



20 May 2021

Rt Hon Dame Eleanor Laing MP, Chair
Parliamentary Works Estimates Commission
House of Commons
SW1A 0AA

SB/C/21/24

Estimates Commission: comments on Sponsor Body Main Estimate 2020-21

Dear Dame Eleanor,

Thank you for your letter dated 20 April 2021 which included the comments made by the Estimates Commission and HM Treasury on the Sponsor Body's Main Estimate 2020-21. I note that the Commission laid both the Estimate and the comments on 27 April.

We have welcomed the opportunity to engage positively with you and your fellow members on the Commission in respect of the Main Estimate. This is the first time that we have all undertaken the new process for scrutinising and laying the Estimate, under the framework set out in the Parliamentary Buildings (Restoration and Renewal) Act 2019. While there were inevitably some matters of process and protocol to resolve this first time around, I believe that it has worked well overall and has been an effective addition to Parliament's scrutiny and oversight over the R&R Programme.

The Commission's comments on the Main Estimate requested further information from us in a number of areas. Our responses are set out below.

Contracts and UK-wide benefits

Commission comments: "We encourage the Delivery Authority to set targets for spend across the UK, and for spending with small and medium-sized enterprises – and to put in place an action plan for UK-wide business engagement. [...] We ask for an update on progress by September 2021 on steps taken to diversify the programme's spending."

The Delivery Authority aims to support UK industry and to invest widely across every part of the UK, supporting businesses from local craftspeople and SMEs to engineers, architects, and digital innovators who are the job-creation engine of the economy. In addition, we have set out how we will provide training to ensure we contribute to local economies and build capacity with a focus on 'social mobility coldspots' as we develop the skills needed to support this Programme. As a core part of the 'Commercial' section of the detailed and costed restoration and renewal plan (also known as the Outline Business Case), the Delivery Authority will outline how it plans to create the widest possible opportunity from this investment and play to the strengths of the UK regions and nations. It will also demonstrate how it engages and supports SMEs to minimise any barriers to participation on the Programme.

In September 2021 we will be happy to share with the Commission our engagement plans which will show how the Delivery Authority is consulting with suppliers, industry and training bodies and the political leadership of devolved and regional administrations across the whole of the UK on how best to achieve these investment aims.



Commission comments: “We encourage the Delivery Authority to consider including a requirement in its contracts that contractors pay their sub-contractors promptly for bills due. The Government has set a standard of 95% of all supply chain invoices to be paid within 60 days for organisations who want to do business with the Government; it also seeks to pay its own invoices within 30 days. The Delivery Authority should look to set a similar, or better, standard.”

The Delivery Authority is committed to building strong relationships with its suppliers, including committing to make predictable and timely payments. The Delivery Authority regularly reviews its payment performance with its Investment Committee, which is currently over 90% paid on 30-day terms.

The Delivery Authority will sign up to the Prompt Payment Code and the successor to the Construction Supply Chain Payment Charter and work with its strategic suppliers so that they also sign up to these requirements.

Apprenticeships

Commission comments: “David Goldstone told us that a benchmark for many major programmes was to have at least one apprentice for every £5 million spent. He added that the programme would “make sure we are at least doing that and will look to go further and better”. We welcome this ambition, and encourage the programme to translate it into quantifiable targets against which we can measure progress. It should begin by setting out the number of apprentices it plans to be employed during phase 1 of the programme.”

We are pleased to confirm that we have set a target of employing 15 apprentices on the Programme by the end of the 2021-22 financial year. This comprises five apprentices to be directly employed by the Delivery Authority in the coming months, and a further ten apprentices placed on the Programme through our delivery partners.

We also intend to recruit at least a further five apprentices within the Sponsor Body and Delivery Authority in the 2022-23 financial year, bringing the total to 20 apprenticeship positions during Phase 1.

Additional apprenticeships may also be delivered during this period through our suppliers delivering the intrusive survey works framework, the launch of the Shared Apprenticeship Scheme (scheduled for Q4 of 2022-23) and any additional apprentices employed by the Programme’s partners during 2022-23. The number of additional apprentices delivered through each of these strands will be determined by:

- **Intrusive Survey works framework:** Confirmation of detailed scope and value to determine the application of the one apprentice per £5m contract value target applied to framework call-off contracts.
- **Shared Apprenticeship Scheme:** I provided detail about the Shared Apprenticeship Scheme in my letter to the Commission, dated 16 April 2021.¹ This innovative scheme aims to employ directly up to 160 apprentices across a range of trade and professional services, and to make them available to SMEs engaged across the programme. Detailed proposals for the scheme’s operation and its take-up by SMEs will be provided in Q4 of 2022-23, dependent on the number of SMEs within the supply chain at that time. Our skills assessment survey of some 1,500 heritage contractors across the UK suggests that about one in three would “jump at the chance” of recruiting a shared apprentice, and a further quarter might participate.
- **Programme partner apprenticeships:** The number of *existing* apprentices carried over by partners from 2021-22 into their 2022-23 workforce. Any further apprentices would be recruited to maintain overall apprenticeship numbers Programme-wide but bringing on these new apprentices depends on staff turnover, dropout rates and the length of existing apprenticeships already being supported by these partners.

¹ <https://committees.parliament.uk/publications/5648/documents/55726/default/>



In addition, we have partnered with the Social Mobility Foundation to create internships and work experience placements for young people from areas of low social mobility around the country. We will be creating 15 placements in the current financial year, and 15 in 2022/23.

We would like to assure the Commission that further analysis will be undertaken over the coming year as our Programme scope, procurement strategies and approach to data collection from the supply chain develop further.

Staffing costs

Commission comments: “We would welcome further clarity from the programme on the profile of staff and pay bands – and details of the specific functions the staff in each pay band perform.”

The profile of staff and pay bands for the Sponsor Body is set out in Table 1. The salary range does not include employer National Insurance, tax, and pension costs. Headcount is a blend of employees and secondments. The pay and grading ranges are also published [online](#) on the R&R Programme website.²

The pay grade structure was approved by the Sponsor Body Board in April 2020. The structure has been benchmarked and is broadly in line with the House of Commons pay bands, as required by the Parliamentary Buildings (Restoration and Renewal) Act 2019.

The Sponsor Body is accountable for the Programme on behalf of Parliament, engaging stakeholders, setting the direction and holding the Delivery Authority to account. These responsibilities require a staff structure very strong in specialised technical skills and subject matter specialists. Given the overall size of the Sponsor Body, and in order to minimise costs, the Sponsor Body and Delivery Authority have agreed to adopt a ‘shared services’ model for functions such as recruitment, procurement and communications.

Table 1: Sponsor Body Pay Grade Structure

Grade	Salary range	Position	Responsibility level	Forecast headcount
SB1	£145,000-£175,000	Chief Executive	Accounting officer and decision-maker. Leads and directs organisational strategy and policy. Oversight of all directorates and their operational delivery across the Sponsor Body, and the Delivery Authority as required by legislation. Accountable for the Delivery Authority relationship and accountable to the Sponsor Board.	1
SB2	£100,000-£140,000	Director	Reports directly to the Chief Executive Officer. Accountable for business objectives and outcomes for a business function. Directs and leads the formulation and application of strategy with oversight for operational delivery. Management and leadership skills with a broad knowledge of technical speciality. Makes decisions critical to organisation success.	5
SB3	£75,000-£95,000	Head of Function	Reports directly to a Director acting as deputy, when required, and heads a business function. Operates at senior managerial level and is a	10

² <https://www.restorationandrenewal.uk/resources/transparency/the-sponsor-body>



			subject matter expert with significant policy experience. Develops and implements strategy and manages operational delivery.	
SB4	£56,000-£72,000	Manager	Subject matter expert with responsibility and accountability for business specific activities. Contributes to strategy development and budget management. Able to develop policy documents and high-level reports. Leads the development of business plans and managing delivery of operational plans.	19
SB5	£41,000-£55,000	Officer	Develops and delivers operational plans for specific business functions. Operates at a competent professional level, with ability to make operational day-to-day decisions which may feed into strategy development. Experienced in their own discipline with broad understanding of other aspects of the organisation and some management responsibility.	11
SB6	£28,000-£40,000	Administrator	Administrative and business support with broad operational experience and business knowledge. Able to manage defined and small projects to support business functions. Can competently manage their own work.	4

In accordance with Schedule 2 of the Parliamentary Buildings (Restoration and Renewal) Act 2019 (the Act), the Delivery Authority can appoint staff on such terms and conditions as it may determine. The Delivery Authority’s reward strategy, and pay & grading structure, were approved by the Delivery Authority Board in May 2020. The Delivery Authority is committed to ongoing scrutiny and benchmarking of its pay and benefits to manage its costs and to ensure transparency and fairness. The Delivery Authority’s pay and grading ranges, excluding Executive salaries, are published [online](#).³ Salaries for Board Members and Executive Directors, are disclosed in the Annual Report and Accounts.

The profile of staff and pay bands for the Delivery Authority excluding Executive salaries, is set out in Table 2. As the Delivery Authority was only established in April 2020, it is still in the transitional period when it is reducing its reliance on inherited resources in the form of contractors, interim staff and secondees, as directly employed staff are engaged.

Table 2: Delivery Authority Pay Grade Structure

Grade	Salary range	Position	High level descriptor	Number of directly employed staff within grade
4	£90,000-£135,000	Head of Function	Leads a significant multi-disciplinary function. Accountable for delivery of organisation wide programmes in that function area. Key responsibilities	10

³ <https://www.restorationandrenewal.uk/resources/transparency/the-delivery-authority>



			include long term planning of work and managing budgets, with an emphasis on strategic development and performance / operational outcomes.	
3	£60,000-£90,000	Senior Professional	Senior technical or professional specialists. May be leaders in their field and/or senior managers with substantial professional and people management experience. Key responsibilities include delivering a range of outcomes for the department / team / DA either by managing a team or a key / specialist process.	9
2	£40,000-£60,000	Professional	Qualified technical / professional specialists focused on service delivery or a specialist team member of cross-organisational programmes / projects and/or managers with some professional and people management experience. Key responsibilities include in-depth fact finding and analysis to identify underlying issues and ability to make discriminating judgements identifying the best approach or solution from a range of options.	15
1	£25,000-£45,000	Support/ Technical/ Operations	Supports a function through the delivery of operational outcomes. Accountable for gathering appropriate information and co-ordinating support / technical / operational activities. Knows structure and activities of the DA and how role contributes to team and wider function	31

Average staff costs will decrease in future years as more roles are filled by direct employees, reducing the Delivery Authority’s reliance on more expensive contractor and interim staff, and to reflect the phasing of the recruitment plan with more senior roles filled earlier on in the Programme, which has driven up the overall average in the organisation’s first year of operation.

Requests for information at a future date

Quarterly reports—as requested, we are happy to provide the Commission with copies of our quarterly reports, which are also produced for the House Commissions. The 2020-21 Q4 report has already been provided to the Commission and I will make arrangements for our secretariats to liaise on future reports.

Surveys and IPA review—we note the Commission’s comments on surveys and welcome the acknowledgement that the importance of survey work “cannot be overstated in order to understand the work required and avoid problems arising in future”. The Commission emphasised that the Sponsor Body and the Delivery Authority take account of the Infrastructure and Project Authority’s (IPA) recommendations that come out of the next programme review, particularly with regards to surveys and preparatory work. We are happy to provide an overview of the IPA recommendations and our actions to meet these when we next meet.



HOUSES OF PARLIAMENT

R&R SPONSOR BODY

Sarah Johnson
Chief Executive Officer
Houses of Parliament
Restoration and Renewal
Sponsor Body
e: sarah.johnson@r-r.org.uk

Future spending—the Commission has requested that the Sponsor Body respond at the earliest opportunity with detailed spending profiles for the coming years, so that Phase 1 expenditure can be considered in the round. As stated in our Estimate Memorandum, the Sponsor Body and Delivery Authority will undertake work later in this financial year to prepare an updated full cost assessment for the remainder of the Phase 1 period. This updated information will underpin discussions with the House Commissions in early 2022 when the Sponsor Body will ask the House Commissions to revise the current Phase 1 expenditure limit such that it covers the entirety of the Phase 1 period. We will seek to share this financial information with the Estimates Commission as soon as is practicable.

Your Sincerely

Sarah Johnson
Chief Executive Officer
Houses of Parliament
Restoration and Renewal
Sponsor Body