



## Public Accounts Committee

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**Andy Helliwell, Chief Operating Officer, House of Lords**  
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Team**  
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**The House of Commons**  
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**By email**

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### **Restoration and Renewal of the Palace of Westminster - follow up to the evidence session on 19 October 2023**

Thank you for the evidence that you provided to the Committee on Thursday 19 October. I am writing to set out our key concerns on the issues that were discussed. We would be grateful for your response on these points by the end of January 2024.

I understand that you will also be writing to the Committee shortly following the decision of the Restoration & Renewal (R&R) Client Board on 14 November to ask for an update to the R&R Strategic Case which was due to be presented to both Houses by December.

We recognise the significance of the programme to restore and renew the Palace of Westminster and the extent of challenges to overcome, both in terms of building consensus for the way forward and of identifying the full extent of work required on such a complex site. As such, proceeding with sensitivity and caution is understandable.

However, it has been more than six years since Parliament voted to restore and renew the Palace of Westminster, a vote which itself came only after decades of discussion. The prospect of works beginning in earnest remains a distant one and considering the amount of time already devoted to considering the options, it is staggering that so many questions remain unanswered. We are still some way off getting clarity on the basis of "full decant" of staff, MPs and peers into temporary accommodation while work is carried out, or some form of "continued presence".

We have seen major projects go wrong when they do not carry the support of the public, other key stakeholders, and when there is not a clear benefits case and plan for realising them from the outset. It will be challenging but essential to demonstrate, not only that the programme is being run efficiently and progressing at a reasonable pace, but also what the benefits of the programme will be and why it represents value for money for taxpayers. Now the Houses are effectively responsible for delivering the programme, they must take a lead in navigating the way forward for the programme.

#### **The strategic case**

Rather than presenting one option to Parliament in the strategic case, you said that the programme and client boards reached a view that there was a strong political will for choices. You outlined plans to



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publish the strategic case in November 2023 including “decant” and “continued presence” options, at outcome level 4, and a do minimum option.

You told us the Delivery Authority looked at six different ‘outcome levels’ — that is, what the building is going to look like once the work is done — and six different construction scenarios, resulting in 36 options. Of these, the programme board decided on an outcome level and two delivery options. We heard if Parliament agrees with the outcome level chosen (level 4), there would not need to be another R&R intervention on the same scale in the future as it would allow for ongoing maintenance with minimal disruption.

We were concerned to hear you are still considering the “continued presence” option as a way of getting people on board with R&R despite a consensus of professional opinion that this option is unrealistic. The “continued presence” option brings with it the risk of even higher costs, taking far longer and being a far greater danger to security, health and safety. You said that there are “very significant concerns and risks” associated with the continued presence, not least that halfway through such an approach the disruption experienced could be such that you decide that a full decant is required after all, adding further cost, time and risk.

It was also not clear to us whether the “do minimum” and “continued presence” options are compatible with the Parliamentary Buildings (Restoration and Renewal) Act 2019, or the legal obligations of the Clerk and the head of the Delivery Authority with regard to the health and safety of everyone on the Parliamentary Estate.

We were not convinced that you have thought through how the Clerks could demonstrate their disquiet should Members decide on a way forward that does not meet your legal responsibilities for health and safety. As the Delivery Authority develops the full business case during 2024, it will need to continually test the options against the requirements of the 2019 Act and the legal responsibilities of the Clerk and head of the Delivery Authority for health, safety and security of those on the Parliamentary Estate.

In your reply please set out:

- a) **How you will test the delivery options against the requirements of the 2019 Act for health, safety and security, and the legal responsibilities of the Clerk and head of the Delivery Authority.**
- b) **How you would inform Parliament should you not be willing to take a particular option forward, for example, if it contravened your legal responsibilities.**

### Critical path to 2025

At the Parliamentary Works Estimates Commission on 9 May 2023, you said the Clerks would be presenting a full business case in 2024 or 2025. At our session in October, while you said you had achieved your milestones so far, the Committee notes that the earliest date to present costed proposals is early 2025 which you say is ambitious and the earliest possible date. We also note from the 2022-23 published report and accounts for the Delivery Authority Mr Goldstone received a performance award of £168,000 on top of his salary, which surprised us given the slow pace of the programme.

You said you need to do more work to determine whether “do minimum” and “continued presence” are appropriate options. You said it would take an additional three months to work up the “continued presence” option, an additional £1.2 million, and a year to develop the “do minimum” option as you are not clear about what a “do minimum” option comprises and whether it would meet the Act.

There is a lot of other work, including on, but not limited to, engagement with stakeholders including the public, identifying decant accommodation, supply chain capacity and capability, commercial



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approach, and Parliamentary procedure. The Treasury Minute response to the February 2023 recall session was light on details on milestones to December 2023, and had no information on future milestones.

In your reply please set out:

- a) How you have assessed the cost-benefit of continuing to keep progressing all of the options.**
- b) The critical path to presenting costed options and a business case in early 2025: including interim milestones; how you would allow for the impact of a General Election; and contingency plans if it is not possible to meet the timetable.**
- c) In the interests of transparency, a more detailed explanation of the rationale for Mr Goldstone's performance bonus and how it was calculated.**

### Concerns for safety

We are concerned about adequate measures to ensure the safety and security of all staff, visitors and members on the Estate. You told us that detailed survey work has progressed as intended with intrusive surveys starting in the summer of 2022 and 80-90 non-intrusive surveys carried out so far to establish the conditions, structure, integrity of the Palace. The Delivery Authority considers that the level of knowledge on asbestos and RAAC is appropriate for where the programme is now.

You said that 17 areas on the Estate might have RAAC, 13 in the Palace and 4 on the wider Estate and that the full extent of RAAC should be known by 2024. We were concerned that the Delivery Authority and client team are not communicating sufficiently with those who work in the Palace about what work is planned or taking place, and what has been found.

In your reply please set out:

- a) How you will communicate with staff and members about the works on the Estate**
- b) What mechanisms are currently in place to ensure people's safety on the Estate.**
- c) An update on asbestos and RAAC on the Estate.**
- d) A commitment to update us annually on progress with identifying and dealing with asbestos and RAAC on the Estate.**

### Support from the public, staff, supply chain and Members

The Palace of Westminster is a historic building of national significance, a visitor attraction, and a place of work for thousands of people. As such there are a large number of stakeholder groups with differing needs and expectations that you will need to engage with.

The 2019 Act sets out how the programme will be managed and what work constitutes restoration and renewal. It does not include a revision of the ways of working of the Houses of Commons and Lords, such as procedures for voting on legislation. We heard that the current working assumption for the programme is that Parliamentary procedures will be the same, as the Programme has not been given a mandate from the House to review procedures. That said, it will be important that Members are consulted adequately on how the design of the Palace reflects its function and procedures.

Many Members feel that the programme team has not responded adequately to the concerns they have raised. It is also not clear what the plan is for engaging Members and staff as the programme team develop the costed options, nor how they will engage the general public in the programme. Members



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will want to consider the views of constituents so external engagement with the public needs to start as soon as possible, supported by a long-term strategy.

There has been some good progress on engaging with the supply chain across the country with the Delivery Authority. Developing a resilient supply chain will require the programme to provide long-term certainty and sufficient engagement plans.

In your reply please set out:

- a) How the needs of staff and Members will be incorporated into the design of the future Palace.**
- b) How the programme plans to engage with the public.**

### **R&R and maintenance scope**

The Palace needs regular, ongoing maintenance while plans are developed, and you told us the current cost of this is £1.45 million a week, down from the £2 million a week previously reported. You said the reason for the reduction is that you are just focussing on the Palace of Westminster and not the wider Estate and some major capital projects have concluded. However, it remains unclear how this number may change depending on what future major projects would fall under maintenance or R&R.

There have been ongoing discussions about how work is identified as maintenance or as R&R. We know there have been problems with categorising the work of Victoria Tower. There is a risk of confusion over what activities are maintenance and R&R and that some important maintenance work is therefore not carried out, potentially causing more problems in the future. You said that the line between maintenance and restoration will come into sharper focus as the programme gets closer to a final decision. R&R and maintenance work needs to be clearly defined so that spend can be properly accounted for. There is a clear risk over proper accounting for expenditure and doing the maintenance which is needed without derailing future work. Thank you for writing to us after the evidence session and outlining the R&R test to identify the work that is required now which cannot wait for R&R to begin. In your reply to this letter, please set out a worked example of the 'R&R test' so we can see how it works in practice.

We will be publishing this letter on our website and would also expect to publish your response in due course. I am copying this letter to the Clerk of the House of Lords, to the Treasury Officer of Accounts and to the Comptroller and Auditor General.

Yours Sincerely

Dame Meg Hillier  
Chair of the Committee of Public Accounts