protection and maintenance requirements. However, as an average cost as part of a major programme (i.e. not a one-off cost), and excluding any design or management costs, the risers are estimated at £100k-£150k per floor level [so, for example, for a six storey riser, a range of c.£600k to £900k].

Q70 – Cost benefits of extending summer recess

Following requests from parliamentary officials to support discussions with the Business Managers in both Houses, the Delivery Authority (DA) undertook an assessment of the opportunities that an extension to both the 2022 and 2023 Summer Recess could offer for the effective delivery of Restoration and Renewal surveys.

Both assessments showed that, in the DA's view, there would be clear and significant productivity gains for the DA if they could utilise the period of approximately two weeks between the Summer Recess and Conference Recess for both Houses. These productivity gains would result from the following positive impacts:

- Avoids the time and cost for the survey contractors to demobilise at the end of Summer Recess and then remobilise for Conference Recess.
- Provides additional time certainty (reduces risk) and therefore supports the likely completion of some survey work packages in one period, avoiding the need to return during Christmas Recess.
- Allows the survey contractor to allocate additional resources, outside of the holiday season, when it is traditionally difficult to resource works of this nature.
- Provides additional time for the testing of potential asbestos containing materials in intrusive survey areas.
- Provides greater opportunity to deconflict Restoration and Renewal surveys with planned in-house works due to the extended recess period.

It would be for the Houses, advised by the Business Managers, to consider these productivity gains against the business needs of each House.

The Committee was particularly interested in any cost benefits that could be realised from an extended summer recess period. The Delivery Authority's 2022 assessment, which was based on the plan of survey activity scheduled for that year, estimated that survey activity could increase over the extended period by 25-30%, resulting in a potential cost benefit of around £300k to £350k.

The Delivery Authority's 2023 assessment, which was based on the plan of survey activity for this year, concluded that delivery of survey activity could increase by approximately 15%. This increased activity, in terms of value, would result in a potential cost benefit of approximately £20k. The additional time would also support the completion of work packages in one period, avoiding the need to return during subsequent recess periods and potential contract extension penalties. At the time of the assessment, the saving of potential contract extension penalties was considered to be approximately £180k, resulting in a possible overall collective saving of around £200k.

The Delivery Authority has been asked to undertake an assessment of potential benefits for an extended recess period in 2024. This work is currently ongoing and expected to conclude later in 2023.

Q74 – Engagement with Members

The Committee enquired about engagement with Members to date and what happens to feedback Members provide to staff in relation to R&R, including feedback on any difficulties experienced by Members due to the current condition of the Palace.

All engagement conducted with Members to date – including 1:1 interviews and briefings, tours of the Palace and basement, and engagement stands in Portcullis House and the House of Lords – has fed into the work of the R&R Programme Board, and been used by the Board to help inform their deliberations and work shortlisting the options for R&R. At their May meeting, the Programme Board considered feedback provided by select committees and domestic committees in both Houses. At their June meetings, the Programme Board considered the findings from 1:1 interviews with Members and staff forums, drawing on this to help finalise their recommended shortlist to the Client Board.

Any Member feedback provided to Client Team staff regarding current maintenance issues or problems experienced by Members on the Parliamentary Estate is reported to the relevant in-House team to address and resolve.

The recommended 'outcome level' for what the Palace will be like after R&R is complete will address most of the concerns Members have expressed to the Client Team about the current condition of the Palace. Outcome Level 4 will deliver enhanced operational efficiency for the Palace, including new fresh air ventilation and more comfortable heating and cooling to rooms and offices, enhanced security protection measures, and improved visitor access. It would also improve step-free access within the Palace to around 60% (from current step-free access of c.12%), and this average step-free access would be higher still in public areas of the Palace. To address the specific matter raised at the meeting, Outcome Level 4 also seeks to deliver dedicated Member routes. The two construction scenarios recommended by the Programme Board for further work is also partly in response to Member feedback.

We will write again to the Committee in early 2024, after the Houses have considered the strategic case, with further details of planned public engagement on R&R.

Q87 – 'R&R Test'

The Committee requested information on how the 'R&R test' works in practice.

The R&R test is applied to all projects at initiation and at each business case stage to identify the work that is required now which cannot wait for R&R to begin.

The following factors are considered as part of the R&R Test:

- Operational imperative – can Parliament tolerate a delay to the delivery of this Project/Programme until R&R (e.g. is there a security risk, a fire risk, or a risk to core Parliamentary Business)?
- Scope/overlap – is R&R scope likely to include some, or all, of the scope of this Project/Programme?
- Value for Money – would delivery of the work offer Parliament greater value for money if it was delivered as part of R&R? Will any of the expenditure prove to be nugatory in the future?
- Delivery capacity and capability – would delivery of scope by R&R reduce risk to delivery of benefits due to capacity/capability issues?
- Dependencies – would scope delivery by R&R reduce the risk of managing R&R critical dependencies?
- Alignment – would transfer to R&R undermine alignment with Parliamentary Strategies and other initiatives (e.g. security strategy or House Business Plans)?

Q88 Risk profile of projects

As part of Parliament's Setup for Success process projects are required to complete a Risk Potential Assessment to assess strategic impact and delivery complexity. The process is based on Infrastructure and Projects Authority best practice and defines governance and assurance requirements.

The R&R test, as set out above, provides a dynamic risk assessment throughout the lifecycle of the project once established.

Q125 – Cost of developing a second option

The Committee asked for further details around the costs associated with progressing two construction scenarios rather than one. The DA have considered the cost of both DA directly employed resource as well as contracted resource working on a second option. Exact costs are difficult to extract but the DA estimate that a second option would add approximately 3 months' work to the timescale for producing detailed proposals, with estimated costs being approximately £1.2m, representing the additional discrete pieces of work associated with progressing a second delivery option. This includes opportunity costs associated with existing resources that could otherwise be utilised for work required to develop one option in further depth. The additional time to develop a second option is expected to be largely offset by the General Election period.

We hope the information provided is helpful. Please let us know if you require anything further.

Yours sincerely,

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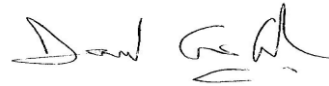
Tom Goldsmith
Clerk of the House

A handwritten signature in black ink, appearing to read 'Andy Helliwell'.

Andy Helliwell, Chief Operating
Officer, House of Lords

A handwritten signature in black ink, appearing to read 'P. Richards'.

Patsy Richards, Managing Director,
Restoration and Renewal Client Team

A handwritten signature in black ink, appearing to read 'David Goldstone'.

David Goldstone, CEO,
Restoration and Renewal
Delivery Authority