



Delivering restoration and renewal of the Palace of Westminster:

a summary of the
costed proposals

R&R Client Board

Summary

The Palace of Westminster is an iconic building, an international landmark, home of the UK House of Commons and House of Lords and a workplace for thousands. It is, however, in need of significant work to restore and renew it. A decision is now needed on how to deliver the restoration and renewal of the Palace (under the auspices of the R&R Programme) to achieve this.

Its design and construction celebrated the best of Victorian technology and innovation at that time. However, the services and technology have deteriorated and are increasingly in need of repair or replacement. There has been no overall renovation of the building since partial rebuilding in 1945-50 and some of the services are much older than this.

On a day-to-day basis the Palace is kept safe by the work and expertise of the in-house teams who manage essential and substantial maintenance, repair and refurbishment work around Parliamentary business. However, the requirement to avoid significant disruption to the business of Parliament has often resulted in underlying issues in the building not being fully addressed. Continuing in the same way is unsustainable, will lead to an expensive managed decline of the Palace of Westminster and will mean increasing safety and operational risks.

Recent advice from an independent expert panel, the Independent Advice and Assurance Panel (IAAP)—which we have published alongside this report—is that the significant legacy issues that create safety, functionality and accessibility challenges for all those working in and visiting the Palace can only be fully resolved by project(s) of the scale envisaged by R&R.

The options

In 2024, we agreed a Strategic Case which recommended the development of three delivery options for the Programme, each of which involves different levels of decant from the Palace of Westminster. The three options are:

- **Full decant:** where both Houses move out of the Palace of Westminster for the majority of the works;
- **Continued presence:** where the House of Lords would move out for the duration of the main works and the Commons Chamber and its essential support functions (for example key procedural services) would remain in the Palace of Westminster. We recommend that this option should not be further developed because its challenges—including the extended decant periods for both Chambers—outweigh its benefits compared with the other delivery options; and
- **Enhanced maintenance and improvement (EMI):** under which broadly not more than 30% of the Palace of Westminster (by usable area) would be decanted at any one time. The Palace of Westminster would be split into 14 zones which would be worked on in stages: functions of both Houses would be decanted for periods to facilitate this. Two variants of the EMI option have been assessed:
 - i. **EMI:** this variant had the ambition of seeking to retain both Chambers in place throughout the Programme, with any work on the Chambers taking place in recesses and out-of-hours. The variant is set out in this report but following a recommendation by the Programme Board we recommend that it should not be further developed. It would have had a high cost together with the longest duration of any option; and
 - ii. **EMI+:** under this variant, the House of Lords would be decanted for 8 to 13 years while the Commons, subject to the Lords' agreement,

would be decanted to the Lords Chamber for up to two years.

Temporary accommodation

All options require some form of decant from the Palace of Westminster onto the Northern Estate for the House of Commons and, subject to negotiation, to the QEII Conference Centre for the House of Lords. Decant provision needs to be comparable—as a minimum—to the current provision. For the House of Commons, that means that not only will the Northern Estate need to be refurbished to ensure it is resilient and fit for purpose for increased use over the life of the R&R Programme, but a creative and purposeful approach will need to be taken to identify other opportunities for decant, given that the space available on the Northern Estate is not adequate to recreate many of the Commons' existing facilities. This will need to be a priority focus of work before a final decision is taken on an R&R delivery approach by mid-2030.

The freehold for the QEII Conference Centre is owned by the Ministry of Housing, Communities and Local Government. Parliament has been working with the Government to explore acquisition of the building for House of Lords temporary accommodation. The provision of services such as key procedural services and office accommodation for Members and staff, in the QEII and on the wider estate, meet the requirements of the House of Lords.

Scope and benefits

In the Strategic Case, we also considered the scope of the Programme: that is the improvements and benefits to be achieved in the end-state Palace, to which both Houses of Parliament will return, as set out in the Parliamentary Buildings (Restoration and Renewal) Act 2019 (as amended) ('the 2019 Act'). We agreed that a "reasonably ambitious" scope (level 4—the second highest option) should deliver improvements and represent value for money. This scope can be

delivered by all three delivery options, but when and how these benefits are achieved in full differs across the options: they will be realised sooner where the duration of the Programme is shorter. The Programme is seeking improvements in relation to four priority areas previously agreed by the Houses (fire safety and protection; building services; asbestos; and building fabric conservation), for example, by providing property protection against fire for the building and additional protection against fire for those who use and visit the Houses of Parliament. There will also be significant improvements to accessibility as well as a permanent home for an Education Centre (which currently only has a temporary site).

A legacy for skills and employment across the UK

The R&R Programme would present opportunities for business across the United Kingdom. The Programme will seek to create opportunities for small and medium-sized enterprises (SMEs), micro businesses and social enterprise organisations. Strategic partners will have contractual obligations to achieve the widest practical geographical spread for the supply chain to stimulate interest from smaller or regional businesses. Work has already begun to generate interest in the Programme with businesses across the UK, including through engagement across all nations and regions.

The R&R Programme also has the ambition of creating 1,000 apprenticeships and traineeships through its supply chain over the course of the Programme. It will help create a future-ready workforce to support the long-term sustainability of the construction and heritage craft sectors. The R&R Programme will, therefore, not only preserve this historic landmark, the Palace of Westminster, as the home of the UK Parliament but also leave a lasting legacy for skills and employment across the UK.

Assessment *of the* options

The table that follows summarises the key information relating to each option and is supported by more detailed information in the body of the report.

All options will involve disruption for users of the Parliamentary estate. Given the scale and nature of the work that the Programme will entail, levels of disruption will be notably different to those currently experienced during works in the Palace of Westminster or on the wider Parliamentary estate.

In general, cost estimates presented exclude inflation and VAT unless otherwise specified.

Table: Summary information on the options

	Recommended Options		Discounted Options	
	Full decant	EMI +	Continued Presence	EMI
Total Programme duration	19–24 years	38–61 years	33–45 years	52–84 years
Total Programme cost (including optimism bias and risk but excluding inflation and opportunities)	£8.4–11.5bn	£11.8–18.7bn	£9.7–13.7bn	£12.0–19.4bn
Average annual cost (excluding opportunities)	£440–490m	£310–310m	£290–300m	£230–230m
Highest annual cost (including opportunities)	£600–760m	£430–530m	£460–620m	£360–410m
Total Programme cost (including optimism bias and risk and inflation but excluding opportunities)	£11.1–15.6bn	£19.5–39.2bn	£14.4–22bn	£23.3–56.3bn
Net present cost	£4.2–5.7bn	£5.1–6.6bn	£4.6–6.4bn	£4.5–5.5bn
House of Commons Chamber decant period	8–10 years	For up to two years to the House of Lords Chamber	11–15 years to the House of Lords Chamber	The Chambers are not expected to be decanted.
House of Lords Chamber decant period	12–15 years	8–13 years	24–33 years	

	Recommended Options		Discounted Options	
	Full decant	EMI +	Continued Presence	EMI
Parliamentary business	Delivered with changes in the location and proximity of spaces and services which will require consideration of new ways of working.	Delivered with changes in the location and proximity of spaces and services which will require consideration of new ways of working. For areas of continued occupancy there is a risk of later need for an unplanned decant, including for core parliamentary business functions (such as the Chambers or services directly supporting them) if disruption becomes intolerable.		
Health, safety and fire risk	Lowest level of risk	Highest level of risk in the Palace of the three options; management of risk feasible with more complex mitigations	Higher level of risk than full decant, but lower than EMI	Highest level of risk in the Palace of the three options; management of risk feasible with more complex mitigations
Security risk	Lowest level of risk in the Palace		Higher level of risk than full decant in the Palace, but lower than EMI	
Accessibility	Overall, during the works, considered to have a minor impact across protected characteristics during main works and its cumulative impact is lower due to its shorter duration.	A number of negative impacts during the works across protected characteristics, with a higher number of negative impacts on accessibility compared to full decant.	A number of negative impacts during the works across protected characteristics. The partial occupation of the Palace, while main works are taking place, results in a greater number of negative impacts over a longer duration than under full decant.	A number of negative impacts during the works across protected characteristics, with a higher number of negative impacts on accessibility compared to full decant.

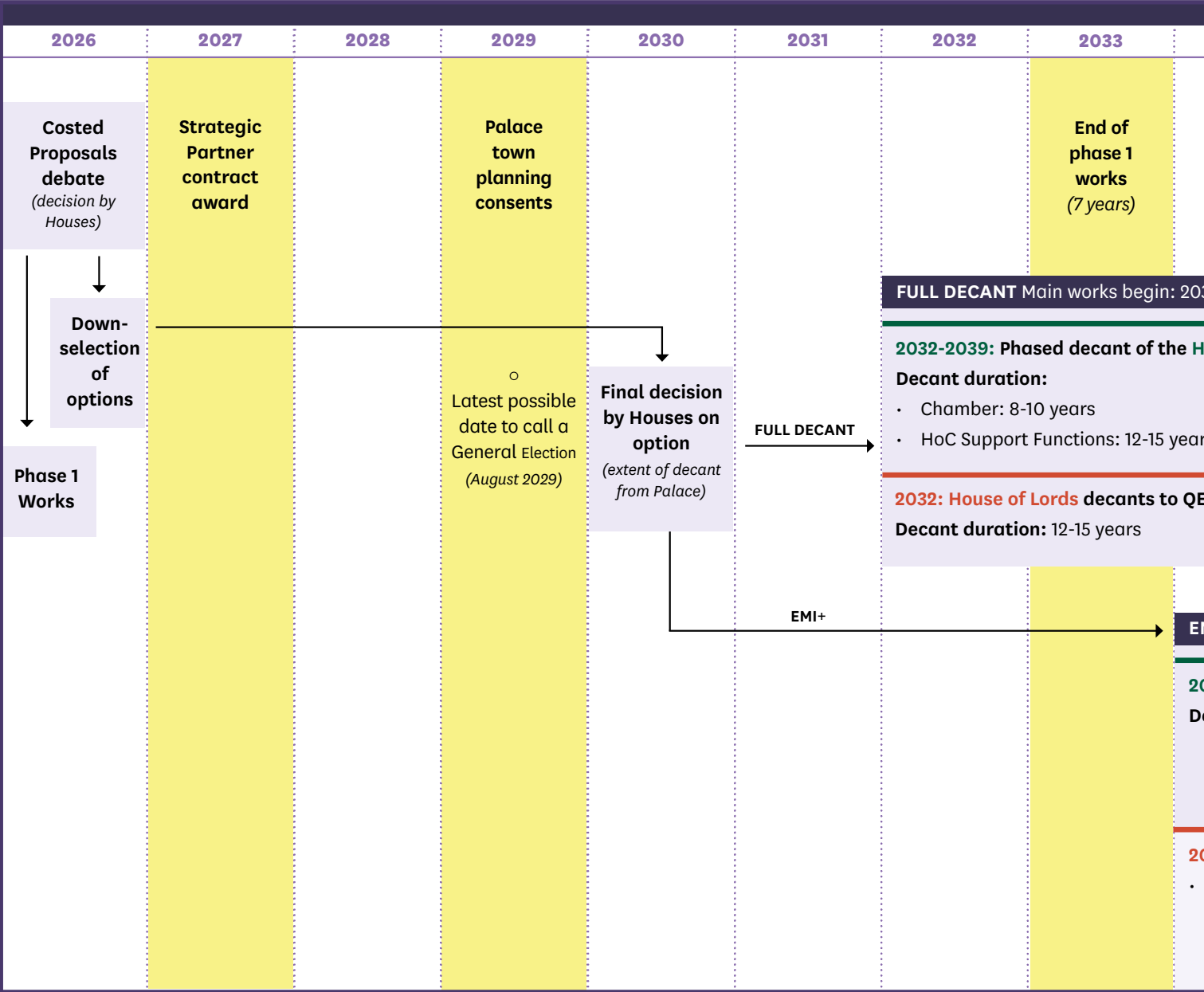
	Recommended Options		Discounted Options	
	Full decant	EMI +	Continued Presence	EMI
Social value	Expected to require around a 15% total smaller workforce over the course of the Programme but a higher peak workforce due to its shorter duration. No regular public access to the Palace except for Elizabeth Tower tours which are expected to continue, or when parts of the Palace are re-opened.	Likely to require more workers overall compared to full decant but to have a lower peak workforce demand. Public access to the Palace is retained throughout the Programme and most of the Palace will be open to visitors.	Likely to require more workers overall compared to full decant but to have a lower peak workforce demand. Initially no restrictions on public access, but as main works begin some restrictions are put in place. Access for Elizabeth Tower tours is expected to continue.	Likely to require more workers overall compared to full decant but to have a lower peak workforce demand. Public access to the Palace is retained throughout the Programme and most of the Palace will be open to visitors.
Impact on heritage	Initial assessments suggest that the risk to heritage is lower for full decant than for continued presence and EMI.	The heritage risk is higher than full decant or continued presence due to the longer timeframes.	The continued occupation of the Palace increases its heritage risk compared to full decant.	The heritage risk is higher than full decant or continued presence due to the longer timeframes.

	Recommended Options		Discounted Options	
	Full decant	EMI +	Continued Presence	EMI
Environment (carbon emitted)	Current estimates are that full decant would emit around 12% less carbon than continued presence.	Fuller assessment to be undertaken, but it is expected that some design features of EMI (for example, how services are provided) will result in higher overall emissions.	Current estimates are that it will emit more carbon than full decant.	Fuller assessment to be undertaken, but it is expected that some design features of EMI (for example, how services are provided) will result in higher overall emissions.

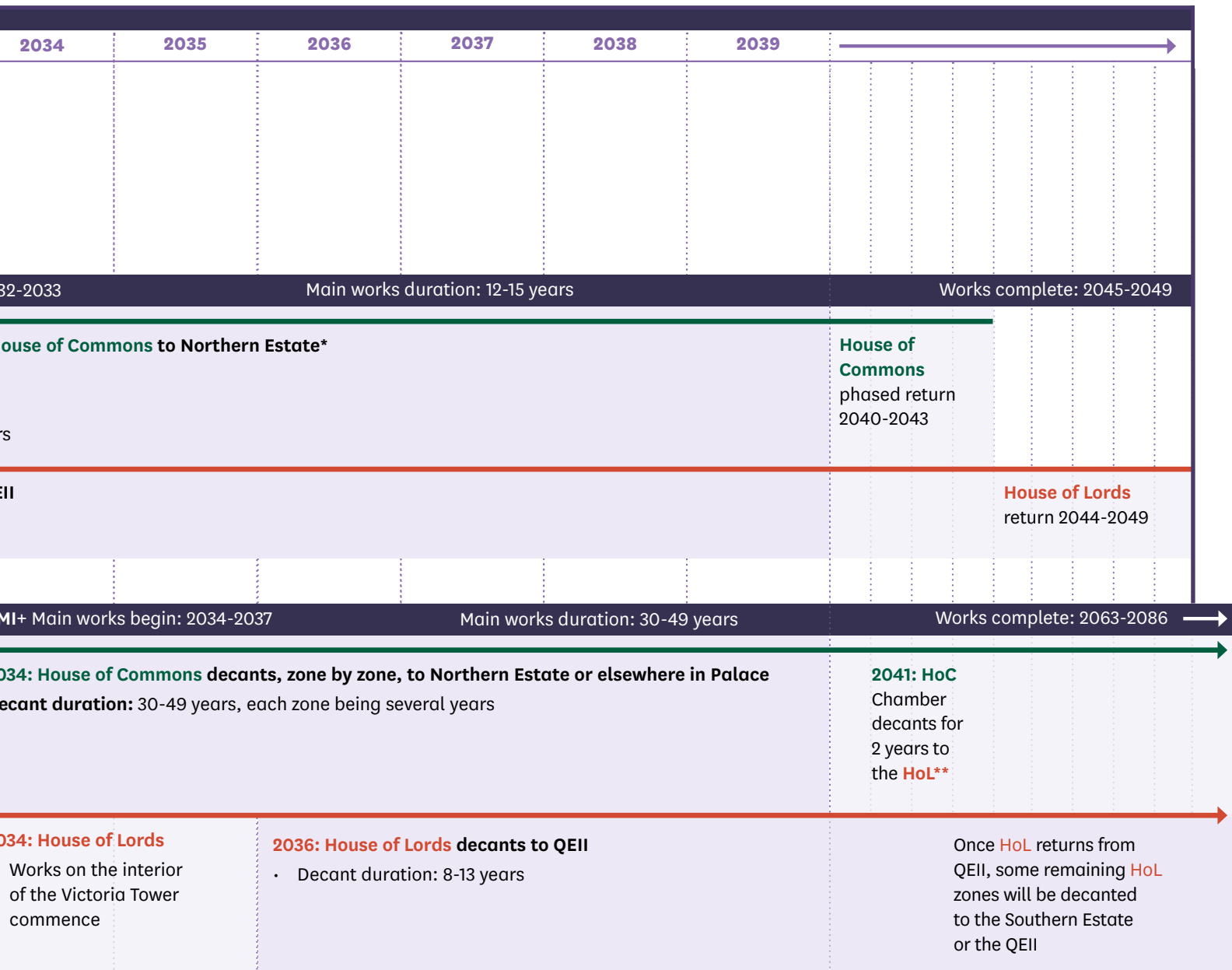
The report also includes information on a number of other projects which are, separately, already under way to address safety and other priority needs for building refurbishment across the parliamentary estate. These projects are funded separately from the R&R Programme and will be taken forward separately from any decisions on the R&R Programme; however they also support the Programme and increase the resilience of the parliamentary estate.	
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Decision Timeline

Events are shown in the year in which they are expected to take place.



Where an individual year is given, this is based on the P50 confidence level.



* HoC decant to Northern Estate likely to be phased between 2032 and 2039, depending on Northern Estate buildings being ready for occupation

** Subject to agreement by the House of Lords



A way forward

As custodians of this national landmark we recognise that the sums involved in protecting it weigh heavily and that it is difficult to consider such questions at a time of economic challenge and global uncertainty. We also recognise the difficulty in committing upfront, as envisaged by the 2019 Act, to a specific amount of expenditure totalling many billions of pounds to deliver an option which will take multiple Parliaments to complete. We are therefore recommending a way forward which allows substantial progress to be made, while offering the Houses the ability to direct and oversee the Programme as it develops, in line with the recent best practice from major programmes.

We propose that the Houses should be invited to agree to an initial package of works, defined as “phase one works”. The works would include up to seven years expenditure as well as financial commitment for completion of significant works, such as underground works, that cannot be stopped immediately at the end of the seven year period. The Houses would be asked to commit to expenditure in support of the works in this phase one package. It is currently estimated that the package would cost up to £3bn, or £429m a year on average (both figures excluding inflation)¹

This package of phase one works would provide a strong foundation for the Programme, with activities categorised broadly as:

- **resilience works**, particularly with regard to preparation of temporary accommodation for both Houses (refurbishment of Richmond House and acquisition and fit-out of the QEII Conference Centre) and to provide long-term resilience Chambers should there be an unexpected and urgent need for either House to decant from its historic location;
- **enabling works**: activities such as decanting heritage items, installing temporary services and utilities and the start of underground construction;
- **early works** which provide infrastructure benefits for the Palace of Westminster and support early learning for the Delivery Authority (for example preparations for the full restoration of the medieval Cloister Court, and Victoria Tower internal works); and
- **pre-construction activity**: this includes programme management, procurement, detailed design and value engineering, to identify ways to reduce the cost and duration of the Programme.

The phase one works do not offer an alternative to the wider Programme nor do they remove the need for a Programme on the scale of R&R. However, they would lay the necessary foundations to build momentum and deliver works and activities required for all options.

1. The £3 billion figure accounts for the need to complete a number of the elements of the phase one works after the end of the seven year period, for example completing underground construction work in the courtyards and basements. An allowance for the cost of items which are still going through formal approval or design stages, and for risk and opportunities, is also provided within the £3bn cap. Requirements for expenditure on such items will continue to be examined through business cases and other formal scrutiny.

A decision on the way forward: reducing the number of options

At present money is also being spent to develop the different R&R delivery options. We recommend that the number of options taken forward for further development should be reduced from the current three to two while the phase one works are delivered.

An agreement to take two options forward for development alongside the phase one works should enable detailed design, procurement and consenting to resolve or mitigate the more significant risks of each option while limiting nugatory costs. The development work would deliver more detailed and robust estimates to support the Houses in making a final investment decision. This approach would require a subsequent and final decision on a single preferred option once more detailed design, cost, timescale and risk information is available, no later than mid-2030. Under this approach, the earliest the Houses would begin to be decanted from the Palace is 2032.

Of the costed proposals, we recommend that the continued presence option and EMI variant should not be taken forward.

We have concluded that work on the continued presence option should stop because the challenges of its delivery outweigh its benefits compared with the other delivery options. These challenges include that the House of Commons would be required to decant to the Lords Chamber for 11–15 years. This extended period increases the operational difficulties for the House of Commons Chamber remaining in the Palace of Westminster whilst the majority of related business areas are displaced to the wider estate. The House of Lords meanwhile would be required to decant for the longest period of any of the three options (24–33 years)

The EMI variant was assessed to have a high cost together with the longest duration of any option being developed. There are also concerns about the

risks associated with this variant including risks to parliamentary business in the House of Commons should there be a need to manage asbestos removal around sittings in the House of Commons Chamber, about the temporary platform situated above the Lords Chamber for several years and about the provision of alternative facilities for the House of Lords, such as committee rooms in temporary structures.

Moving forward, retaining the full decant option and EMI+ variant for further development will provide the Houses with a genuine choice. The Commons can decide whether it prefers to decant entirely from the Houses of Parliament or to remain in residence throughout the duration of the works (with a relatively short decant to the Lords Chamber, subject to its agreement). The Lords can decide whether it prefers to decant entirely or, under EMI+, to decant for the shortest period under any of the options set out in this report.

Our main recommendation

We recommend that Members of both Houses should be invited to approve a package of phase one works and the next steps for the programme. This could include:

- restating their commitment to maintain the Palace of Westminster for future generations;
- re-confirming the need for a programme on the scale of R&R;
- endorsing the vision for and scope of the works (including the agreed outcome level and Programme priorities set out in the Strategic Case and the 2019 Act (as amended));
- acknowledging the need to continue to bear down on costs, including exploring opportunities to deliver in more efficient ways, to ensure the Programme delivers value for money;
- supporting expenditure over a seven year period to deliver a package of phase one works, in the categories described in this report, which would support the Programme's future transition into phase two delivery under either of the recommended delivery options; and
- supporting continuing work on the full decant and EMI+ options, with an expectation that a decision is taken on the delivery approach and the remainder of the Programme no later than mid-2030.

We have set out a way forward that delivers real progress for the R&R Programme and also begins to move forward with creating the associated economic opportunities across the UK. It is our duty as custodians of this historic building to protect the Palace for generations to come. We believe that the recommendations set out in this report will enable us to deliver on those responsibilities and safeguard the Palace of Westminster as the home of the UK Parliament, as a national asset and enduring symbol of democracy, for the future.

