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Joint Committee on the Draft Parliamentary Buildings Bill

Governance of Restoration and Renewal

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Report, together with formal minutes relating to the report

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Joint Committee on the Draft Parliamentary Buildings Bill

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Publication

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Summary

There is no dispute that the Palace of Westminster is at risk of catastrophic failure. Despite the best efforts of the staff involved in repair and upkeep, the services and fabric of the building require a comprehensive overhaul, and both Houses have approved the decision to decant from the building so that the repairs and restoration can proceed as smoothly and swiftly as possible.

The draft Parliamentary Buildings (Restoration and Renewal) Bill is a vital preliminary to this work. It would establish the bodies supervising the works—a Sponsor Body and Delivery Authority—and the mechanisms for providing accountability to both Houses and to the taxpayer. It sets out the requirements which the Sponsor Body must have in mind when drawing up a scheme of works, and establishes the mechanisms for financial and other controls of the process.

We are content with the broad outline of what is proposed. However, we have made a number of recommendations which we believe would improve the arrangements, in particular around the ambition of the project and the essential areas of communication and accountability.

There is broad consensus on the vital repairs and improvements that need to be made to the Palace, and a large percentage of the cost of the project will be devoted to just these. There has been less discussion of the opportunity that such a comprehensive programme offers for enhancing aspects of Parliament. These range from the clear requirement to improve accessibility for people with mobility and other forms of disability, to the opportunities to improve the experience of those who visit the Palace, to the possibility of thinking imaginatively to increase the accessibility of Parliament to the citizens of the UK in general through the imaginative use of technology for outreach and improved educational facilities. There is a real opportunity here for increasing public understanding of and engagement with Parliament as an institution.

A programme of consulting Members of both Houses about the scheme is already under way. There is also an opportunity for accessing the knowledge and enthusiasm of staff (of both Houses, of Parliamentarians) as well as other users of the Palace (journalists, civil servants, contractors, external experts and the wider public) in shaping the project.

We have looked particularly closely at the points of intersection in the governance structure: between the Parliamentary authorities and the Sponsor Body, the Sponsor Body and the Delivery Authority, the Government and all three other players. We have made several recommendations designed to clarify the roles of the various bodies, strengthen accountability and to ensure that all are fully committed to what is inevitably a long-term project. We have recommended mechanisms for keeping Parliamentarians informed and engaged in the process, without encouraging unhelpful interference in the bodies tasked with delivering the project. We have suggested a specific role for the Treasury to ensure government involvement.
It was unavoidable that we should consider the measures necessary to enable both Houses to decant to alternative accommodation. Though it was not our role to examine options, we have pointed out several areas of potential difficulty. Without proper arrangements for decant, the work on the Palace will be delayed and rendered more difficult.

Above all, we urge that swift progress is made with the Bill so that the shadow Sponsor Body can start its work with all the powers and authority it needs. This will be a difficult project—high profile, on an old building that has been patched up for years, and which will involve the removal of both Houses to temporary accommodation that will enable them to continue to do the full range of work of a legislature. It is already clear that decant presents several serious practical problems—adapting the temporary accommodation to Parliament’s needs, providing a secure environment and meeting the requirements of the planning process. Any delay in decant will add significantly to the timescale and cost of the project. The sooner the Sponsor Body can assume full responsibility for tackling these problems, the better.
1 Introduction

Background

1. On 31 January 2018 the House of Commons approved a resolution to commence work on restoration and renewal (R&R) of the Palace of Westminster.\(^1\) The resolution required ‘immediate steps’ to be taken to establish a shadow Sponsor Body and Delivery Authority, and that their ‘statutory successors’ be established by legislation in due course. A resolution in identical terms was approved by the House of Lords on 6 February 2018.\(^2\)

2. The Sponsor Body and Delivery Authority will be responsible for developing a costed business case and proposal for restoration and renewal. Any programme of works, however, cannot be initiated without the approval of both Houses of Parliament.

3. The draft Parliamentary Buildings (Restoration and Renewal) Bill proposes a governance structure for a full programme of Parliamentary refurbishment and improvement works. The Bill makes provision for three independent, statutory bodies to be established for the purposes of:

- overseeing restoration and renewal—the Sponsor Body
- undertaking the works required—the Delivery Authority, and
- reviewing expenditure—the Estimates Commission.

4. The Foreword to the Bill, jointly written by the Leaders of the Commons and the Lords, states that the statutory bodies will have the “capacity and capability to make strategic decisions on the restoration and renewal programme” and it outlines the basic purpose of each of the bodies:

The Sponsor Body will have overall responsibility for the Restoration and Renewal Programme and will also be empowered to form a Delivery Authority as a company limited by guarantee. The Delivery Authority will formulate proposals in relation to the restoration works, and ensure their operational delivery. This two-tier approach, as used in the successful London Olympics project, is the best structure to deliver a value for money programme, which commands the confidence of taxpayers and Parliamentarians.

The Bill also establishes a Parliamentary Works Estimates Commission. The Estimates Commission will lay the Sponsor Body’s estimates before Parliament, and will play a role in reviewing the Sponsor Body’s expenditure.\(^3\)

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\(^1\) For an assessment of the condition of the fabric of the Palace of Westminster and a full description of the process by which it was decided that a full decant of the Palace should take place to enable the repairs, see Report of the Joint Committee on the Palace of Westminster, Restoration and Renewal of the Palace of Westminster, First Report of 2016–17, HL Paper 41, HC 659.

\(^2\) HC Deb, 31 January 2018, Column 879 (See Annexe 1)

\(^3\) Draft Parliamentary Buildings (Restoration and Renewal) Bill, October 2018, Cm 9710
Our inquiry

5. We take this opportunity to express our gratitude to all those who submitted evidence or appeared before us, often necessarily at short notice. We are also most grateful to the Cabinet Office Bill team, the officials of the Restoration and Renewal Programme and those in charge of the Northern Estate Programme and security for their thorough and prompt responses to our various queries. This comparatively straightforward Bill raises a number of highly complex issues, and we could not have understood the ramifications without their help.
Chapter 2: Restoration and Renewal

Outline business case

6. The Sponsor Body’s initial overriding objective is to propose an Outline Business Case (OBC) for Restoration and Renewal to be agreed by both Houses of Parliament. As we discuss later, developing the OBC will require consultation with Members of both Houses and trade unions, creative engagement with the public, and input and buy-in from staff working in both Houses. Equally significantly, the OBC will have to define what is meant by Restoration and Renewal and provide options around which members from both Houses can coalesce.

7. Ed Ollard, the Clerk of the Parliaments, told us that he did not believe that the Sponsor Body would be able independently to develop a solution to the problem it faces:

I will just say that there was initially a slight feeling that the Sponsor Body was going to take everything away and come up with a solution. I think that is slightly misleading. The Sponsor Body will need to get assistance from the two Houses to make decisions about what they actually want in terms of outcomes and requirements. That may be the most tricky part of this, I think.4

8. Becky Clark, Director of the Cathedral and Church Buildings Division for the Church of England, told us that the extent to which the project becomes focused on renewal must be decided by Parliament—“Parliament needs to have the principles down. Is this bricks and mortar? Is this expansion? Is this renewal? If it is renewal, what does that mean?”5 Her argument was underlined by Sir John Armitt, the former Chairman of the Olympic Delivery Authority:

I condense my view of major projects into why, what and how. Very often, we do not spend enough time thinking about the why; everybody likes to talk about the how. Basically, one has to retain that understanding of why you are doing this and what you want from it—what is the output that you are seeking at the end of the day?6

9. Ed Ollard and Sir David Natzler, Clerk of the House of Commons, considered that establishing a broad vision for Restoration and Renewal may be possible at an early stage, but making detailed choices at a more granular level was where Member interest would arise.7 They noted that such choices would require difficult trade-offs—for example, we heard from multiple witnesses that huge steps forward are required to make the Palace usable for people with disabilities and we are firmly of the view that improving disabled access should be a fundamental aspect of R&R, but Ed Ollard noted that to make the entire Palace fully disability compliant would be “really stretching, very expensive and

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4 Q234
5 Q71
6 Q84
7 Q235
possibly difficult to achieve in terms of some of the heritage impacts.”

There is a great deal of experience in adapting historical buildings to best standards for accessibility, and we expect the Palace to set the highest standards in this area.

10. Becky Clark agreed that developing the OBC cannot be achieved by the Sponsor Body alone, saying the “Sponsor Body needs to have, from Parliament, the principles by which it is going to design the business case and the brief.”

Ms Clark added a warning that the OBC must shape the eventual design and not vice-versa:

You do not do a business case based on a design. That is backwards; you have to start from the business case. You know, as the client, what you want to deliver. Then you build the design around that.

Renewal

11. Restoration of the Palace of Westminster is well understood and we have no doubt that a programme of works to protect, enhance, and in some cases reveal, the features of the building is urgently required. Furthermore, it has been established beyond doubt that the physical fabric and engineering infrastructure of the building requires a complete overhaul. Physical restoration of the Palace and its infrastructure will constitute approximately 75% - 80% of the total works, but this still leaves a significant amount of work which may fall under the banner of renewal.

12. There is no agreed definition of what renewal of Parliament will entail, and we note that renewal will not simply encompass the work located within the Palace of Westminster. It will be the responsibility of the Sponsor Body to develop proposals which describe both what renewal is and how it will alter the fabric of the Parliamentary buildings. Sir David Natzler suggested a fairly modest ambition encompassing practical changes such as the installation of entirely new heating and electrical systems.

The academics at the Sir Bernard Crick Centre for the Public Understanding of Politics at the University of Sheffield attempted to outline what else ‘renewal’ of Parliament may mean:

The R&R programme is a once in a lifetime opportunity to promote a new and inclusive ‘politics of optimism’ about the capacity of parliamentary institutions to recognise the extent and pace of social change and to reconnect with sections of society that for a number of reasons feel alienated and disconnected.

13. Their evidence described the different approaches that could shape the renewal aspect of parliamentary democracy:

The Palace of Westminster was never designed or intended to operate as an international tourist attraction hosting over a million visitors a year. The approach by the Sponsor Body could therefore be very limited or very ambitious. The former would focus on the introduction of new public spaces,
more toilets, increasing disabled access, increasing the amount of publicly accessible areas and making the entrance to the Palace of Westminster friendlier and more welcoming. However, a more ambitious—and in the long-run cost-effective—approach would be to follow the lesson of other legislatures and parliaments around the world and think of improving the visitor experience in terms of the broader parliamentary estate, especially in terms of the space around Parliament Square.  

14. Professor Matthew Flinders of the Crick Centre said that if R&R does not produce a demonstrable material change then the legitimacy of the project will suffer:

The biggest danger of this project is that, after at least a decade of decant, all the scaffolding and plastic comes off and everything is exactly the same, and the public say, “What was all that about?”

15. We have been informed that BDP, the company currently undertaking a comprehensive assessment of the works that need to be done on the Palace, is drawing up four options, ranging from a minimalist one to repair and-replace only what is absolutely necessary, to a maximalist one encompassing everything anyone might want, with two other options in between. It seems likely that the Sponsor Body will favour one of the two central options.

16. There are limitations to what renewal of Parliament within the R&R programme can achieve. Sir David Natzler told us that R&R should future-proof Parliament to enable technological and political developments of this century and the next, but that in itself R&R would not deliver political change:

The one cautionary note that I would strike is the belief that what we are going to do to the building is going to create some sort of democratic renewal—in other words, is going to change the way the nation is governed. That may come around anyway because that is what people wanted to happen. I am not going to trespass into how the House of Lords composition might change, but it wouldn’t be because of the way we are going to deal with the Palace. It would be because the nation has decided that is what it wants to do, and we must make sure that the Palace does not stand in the way [ … ] I don’t think it should drive some particular agenda, but it mustn’t stand in the way of it.

17. Renewal brings with it an opportunity to shape parliament by listening to and harnessing the views of the general public. The Sponsor Body will not achieve the potential of the building if consultation and engagement is limited to a narrow set of users. We heard repeatedly that accessibility in different forms should be central to renewal, therefore the Sponsor Body should attempt to understand how and why the general public engage with parliamentarians and the political process in Westminster.

18. There are limits to what the Restoration and Renewal programme can achieve in terms of political renewal. It will be for Parliament to decide on constitutional changes and for each House to determine any changes to its procedures. What the Sponsor Body should set out to deliver is a Parliament capable of absorbing and

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14 Ibid, para 7
15 Q63
16 Q225
accommodating major political and constitutional reforms. Nevertheless, as indicated in this Report, we believe the term ‘renewal’ requires an outward-facing approach to the UK Parliament’s role at the centre of our democracy.

**Championing R&R**

19. Restoration and Renewal will be a multi-billion pound project, but the cost to the public purse should be balanced against the fact that the Palace of Westminster is the UK’s most iconic building and recognised across the globe as embodying the fundamental strength of representative parliamentary democracy.

20. It has been established beyond doubt that the Palace is at risk of catastrophic failure and as a UNESCO world heritage site the Government is obliged to ensure the building is maintained and protected. Our generation of Parliamentarians should not shirk from the challenge of not only protecting the fabric of the building, but investing in a building which can meet the democratic demands of the British people both in this century and the next.

21. We are concerned that a culture of cynicism and pessimism lingers around Restoration and Renewal. Parliamentarians and those involved in the project have sounded almost apologetic about the ambitions inherent to Restoration and Renewal. For the project to succeed, and for the public to buy into its ambitions, its leaders must champion its objectives central to which should be the promotion of inclusive participatory democracy in the UK. The country is evolving and so must the building in which the most important decisions which touch upon every member of the population are made.
2 Chapter 3: Duties and powers of the Sponsor Body

Agreeing the proposals

The intelligent client

22. In the course of our inquiry it became apparent that for R&R to succeed there must be an ‘intelligent client’ shaping the process and making key decisions regarding the programme of parliamentary building works. In oral evidence, we were asked by a witness to reflect on “how… Parliament [can] be the intelligent client it needs to be, so that when things start, they proceed as they should and the outcomes are what you expected”.17 Becky Clark, who set us this task, explained:

The intelligent client approach is the best way I have seen to deliver these kinds of complex projects. What I mean by an intelligent client is this: a client who can define multiple objectives. It is not just one thing you are trying to do here.” [ … ]

An intelligent client then finds a mechanism to fit the buildings that you have to the purposes that you need, which means you have to have a rock solid understanding of both of those things. [ … ] There should also be the purpose of, or statement of, needs—what it is that you actually want to achieve.

[An intelligent client must] put in place strong and effective principles for developing a brief that is based on a business case, which is really important.18

23. In the delivery of R&R, it is questionable, however, who the intelligent client will be. Becky Clark discussed Parliament as the intelligent client, but others assumed that this would be the Sponsor Body, although this role is not explicitly set out in the draft Bill. Sir David Natzler helped to explain the “theology” of who the client is in R&R:

The Sponsor Body is the client. It then tells the Delivery Authority what to deliver, but the Sponsor Body has to keep on listening to the ultimate client. [ … ] Their ultimate client is the public.19

24. Sir David and Ed Ollard, the Clerk of the Parliaments, confirmed that it would be the Sponsor Body that would make trade-offs between scope, cost and quality.20 Stephen Dance, Director of Infrastructure Delivery, Infrastructure and |Projects Authority, said that his interpretation of the draft Bill was that it would establish the Sponsor Body in this role:

17 Q55
18 Q64
19 Q241
20 Qs239 & 244
It [the draft Bill] has a sponsor that can be an intelligent client, and a delivery organisation that can be a proper technical competent delivery organisation. The issue will be in the way that it is executed.21

25. Describing how she might expect the system to function, Becky Clark said there is a clear hierarchy and staging of the process that should be followed:

The Delivery Authority, in my mind, will not be formulated and started for a couple of years, because you are not yet able to give them a proper design brief. Before you can get there, Parliament needs to have the principles down. [ … ] Then the Sponsor Body needs to be able to take that on board and build a business case around it—a brief. Only then should the Delivery Authority be constituted. That hierarchy, in my mind, is crucial to the success of similar projects.22

Consultation and public engagement

26. The plans developed by the Sponsor Body cannot be implemented without consultation with members of both Houses and subsequent parliamentary approval of the proposals. Clause 3 of the draft Bill requires the Sponsor Body to develop a strategy for consulting Members of both Houses. It provides that the strategy must be published within eight weeks of the commencement of those provisions, and the Sponsor Body is required to keep the strategy under review, and publish any revised version.23

27. Tom Healey, Programme Director of the Restoration and Renewal Programme, noted the need for flexibility to meet the Bill’s requirement to consult with Members of both Houses:

We have to use Members’ time very wisely. First, we have to have a very co-ordinated approach to engagements, so that we don’t keep coming back to you with the same questions again and again. Secondly, we have to use all the avenues that are open to us. Some Members will respond to a questionnaire, some will come to a drop-in session. We have the existing domestic Committees. We need to make sure that we are using every forum that we can to engage with Members in order to reach the widest possible group.24

28. There is, however, no requirement for the Sponsor Body to formally consult with staff be they employed by the Commons or Lords or working for Members. It should also be borne in mind that the Palace of Westminster is the workplace for people who are not employed by either House or by a parliamentarian, such as journalists, civil servants and commercial businesses supplying the Houses’ requirements.

29. Becky Clark explicitly included the consultation of staff in formulating the business plan in her definition of the “intelligent client approach”:

21 Q99
22 Q71
23 Clause 3(2), (3) and (4) of the draft Bill.
24 Q6
there is a fundamental point at which parliamentarians, or the users of the building, which definitely extends to staff as well [...] should be included in the creation and authorisation of the business plan of what you want to deliver and the brief around which the design is built.\textsuperscript{25}

30. Liz Peace, Chair of the shadow Sponsor Body, told us that consulting with ‘stakeholders’ is currently the shadow Sponsor Body’s main focus;\textsuperscript{26} but we heard that the trade unions, workplace equality networks, and representatives of members’ staff had not had any engagement with the shadow Sponsor Body.\textsuperscript{27} Sean House, Chair of ParliAble did, however, explain that the workplace equality networks (WENs) had been consulted by the Northern Estate and R&R programme teams regarding accessibility.\textsuperscript{28} Ken Gall, President of the TUS, told us that in the future engagement needs to be formalised:

the House trade unions need to be properly involved in proper formal consultation about the way this is done. As Lord Blunkett and others will know, there is a difference between the dissemination of information to staff and proper consultation with their representatives.\textsuperscript{29}

31. Furthermore, Sean House and Georgina Kester, Chair of the Members and Peers Staff Association (MAPSA), said that they would welcome a staff representative role on the Sponsor Body.\textsuperscript{30} Ken Gall argued that it was crucial for a member of the Sponsor Body to have explicit responsibility for staff consultation: the responsibility should be part of their job description, and their performance in relation to consultation should form part of their annual appraisal. He preferred this approach rather than that of creating a sub-committee on engagement, as he felt sub-committees tended to focus on process rather than results.\textsuperscript{31}

32. We asked about the lack of contact between the shadow Sponsor Body and those representing staff, and we were told that, as a shadow body, it currently can only work via the existing authorities of both Houses, and it has therefore been unable to undertake consultation on its own behalf. We were assured that it is, however, fully aware of the consultation and discussions being led by the House authorities, including those on the Northern Estate Programme.

\textbf{Public engagement}

33. The Crick Centre recommended placing a number of duties on the Sponsor Body to ensure that it engages the public in shaping the renewal of Parliament.\textsuperscript{32} The Leader of the House of Commons, the Rt Hon. Andrea Leadsom MP, said that there should be

\textsuperscript{25} Q65  
\textsuperscript{26} Q13  
\textsuperscript{27} Q150  
\textsuperscript{28} Insert Ref  
\textsuperscript{29} Q144  
\textsuperscript{30} Q152, Q155  
\textsuperscript{31} Q157  
\textsuperscript{32} Further written evidence submitted by the Sir Bernard Crick Centre, Department of Politics, University of Sheffield, DPB0004
widespread consultation but that how this is done should not be written onto the face of the Bill.33 She told us that the views of the public could be discovered by the parliamentary members of the Sponsor Body consulting with their constituents.34

34. Professor Matthew Flinders, Director of the Crick Centre, argued for something much more ambitious than formal consultations and parliamentary members of the Sponsor Body speaking to their constituents:

If you look at similar projects around the world, they have been harnessed as a mechanism to inspire and energise the public. That is exactly the approach that should be taken here. The public are not apathetic. They do not hate politicians. Most of all, the public either do not know how to engage or they feel that when they do engage the decision is already taken anyway, so it is all tokenistic.35

35. Detailed consultation processes will be necessary to understand the views of Members, staff, and organisations with an interest in Restoration and Renewal throughout the life of the project. We believe it is necessary to write a duty to consult with staff, and to establish an ongoing process of engagement with the wider public, onto the face of the Bill. If the Sponsor Body failed to fulfil this duty it would be failing in one of its most basic and essential tasks.

36. We recommend that a member of the Sponsor Body is given the specific responsibility of engaging with staff and being a route for staff into the Sponsor Body. This responsibility will carry with it a substantial time commitment and place significant demands on the individual chosen for this task. As such we expect resources to be made available to the member in question to allow them to fulfil their duties in this regard.

37. We are concerned that the Sponsor Body should not settle for formal mechanisms of public consultation when a project of this scale requires a more thorough approach to discovering the views of people from beyond the political sphere. To build and maintain public legitimacy R&R will require a more in-depth and proactive approach so that members of the public from all parts of the UK and all walks of life can become involved in shaping our renewed parliament. The ultimate client in R&R is the public. The Bill should not be amended to specify how the Sponsor Body undertakes consultation, but we recommend that Clause 2(4) be amended to ensure that the Sponsor Body has regard to engaging the public in the development of its strategy for Restoration and Renewal.

**Managing political interference**

38. One of the strongest messages we received from those who gave evidence to us was the vital importance of not making major changes to the objectives of the project once these have been agreed. They acknowledged that, in a project of this kind on a complex and high-profile building, unexpected issues were bound to arise, but they urged Parliament to
spend the time and care in developing a clear vision of what it wanted to achieve and then to adhere to that. Stephen Dance of the Infrastructure and Projects Authority summed up the views of most of our witnesses:

In my experience—and I could give you a list—the times when Government and private sector projects start to go wrong is when the client changes their mind halfway through the construction process. Have the debate in the design development phase, make sure the outcomes you are looking for are clear, then let the organisation get on with delivering them. Scrutinise and monitor them, but don’t change your mind.  

39. Liz Peace agreed on the need for having a clear chain of responsibility:

one of the reasons such projects go wrong is that there are too many people instructing the deliverers, and the deliverers in turn then give confused messages to the contractors.  

40. The Crick Centre was of the view that the governance structures proposed by the draft Bill were largely in line with best practice in relation to large public sector projects, but they added the caveat that, given the political prominence of this project, “the Sponsor Body-Delivery Authority nexus will have to play a more proactive role in managing key stakeholders than is usually the case.”  

41. The Crick Centre noted that establishing a structure that would protect the Sponsor Body and Delivery Authority from political interference was central to the governance arrangements:

The proposed governance structure aims to depoliticise the R&R programme. It seeks to distance R&R from what Walter Bagehot called the ‘busybodies and crotchets-makers’ in both Houses who might seek to intervene and interfere to the detriment of the project (and to the detriment of the mental health of those overseeing it) while maintaining accountability to Parliament. Furthermore, the establishment of an ‘independent’ authority delivering the work might assuage public concern and media accusations that this is an example of politicians feather-bedding their nest, taking some of the ‘heat’ out of the project. Finally, neither House has the capacity to assume direct control of the project, and the history of the Palace of Westminster indicates that this would likely end in failure.  

42. Tom Healey, Programme Director of the Restoration and Renewal Programme, said “The fact of establishing the Sponsor Body as a statutory body in and of itself gives it a degree of protection from constant interference.” Challenged that the power afforded to the Leader of the House of Commons to abolish the Sponsor Body could be utilised to compel the Sponsor Body to make changes to the project at the whim of Parliament, Liz Peace told us that the Estimates Commission would provide a degree of protection:

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36 Q91
37 Q1
38 DPB 003, para 7
39 DPB 003, para 3
40 Q16
41 Clause 9(2)
if indeed that happened, we would have to identify the cost of doing that. That would actually involve going back to the Estimates Commission, and if it exceeded what had been agreed would be voted, it would in turn have to go back to the whole House.42

**Significant changes**

43. Clause 6(4)(a) requires the Sponsor Body to seek “further Parliamentary approval” before “proceeding with Delivery Authority proposals that the Sponsor Body considers would significantly affect the design or timing of Palace restoration works”.43 Becky Clark told us this provision presented a potential challenge to the success of the R&R programme:

> I was somewhat alarmed by the foreword to the draft Bill, where it is mentioned that parliamentarians of both Houses will have the chance to consider what is described as “significant changes”. That is far too vague. […] Successful and timely delivery of any major project means that changes can occur only at certain points.44

44. Sir David Natzler and Ed Ollard told us that, in their view, “significant changes” was too low a bar to prevent undesirable levels of political interference in the rebuilding project:

> we think that “significantly” should be replaced by “substantially”. Our concern is that almost any change could be “significant” in someone’s eyes, and a higher threshold is preferable to avoid pressure for Parliamentary approvals on minor details.45

45. While we accept the point Sir David and Mr Ollard were making, we do not think there is a sufficient difference in the threshold of “significant” versus “substantial” change to prevent the interference they fear.

46. Contemplating what might constitute “significant changes”, Matthew Vickerstaff, Interim Chief Executive of the Infrastructure and Projects Authority, thought it difficult to define but suggested “if there is a big change of the likely re-entry time of Parliament’s two Houses into the building, in our view that would count as a significant change.”46 Stephen Dance said that it might not be possible to decide what constitutes a significant change before the business case was agreed:

> At this stage, we have not really got a project, because we do not have an agreed output, programme or cost. When the Sponsor Body and the delivery organisation have produced them, through the outline business case process, it will be perfectly legitimate for them to say, and for Parliament to decide, what would represent a significant change. But it will be measured by reference to those three things—cost, programme or output.47

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42 Q22
43 Clause 6(4)(a) draft Bill
44 Q64
45 DPB0007
46 Q113
47 Q113
Governance of Restoration and Renewal

47. In this context, we welcome the determination of the Chair of the shadow Sponsor Body to plan carefully and then implement the agreed programme:

We will set the scope of the project, and once we have done that, I believe we have to stick to that, barring some irrepressible need for a particular change. We have to be very clear about what we are doing, how long it is going to take, and what it is actually going to cost.48

48. We agree that the Sponsor Body should be required to seek the approval of Parliament before implementing any significant changes to the Restoration and Renewal programme. Removing this duty would run the risk of the project spiralling out of control without parliamentary oversight. For the success of the Restoration and Renewal programme, the definition of “significant changes” for which obtaining parliamentary approval would be proportionate must be established, once the business case has been agreed.

49. Overall, we are satisfied that the structure of Governance proposed by the draft Bill provides sufficient independence to limit political interference in Restoration and Renewal. In Chapter 4 we discuss the various agreements that will govern the relationships between Parliament, the Sponsor Body, and the Delivery Authority and observe how they will shape the process for making changes to the agreed plans.

Specific duties on the Sponsor Body

50. We have already touched on the issue of whether the Bill should place specific requirements on the Sponsor Body in exercising its functions. Clause 2(4) of the draft Bill lists seven areas which the Sponsor Body must have regard to:

- The need to ensure that the Parliamentary building works represent good value for money;
- The need to ensure that those works are carried out with a view to ensuring the safety of people who work in Parliament and of members of the public;
- The need to protect the environment and to contribute to achieving sustainable development;
- The need to ensure that any place in which either House of Parliament is located while the Parliamentary building works are being carried out is accessible to members of the public;
- The need to ensure that—
  (i) any place in which either House of Parliament is located while the Parliamentary building works are being carried out, and
  (ii) the Palace of Westminster (after completion of those works)
- are accessible to people with disabilities;
- The need for improved visitor access to the Palace of Westminster after completion of the Parliamentary building works;
• The desirability of ensuring that educational and other facilities are provided for people visiting the Palace of Westminster after completion of those works.

51. This list is based on the priorities identified in both Houses when the motion to proceed with the Restoration and Renewal project was debated. We have considered whether further requirements should be laid upon the Sponsor Body.

Public engagement

52. The final two functions listed in clause 2(4) relate to Parliament’s relationship with the public. We have already discussed the need for Parliament to take the opportunity of the Restoration and Renewal Programme to improve opportunities for public engagement with Parliament. We could not understand why, unlike the other areas listed, the provision of educational facilities in the restored Palace was considered “desirable” rather than necessary. Furthermore, while we have no doubt that improving visitor access to the Palace is necessary, it seems to us to lack necessary ambition, particularly in relation to those who have no practical means of visiting Parliament in person. We note that, in its supplementary evidence, the Crick Centre suggested there should be added to the list the need to promote public engagement and public understanding of Parliament, especially with regard to the regions of England and the devolved nations.

53. We recommend that Clause 2(4) be amended to place on the Sponsor Body the requirement to take account of “the need” rather than “the desirability” of ensuring educational and other facilities are provided in the restored Palace. We also recommend that a further point be added to the list concerning the need to promote public engagement with and public understanding of Parliament. This should give the Sponsor Body the opportunity to consider how the building can be adapted to enable greater outreach.

Historic conservation

54. In written evidence Historic England said that heritage conservation should be referred to specifically within the Bill. They suggested a new sub-paragraph should be added to Clause 2(4) which would explicitly require the Sponsor Body to have regard to:

the need to conserve and sustain the outstanding architectural, archaeological and historical significance of the Palace of Westminster, including the Outstanding Universal Value of the World Heritage Site.49

55. Historic England considered that the programme of restoration and renewal could be “done in a way that is sensitive to the historic nature of the building, while meeting modern standards of accessibility and functionality.”50 However, it called for greater emphasis to be placed on full excavation of archaeological deposits that may be uncovered by the works.51 It also said that R&R would present an opportunity for “insensitive alterations and additions to be removed or replaced”. In 2016 the Joint Committee on Restoration and

49 DPB 002, p 3
50 Ibid, p 1
51 Ibid, p 2
Renewal agreed that the R&R programme would provide an opportunity to emphasise the architectural value of the existing buildings, open areas which are restricted or underused and remove long-standing but temporary additions which no longer serve a purpose.52

56. Describing the challenge of making decisions about conservation, Historic England said:

Historic England believes in constructive conservation, which seeks to conserve heritage assets in a manner appropriate to their significance. So less important fabric does not need to be as rigorously protected as that of greater significance to the history of the place. Inevitably, on a site in such continuous and intensive use, the full significance may not always be clear, and short-term expediency will have led to damage and concealment. The full programme of change will need clear information on the original and subsequent use and symbolism of each part of the site. The programme should assess these as well as future needs.53

57. Becky Clark advised us that, because of the archaeological significance of the Palace of Westminster, it would be beneficial for the Bill to include a requirement that the Sponsor Body had regard to historic conservation. Ms Clark added, however, that this requirement should take no greater precedence than any other placed on the Sponsor Body.54 Professor Flinders was essentially supportive of Ms Clark’s proposal but identified tension between the conservation of the past and the opportunity for a broad and ambitious version of ‘renewal’:

My concern is that when it comes to emphasising the renewal element of the project, there is a slight risk that heritage and security might become reasons not to do things. For me, it is being aware of the potential trade-off or tension between them, but I would not have any problem having that clause in, as long as it was accompanied by one that said that the Sponsor Board should have a duty to promote the public understanding of, and engagement with, parliamentary democracy.55

58. Sean House, Chair of ParlAble, sounded a similar note of caution when he told us that: “in the past, accessibility and inclusion has always had to fight with security considerations and, principally, heritage considerations. It is normally the smallest child of three and gets overlooked.”56

59. Explaining how trade-offs between historic conservation and renewing a buildings purpose can be made, Becky Clark said:

The heritage is a fundamental part, not just of the building’s significance, [ … ] but of its identity, the way people feel about it, the way people use it and the way the building has been used—often for centuries, in the case of cathedrals. The imperative in modern terms is not to preserve it in aspic, but

52 Joint Committee on the Palace of Westminster, Restoration and Renewal of the Palace of Westminster, 8 September 2016, HC 659 2016–17, paras 232–233
53 DPB 002, p 2
54 Q67
55 Q67
56 Q155
to sensibly and responsibly manage change. If you think about the heritage concern in those terms, it becomes less of an oppositional force to trying to do new things.

60. **We are sympathetic to concerns that an explicit provision protecting the heritage of the building could override opportunities to renew and enhance its purpose. Renewal should not stand in opposition to conservation and—in the most prosaic terms—improved lighting, heating and IT can do as much to enhance and protect the historic features of the Palace as they will to underpin improved accessibility and greater public engagement.**

61. **Given the historical and archaeological significance of Palace of Westminster we recommend that Clause 2(4) be amended so that the Sponsor Body has regard to the UNESCO World Heritage status of the Palace of Westminster and its environs. This requirement should not, however, automatically take precedence over any other legal requirement, especially that relating to access for people with disabilities.**

**Value for money**

62. Clause 2(4)(a) requires the Sponsor Body, when exercising its functions to “have regard to … the need to ensure that the Parliamentary building works represent good value for money.” Some of our witnesses were concerned that this term was imprecise. The joint submission from Sir David Natzler and Ed Ollard said ‘good value for money’ “needs context to be meaningful, and it is not clear how this is to be assessed.” The Chair of the shadow Sponsor Body accepted that “the phrase ‘good value for money’ can mean a lot of different things to a lot of different people” but thought the Sponsor Body was up to the challenge:

> What we will then need to do is to look at the extra value that will be created by doing other things while we are taking apart the innards of the Palace of Westminster. That is where the value-for-money judgments will become, dare I say, subjective, but in a way that is what the Sponsor Board is going to have to do.

> Having got the base finance, or worked out what the base programme is, it will be about looking at how we seize the opportunity to improve the visitor experience. [ … ]

> I see the Sponsor Board looking at each of the areas where there is potential for added value. Sometimes, of course, that value is going to be quite difficult to quantify. Obviously, we will do it all properly, by the Treasury Green Book and all that sort of thing. We will have to look at our business case, and look at all these individual features. I always have arguments with the Treasury about how you quantify the non-financial benefits of something.**
63. Commenting on how the non–cash benefits are valued, Tom Healey noted that there would be a role for the Infrastructure Projects Authority (IPA):

We will have to make sure that we take the right advice from the Treasury and the IPA, and we will have to make sure that we have the right expertise in the team to do that.  

64. Matthew Vickerstaff of the IPA said that using the Treasury’s Green Book analysis allowed for non–monetised benefits to be evaluated, noting that it was “partly scientific”, “slightly an art form” but “creates a very disciplined approach”. Stephen Dance added that establishing the principles of the project would help to determine the value of the wider benefits:

The solution is to have a clear view of the outcome that one is looking for. That could be better public access, better circulation around the building or the ability to access or be adaptable to modern technology. There will be a set of principles that the Sponsor Board set up by this Bill will enable you to agree on. Then it is a question of measuring the way in which those outputs are achieved and the cost of those outputs, and coming to a judgment as to where the value-for-money equation lies. The techniques that Matthew referred to in the Green Book for doing that will be helpful and will be available to the Sponsor Body and the delivery organisation to access and use to build the outline business case that will come before Parliament.

65. Maintaining control over the costs of even the most basic aspects of Restoration and Renewal will be no easy task for the Sponsor Body. Nevertheless, there exist well-established processes that will enable the Sponsor Body to monitor whether value for money is being achieved both in the restoration of the fabric of the Palace and in determining the added value of those parts of the work that are designed to enhance public engagement and understanding of the political process.

66. We welcome the Chair of the shadow Sponsor Body’s assurance that she will challenge the Treasury regarding the non–cashable benefits of the programme if it becomes necessary. We are confident that the Sponsor Body will make the case for the value of those aspects of R&R that will drive public participation in parliamentary democracy. The challenge of delivering value for money underlines how vital it is to agree a clear vision of what Restoration and Renewal is intended to achieve.

Security and access to Parliament

67. The United Kingdom’s threat level from international terrorism is at severe, meaning that a terrorist attack on the UK mainland is highly likely. The Houses of Parliament is known to be a target for terrorists. In March 2017, PC Keith Palmer was murdered within the precincts of the Palace in an attack which saw the deaths of four other innocent people.
68. Clause 2(4)(b) of the draft Bill provides that the Sponsor Body, in exercising its functions, must have regard to "the need to ensure that [the] works are carried out with a view to ensuring the safety of people who work in Parliament and of members of the public." The draft Bill does not contain any other provision addressing security.

69. The comprehensive rebuilding required by the Restoration and Renewal programme will inevitably present challenges for those responsible for the security of the Houses of Parliament. We have every confidence that they will successfully meet those challenges, but they will need the cooperation of the Sponsor Body in order to do so. We recommend that Clause 2(4)(b) of the draft Bill is amended to provide that the Sponsor Body must have regard to the safety and security of the people who work in Parliament and members of the public when carrying out its functions.

70. Clause 2(4)(d) requires the Sponsor Body have regard to the need to "ensure that any place in which either House of Parliament is located while the Parliamentary building works are being carried out is accessible to members of the public". The Clerks of both Houses expressed concern at the unqualified nature of this provision: "not all parts of Parliament are or should be open to the public. The important right to be preserved is democratic access to the proceedings of Parliament." We agree with that view.

71. Members of the public must be able to exercise their democratic right to access the proceedings of Parliament throughout the Restoration and Renewal programme. We recommend clause 2(4)(d) is amended to reflect the fact that this essential right is not the same as an unqualified right of access.

A UK wide project

72. Given the scale of taxpayer investment it is essential that the R&R project benefits the whole of the UK and not only London. In the long-term this could be achieved by creating a building which is more welcoming and accessible to people from all parts of the UK, but a nationwide benefit could also be achieved during the process of construction. The leader of the House of Commons, Rt Hon. Andrea Leadsom MP, said

> there is an opportunity for UK SMEs and specialists to take full part in the work. The Sponsor Body would be keen to ensure that happens, and I have certainly had lots of letters from different organisations interested in taking part in this conservation and restoration.  

66 Q176

73. Sir David Natzler noted that developing apprenticeships will be of great importance to the project, especially in relation to trades and skills that are not readily available at present. Ms Leadsom said that ensuring that R&R benefits British businesses should be a "fundamental" aspect of the project and that the Sponsor Body's process of consultation could encourage SMEs to become involved.

74. We explored whether the draft Bill should be amended to encourage or, indeed, require prioritisation of British businesses in delivering the building works. The Leader
of the House noted that some specialisms are only available from businesses in other countries and therefore a prescriptive approach would not be helpful. Sir David Natzler, however, thought the Bill could include a provision related to nationwide benefit. Sir David said it would be perfectly reasonable to say that there must be due regard to the need for the economic advantage of the expenditure to be spread across the United Kingdom.

75. Ed Ollard was sceptical that increasing the provisions in the Bill would be helpful to the Sponsor Body:

    This programme’s effective delivery will depend on relationships between all the constituent bits and understandings. To try to tie too many of them down in the Bill will end up creating a really complicated cat’s cradle of different legal responsibilities. I would be cautious about putting such a requirement in, given that [ … ] from the original Joint Committee onwards, the wish to ensure that the whole country benefits from the investment made in this programme is perfectly well understood.

76. We consider it vital that the opportunity be seized to produce advantages for the whole UK. These should include the development of apprenticeships and investment in shortage skills, proportionate capital funding for all nations and regions, the fostering of smaller businesses to undertake many of the specialist roles that the project will require, and ensuring that commercial opportunities are spread throughout the UK. We do not wish to be prescriptive about how to achieve these benefits, but we note the opportunities provided by the Government’s Construction Industry Strategy to engage with the industry in areas such as training and skills. We are also aware that, although there is a tension between maximising economic benefits and obtaining value for money, the private sector groups heading large-scale projects such as the expansion of Heathrow Airport and Crossrail have allocated resources to ensuring the benefits of their building works are spread beyond a narrow geographical area and ‘the usual suspects’. Arguably, an even clearer duty lies on Parliament to follow this approach.

77. There should be an audit of the Sponsor Body’s success in achieving this and it will be for Parliament as the ultimate client to hold the Sponsor Body to account for creating nationwide benefit from Restoration and Renewal.
3 Chapter 4: Governance

78. It was widely agreed by our witnesses that the governance arrangements set out in the draft Bill would create a structure capable of meeting the demands of Restoration and Renewal. The written evidence submitted by the Crick Centre said that the proposed structures are largely in line with best practice for Non-Departmental Public Body/parent department governance frameworks, as overseen by the Cabinet Office. Furthermore, the Crick Centre said the draft Bill proposed a governance structure that would depoliticise R&R and that creating “a set of independent institutions is the best delivery option.” Stephen Dance of the Infrastructure and Projects Authority agreed: “It has a sponsor that can be an intelligent client, and a delivery organisation that can be a proper technical competent delivery organisation. The issue will be in the way that it is executed.”

79. We believe that the basic structure of governance proposed by the draft Bill is the correct one. We do not recommend any fundamental changes to the structures or bodies that will be responsible for Restoration and Renewal. We do, however, explore the detail of how the bodies will interact with one another and how the draft Bill could be finessed to maximise the potential of Restoration and Renewal.

Membership of the Sponsor Body

80. The membership of the Sponsor Body is set out in Schedule 1 of the draft Bill. The body must be composed of no fewer than seven members and no more than 13. The shadow Sponsor Body currently comprises 12 members (including the Chair)—seven parliamentary members and five external members. The draft Bill states that the body must include:

- A Chair who is neither a member of either House nor a Minister of the Crown
- At least two but no more than four external members
- At least four but no more than eight persons drawn from members of either House.

Paragraph 2(1) of Schedule 1 to the draft Bill requires that “a person may be appointed as the chair only if the person has been selected for appointment by the House Commissions on merit on the basis of fair and open competition.”

Appointment of the external members

81. It is not clear from the draft Bill whether the members of the shadow Sponsor Body, who were appointed in July 2018, will automatically become members of the statutory Sponsor Body following Royal Assent, or whether a further public appointments process is required. Sir David Natzler and Ed Ollard argued that it should be made clear that the public appointments process by which the Chair of the shadow Sponsor Body was appointed on 1 August 2018...
appointed qualified as “fair and open competition”\(^{77}\) for the purposes of the draft Bill.\(^{78}\) The Leader of the House of Commons, the Rt Hon Andrea Leadsom MP, told us that re-running the public appointments process would allow for the Body to be re-shaped to ensure that all its members had the necessary skills for the tasks at hand:

> It is intended that once the body is set up in statute, its members in shadow will reapply for their posts should they wish to do that. That was important because it is still very early days; it may be decided that different skills and experience are necessary. It gives a useful opportunity to look again at the make-up of the Sponsor Body when the Bill gets Royal Assent.\(^{79}\)

82. The Chair of the shadow Sponsor Body, Liz Peace, disagreed:

> it would be a singularly unwise thing to do to decide to run a public competition at [the point of Royal Assent] to reappoint everybody. We have all been appointed by public competition—it was a very thorough, very exhaustive public competition—and it might be unwise to [run a further appointment process], because you might lose the necessary continuity.\(^{80}\)

83. Ms Peace described to us the current composition of the shadow Sponsor Body:

> We have a strong representation of Members from both the Commons and the Lords on the board of the Sponsor Body. There is also myself. I am a broad generalist with a lot of experience in different areas. I am not a constructor or a programme manager, but I have worked with those people. I have also worked with Governments and local authorities. I have a broad experience of project and stakeholder management. Then we have four very specific experts—one is a programme management expert, one a heritage expert, one a finance expert and one an expert in broader stakeholder communications. I think the way in which our board has been set up is excellent.\(^{81}\)

84. The Leader of the House argued that business continuity was necessary for the success of the project. She and Liz Peace were both of the view that the Restoration and Renewal project needed to be progressed “urgently”,\(^{82}\) and the shadow nature of the current Sponsor Body prevented it from getting on with the job. Mrs Leadsom told us:

> I think the limitations of the shadow Sponsor Body are that they do not have a clear direction. That is why I really want to get on with the Bill; it is quite difficult for them to make real progress until it is set up in statute. It is quite difficult to hire the people they want for the Delivery Authority until it is set up in statute. To a certain extent, they are able to do preparatory work but not to get on with the meat of the project.\(^{83}\)

\(^{77}\) Sch.1(2)(1) draft Bill  
\(^{78}\) DPB0007  
\(^{79}\) Q203  
\(^{80}\) Q1  
\(^{81}\) Q1  
\(^{82}\) Q176  
\(^{83}\) Q204 and Q30
85. We recommend the Bill be amended to make it clear that the external members of the shadow Sponsor Body appointed in July 2018 should be appointed to the statutory Sponsor Body under a streamlined process of public appointment. We make this recommendation for the following reasons. First, there is a grave risk that the members of the shadow Sponsor Body may be disinclined to repeat the full and lengthy public appointments process, leading to the loss of both corporate memory and talent. Second, a further appointment process will inevitably lead to some delay we believe the project can ill afford. Third, the benefit to running another public competition, that the balance of expertise on the Sponsor Body could be reconsidered, is one that will be achieved more straightforwardly, and without any of the downsides, through the reappointment process. Finally, we believe the shadow Sponsor Body needs to be allowed to make headway with this urgent project, making it clear that members of the Body will remain in post after Royal Assent will give them the authority and the focus required.

Terms of office of external members of the Sponsor Body

86. Schedule 1 of the draft Bill provides:

- (1) A member must be appointed for a fixed term of not more than 3 years.
- (2) Those responsible for setting fixed terms for members must have regard to the desirability of securing that appointments do not all expire at the same time.
- (3) The reference in sub-paragraph (2) to those responsible for setting fixed terms is a reference to the House Commissions (in the case of the chair) and the Sponsor Body (in the case of other members).  

87. The Leader of the House told us that this provision sought to avoid the phenomenon of the ‘cliff edge’ where members of the Body were all appointed and left an organisation at the same time once their terms in office were complete, taking their collective corporate memory with them. Sir John Armitt suggested that the length of the Restoration and Renewal project meant that service for a maximum of nine years, renewed every three years, was a suitable approach and in line with the “existing corporate governance guidance.” Liz Peace agreed, and suggested this apply to both the Sponsor Body and the Delivery Authority.

88. We recommend that members of both the Sponsor Body and the Delivery Authority be appointed for three-year terms, with the potential to renew the appointments. Given the length of the Restoration and Renewal project we recommend that members serve for no more than nine years in total, in line with corporate governance guidance. We recommend that when the Sponsor Body comes into being, it should consider how best to stagger the length of the appointments in order to avoid the situation where several members leave simultaneously, resulting in a serious loss of continuity.

84 Schedule 1, paragraph 6 of the draft Bill
85 Q210
86 Q92
87 Q7
Appoint of the parliamentary members

89. The draft Bill does not provide a process by which the parliamentary members of the Sponsor Body are to be appointed. Sir David Natzler and Ed Ollard expressed concern at this omission. The Crick Centre disapproved of the idea that the so-called ‘usual channels’ would be adopted:

we contend that selecting parliamentarian members of the Sponsor Board through the ‘usual channels’ is not a good start in terms of the expectations and principles of good governance. The introduction of elections (either in the House as a whole, or in party groups) for such persons would align not only with the Wright reforms, but also with the Leader of the House’s proposals for reforming the House of Commons Commission.89

90. Sir John Armitt added some weight to this argument saying that “the politician, whoever that might be on the Sponsor Board, needs to be chosen from their peers”.90 The Leader of the House of Commons said that she would welcome the appointments being made by elections within both Houses, but noted that the “issue here is more one of the individual having the will and knowledge to do it.”91

91. The parliamentary members of the Sponsor Body may well become the public face of Restoration and Renewal. It would benefit the credibility of Restoration and Renewal if the parliamentary members of the Sponsor Body were chosen by their peers. We recommend that they be appointed by means of elections in each House.

Access to expertise

92. In oral evidence, Professor Matthew Flinders said: “The Sponsor Board is very narrow. The chair cannot do everything.”92 Dr Henrik Schoenefeldt, Senior Lecturer in Sustainable Architecture at the University of Kent, who is leading a research project into the historic technology of the Palace of Westminster, argued in his written evidence that the Sponsor Body itself could not be equipped with sufficient expertise to make informed choices on every aspect of the programme. It would benefit from the support of advisory groups, providing the specialist knowledge and skills required to effectively direct and assess the work of the Delivery Authority.93

93. Giving evidence to the House of Commons Finance Committee in October 2018, Tom Healey of the Restoration and Renewal Programme said that staff of the Sponsor Body would increase to between 30 and 40 people and that this would enable the employment of people with expert skills. In addition, they would be able to call on external expertise:

First, the sponsor body will have to employ some people who understand things like planning, architecture, engineering and so on. So there will be a small technical team. We might have to have some flexibility for those people. The other thing we will do is appoint what is called a programme

88 DPB0007
89 DPB 003, para 15
90 Q112
91 Q205
92 Q60
93 DPB 001, pp 2 and 5
representative, which is effectively an external consultant, who sits with the delivery authority, but reports back to the sponsor body to provide them with assurance about what the delivery authority is doing. That will be procured as a service from a big company.94

Abolition of the Sponsor Body

94. Clause 9 of the draft Bill allows the Leader of the House of Commons, after consultation with the Leader of the House of Lords, to lay regulations to abolish the Sponsor Board. We consider the political implications of this provision below, but the limited role of the Leader in the House of Lords in this process was queried by Sir David Natzler and Ed Ollard. They suggested that the consent of the Leader of the House of Lords should be required before any regulations were laid, and there should be a statutory duty to consult the House Commissions and corporate officers because “the regulations will potentially affect staff of one or both Houses who may transfer back from the Sponsor Body to Parliament.”95

95. We recommend the draft Bill be amended to require that the Leader of the House of Commons obtain the consent of the Leader of the House of Lords before laying draft regulations that abolish the Sponsor Body. There does not appear to us to be any reason why this power should lie solely with the Leader of the Commons. Restoration and Renewal concerns both Houses of Parliament equally and the Bill governing the project should reflect that.

96. We note that Clause 12(4) of the draft Bill allows the Leader of the House of Commons to lay regulations to bring the Bill into force less than six months after Royal Assent. There is no provision requiring the consent of the Leader of the House of Lords to this. We recommend the clause be amended to require the Leader of the House of Commons to obtain the consent of the Leader of the House of Lords before laying such regulations.

Accountability to Parliament

Political figureheads

97. It is inevitable that there will be demand for political accountability for Restoration and Renewal. Professor Flinders said that as a political project, the media and public would look for a political figurehead:

In good times, that person will become an ambassador for the project. In bad times, they will become the lightning rod. At the moment, in the governance that is being set up, that person will be the chair of the Sponsor Board.96
98. Describing the advantage to the 2012 Olympic Games of having political figureheads involved with the project, Sir John Armitt told the Committee that the Sponsor Body would succeed if all members of the body spoke with one voice and took collective responsibility:

> if the Sponsor Board is working effectively, then the chair of the Sponsor Board will have a relationship with whoever is a political member of that board, where they are working hand in glove. And in fact, either of them could go out and speak to the media, knowing that essentially they are going to be giving and saying the same messages. With respect to Members present, it will perhaps require that politician to act more in a way—how shall I say?—in which they recognise their responsibilities within that Sponsor Board, rather than their particular position as a politician and a Member of Parliament for x, y or z.97

99. The Leader of the House of Commons agreed that there will be a requirement for political figureheads to take their place at the forefront of the project.98 Much of the evidence we heard referenced the vital role played by Dame Tessa Jowell in ensuring the success of the 2012 Olympic Games,99 and generally the importance of politicians leading from the front in resolving problems which face projects of national significance, such as R&R and the Olympics.100

**Parliamentary questions**

100. It became apparent over the course of our inquiry that political leadership for R&R would have to be provided by the parliamentary members of the Sponsor Body. As part of this role they should be accountable to Parliament. The Crick Centre noted Tom Healey’s remarks that oral questions in Parliament about the project would most probably be answered by members of the Estimates Commission and instead proposed that it would be more authoritative and credible if such questions were answered by a member of each House drawn from the membership of the Sponsor Body.101 The Comptroller & Auditor General, Sir Amyas Morse, also wanted a clear differentiation between the roles of the Sponsor Body and the Estimates Commission:

> I really would stick to the idea that you want one body that is doing the detailed management of issues and reporting back to Parliament on it, and another that is at one remove, advised by the Treasury and talking about whether the thing overall looks like it is under control.102

101. The Crick Centre proposed amendments to the draft Bill to create a statutory responsibility for parliamentary members of each House to answer parliamentary questions. Tom Healey said that he did not believe this was something that needed to be
on the face of the Bill.103 The Leader of the House concurred, adding that it would be for the Sponsor Body to determine procedures for dealing with parliamentary questions.104 Ed Ollard suggested that the arrangements could be formalised by another mechanism:

Possibly it is something that could be in the parliamentary relationship agreement between Parliament and the Sponsor Body as to how accountability to Parliament will be expressed in different circumstances, but it would be a matter initially for the Sponsor Body to decide whether it would be appropriate for one of its parliamentary members to be a spokesman for each House. In principle, it sounds like a very sensible idea [ … ].105

102. We believe that the magnitude of Restoration and Renewal will require political figureheads to speak on behalf of the Sponsor Body, be held to account for the progress of the works and, vitally, provide leadership in making the case for the vision of a restored and renewed Parliament. The political figureheads will, inevitably, be drawn from the parliamentary members of the Sponsor Body and it is essential that they are able to fulfil this task.

103. We recommend that parliamentary members of the Sponsor Body should be responsible for answering parliamentary questions. We do not believe it will be necessary to write this requirement onto the face of the Bill. Instead, we believe that the Parliamentary Relationship Agreement should specify how the Sponsor Body will address the issue of answering parliamentary questions.

Streamlined committee scrutiny

104. It may be useful to those designing the governance of Restoration and Renewal to act on the lessons of history which emerge from construction of the Palace of Westminster. Professor Flinders noted that Charles Barry was subjected to over 100 committee appearances during the original build.106

105. The Crick Centre made the case that there should be a streamlined mechanism within both houses for scrutinising the works and holding the Sponsor Body and Delivery Authority to account:

The Bill specifies that the Sponsor Body and Delivery Authority must submit their annual accounts to the Comptroller and Auditor General (C&AG), as required of most public bodies. It is not clear whether this means that the Public Accounts Committee will be scrutinising the project, and if other select committees, in either House, will seek to hold inquiries into the issue (raising the danger of the 100+ select committee inquiries to which Charles Barry was subjected). [ … ] Allocating primary oversight responsibilities to one committee in each House may prevent the Delivery Authority going MAD (i.e. multiple accountabilities disorder).107

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103 Q44
104 Q201
105 Q259
106 Q54
107 DPB 003, paras 10–11
Matthew Flinders provided suggestions of which committees should take on responsibility for scrutinising R&R: the Public Accounts Committee, Public Administration and Constitutional Affairs Committee, and the Lords Constitution Committee.\textsuperscript{108}

106. Our witnesses from within the House were, however, doubtful about the extent to which the accountability process could be streamlined. The Leader of the House of Commons agreed that it was “critical” that the Sponsor Body and Delivery Authority “should not be accountable to too many select committees”, but said that the entitlement to scrutinise the works should not be prescribed as this would build resentment.\textsuperscript{109} The Crick Centre suggested that the committee arrangements should be written onto the face of the Bill but Ed Ollard said he did not think that this would be particularly advantageous as, if people really wanted to scrutinise the work of the Sponsor Body or the programme, they would do so.\textsuperscript{110}

107. Sir Amyas Morse agreed that it would not be necessary to legislate for the nature of the relationship between the Sponsor Body and Parliament and argued that the Sponsor Body should take a proactive approach to determine how the relationship operated:

\begin{quote}
What I would want to hear from the Sponsor Body is what commitment they will give to Parliament about how they are going to keep them informed. It is the job of the Sponsor Body to do that, really, is it not? [...] If there was to be anything in legislation, it should be no more than an obligation on their part. Then they need to be flexible about how they communicate, because it may be that what they first think of is not going to work very well. They need to be effective in keeping Parliament advised of what is happening.\textsuperscript{111}
\end{quote}

108. Sir John Armitt told us that as Chair of the Olympic Delivery Authority he was a regular visitor to Parliament to brief interested parties to help avoid “uninformed rows”.\textsuperscript{112} He described a proactive approach to engagement and, unlike Barry, was not subject to multiple committee appearances.\textsuperscript{113} Sir John also cautioned that there are limits to what can be achieved by committee scrutiny and that Parliamentary committees are not the mechanism by which problems are solved when things start to go wrong:

\begin{quote}
It’s nice for Parliament to think that it is getting a grip on cost, but in fact it’s not. The reality is that what is happening out there is what is happening out there, and the people responsible and accountable for delivery are accountable for delivery and the cost of it. We have got the current issues and difficulties with Crossrail, but Parliament is not going to get a grip on Crossrail.\textsuperscript{114}
\end{quote}

109. We do not consider that the draft Bill should be amended to specify committees which will examine the work of the Sponsor Body and Delivery Authority. While there is a risk that Restoration and Renewal could be subject to excessive scrutiny which duplicates and confuses rather than holds to account, we do not think it proper that parliamentary scrutiny of the process should be limited by primary legislation. We
believe that the division of responsibility between the Sponsor Body and the Delivery Authority should help to reduce the impact of this demand—whilst the Sponsor Body is accounting to Parliament the Delivery Authority can get on with the task in hand.

110. We believe that the Commons and Lords should take it upon themselves to clarify how the scrutiny process will work. As it stands there could be as many as eight different committees in the Commons alone that may feel they have grounds to scrutinise Restoration and Renewal and there is no reason why Parliament should not design committee scrutiny to maximise its effectiveness.

111. We recommend, therefore, that both Houses consider amending their Standing Orders to specify which committees should primarily be tasked with scrutinising the progress of the parliamentary buildings works and the associated use of public funds. It will be for each House to determine which committees assume these responsibilities, but we note that the Public Accounts Committee has the right to scrutinise any value for money reports on R&R produced by the National Audit Office. We suggest further that the Public Administration and Constitutional Affairs Committee in the House of Commons, and the Constitution Committee of the Lords, are given explicit responsibility for scrutiny of the R&R programme.

**Clear line of sight**

112. Paragraph 10(3) of Schedule 1 to the draft Bill establishes that the Chair of the Sponsor Body may be suspended and, ultimately, removed by the Commissions of both Houses. In addition, Clause 9(1) of the draft Bill provides for the abolition of the Sponsor Body by the Leader of the House of Commons, after consultation with the Leader of the House of Lords. This power would be enacted by regulation with affirmative procedure. A memorandum prepared by the Cabinet Office noted that powers to dissolve the Sponsor Body and transfer functions can be exercised at the end of the Parliamentary works “or prior to that, if it is considered that the Body has ceased to be effective”.

113. The Crick Centre’s evidence raised concerns about the chain of accountability for the project:

> It is worth the committee looking at the draft legislation through the ‘clear line of sight’ lens: is it possible to clearly see who is responsible for what and how they will be held to account? At the moment questions remain about whether a ‘clear line of sight’ exists, and opportunities exist to inject a little more clarity and precision. As the history of arm’s-length bodies and the well-known ‘quango problem’ has demonstrated for centuries, there will always be some blurred boundaries, areas of overlap and potential opportunities for ‘blame games’ to emerge.

114. Liz Peace partially addressed the ‘clear line of sight’ question in relation to the ultimate accountabilities of the Chair and Sponsor Board:

> [ … ] one of the questions that I always ask and will keep asking is, “Who am I accountable to and who can sack me?” because it is always quite useful to know who your immediate boss is. I think that the Bill now actually

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clarifies how that will work, and frankly there has got to be some ultimate authority. In the event that we fail to perform, the Commissions of the two Houses would have a role.\footnote{116}

115. When we suggested to Sir David Natzler that the draft Bill would make the Chair of the Sponsor Body directly accountable to the Commissions of both Houses, Sir David said that this may be the appearance in theory but not in practice:

> I think it is a backstop that the Commissions have this reserve power, but that does not mean day to day, or indeed week to week, accountability. It means ultimately, in the case of failure, there is a mechanism, and we discussed this with the Government going through the Bill. They wanted a mechanism—I do see why—in the event of gross failure by the chair of the Sponsor Body.\footnote{117}

116. Although the power to initiate abolition of the Sponsor Body lies with the Leader of the House of Commons, Andrea Leadsom argued that effective power will remain with Parliament: “Ultimately, in all cases, it comes back to a resolution of the House. [ … ] It is not a power that the Leader of the House of Commons has unilaterally.”\footnote{118}

\textbf{Parliamentary Relationship Agreement}

117. The draft Bill does not specify how the Sponsor Body should interact with Parliament. We were told that there is already a memorandum of understanding between the shadow Sponsor Body and Parliament. In due course, this would be replaced by a Parliamentary Relationship Agreement (PRA), although this is not required by the legislation as drafted. Sir David Natzler and Ed Ollard told us that the centrality of the PRA to the success of R&R meant it would be “helpful” if it was placed on a statutory footing.\footnote{119} Ed Ollard told us that the PRA will evolve with the development of the project, not be signed at the outset of the project and then preserved in aspic for the duration.\footnote{120} He gave the interaction between the PRA and the development of the Outline Business Case (OBC) for R&R as an example:

> In the period up to the delivery of the OBC, for example, which I have described as a period in which there will be a more collaborative working together on the requirements, the vision and the overall outcomes of the project, there will be a certain set of requirements as to how the two bodies interact. After the OBC has been approved, there will need to be a re-basing of that relationship. The Sponsor Body, at that stage, will essentially be there to deliver the OBC within a slightly different framework of relationships with the Houses. The key thing is that there is a clearly articulated set of responsibilities of both parties.\footnote{121}
118. Sir David Natzler said it may be possible to draw parallels between the PRA and agreements that Parliament has with organisations such as IPSA and the Metropolitan Police, but the success of the PRA will depend on the relationships between Parliament and the Sponsor Body. He stressed the importance of the PRA being able to accommodate unexpected events and he provided an outline of the practical aspects of R&R that the PRA might include:

It will cover not only responsibilities, issues about insurance and, as Ed said, the handover of the building once it all finished—it is terribly important to know when it happens and on what terms—but things like staff, because currently we have some parliamentary staff who are working for the shadow Sponsor Body and will be working in the shadow phase for the delivery authority. They may transfer on TUPE. It is all those things.

119. Following their oral evidence session with us, Sir David and Mr Ollard wrote suggesting that the need for the PRA to contain clarity over the responsibility for the “site” was of such importance it should be mandated by the Bill:

We acknowledge that primary legislation is not the place to specify when the building passes to the Sponsor Body and Delivery Authority, but it is our view that the legislation should ensure that there is a mechanism for clearly determining when a building or part of a building, ceases to be the responsibility of the Corporate Officers or any other Parliamentary body.

120. The relationship between Parliament as a corporate entity on the one hand and the Sponsor Body and Delivery Authority on the other will be key to the success of the Restoration and Renewal project. We recommend that the Bill mandate the development of a Parliamentary Relationship Agreement to provide clarity for all parties. We further recommend that the Bill specify that the Parliamentary Relationship Agreement set out the date when legal responsibility for the Palace of Westminster and any other area covered by Restoration and Renewal pass between the corporate officers of the Houses of Parliament and those responsible for delivery of the programme.

Transfer of property

121. Paragraph 18 of Schedule 1 allows the Leader of the House of Commons to make a scheme for the transfer of “relevant property, rights and liabilities from the House of Commons Commission to the Sponsor Body.” Sir David Natzler and Ed Ollard noted that the draft Bill did not contain an equivalent provision for the House of Lords and asked for this to be added. Sir David and Mr Ollard also suggested that paragraph 18 should refer to the corporate officer of the House of Commons, presumably together with the Leader of the House of Commons, as a person with the power to ‘make a scheme’, as property, rights and liabilities other than under contracts of employment are vested in him.

122 Q245
123 Q245
124 DPB0007
125 DPB0007
122. The draft Bill should be reviewed to ensure that provisions aimed at allowing for the smooth transfer of responsibility between the House Commissions and the Sponsor Body apply to the House of Lords as well as the House of Commons. The power to make plans for such a transfer should be shared by the Leaders of the two Houses and their respective corporate officers to ensure any scheme is clear and effective.

Role of Government

123. The significance of leadership and accountability being provided by the parliamentary members of the Sponsor Body is brought into even sharper relief when considered in the light of the Government’s approach to R&R. The Crick Centre highlighted the lack of government involvement in the R&R process and identified this as a potential risk that the Delivery Authority and Sponsor Body may have to address:

The fact that there is no responsible minister for this project has not received the attention it deserves. The ‘audit and annual accounts’ approach to parliamentary scrutiny is historically founded on the basis that a responsible minister will be in place and can be called to Parliament to account for the decisions, actions or failures of a public body. While it is a parliamentary project, it will rely on Government (and particularly Treasury) cooperation. The Delivery Authority’s constitutional status as a parliamentary and not governmental body therefore deserves a little more consideration.126

124. Limiting political interference which could derail R&R was highlighted by the Leader of the House as a central reason for restricting government input and responsibility:

The reason we focused very much on this being a parliamentary project—not led by Government and not prone to Government interference—is because by the time the whole project is finished and we are back in the Palace of Westminster, we could be in the 2030s. It was therefore vital to minimise the possibility of political interference that could stall it, add huge expense or make it go off at a tangent.127

125. Sir John Armitt made the case that the Government should have a formal role in the accountability and governance structures of the project. Sir John said that the ultimate paymaster would usually have ultimate authority:

To my mind—and I accept that this is different from the Bill—if the Government are paying for the project, the Government should control it. [ … ] the Government are paying and they have the responsibility to the electorate for ensuring that they have not overspent.128

126. We asked Sir John whether there should be “a terms of agreement with Government regarding the budgetary requirements and expected outcomes”. He thought that it “would be sensible”.129 Stephen Dance, however, observed that responsibility for spending rests with Parliament:

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126 DPB 003, para 13
127 Q182
128 Q102
129 Q111
We should be clear that this is not a Government project, but a parliamentary project. […] There is a spending process that is set out in the Bill, but it is not controlled by Government. It is controlled ultimately by Parliament and the Estimates Commission. That would be my understanding of it. The way in which those decisions and the controls are taken will be a matter for the Sponsor Body to decide.\textsuperscript{130}

127. The Estimates Commission, along with the Treasury, will only have a very limited capacity to comment on and / or reject the estimate provided by the Delivery Authority. As Tom Healey explained:

The Sponsor Body gives the estimate to the Estimates Commission. The Estimates Commission has to consult the Treasury, and it can publish any observations it likes on the estimate, but unless the scale of the estimate suggests that the programme is at high risk of going overall over budget over its whole lifetime, it cannot do anything other than lay it.\textsuperscript{131}

128. The Leader of the House observed that each House would be able to reject the estimates laid before it if dissatisfied with the expenditure. Ms Leadsom emphasised that although the Treasury will have no control over the process, its commentary on the estimates laid before each House would be available to parliamentarians.\textsuperscript{132}

129. \textit{Parliament has determined that the Treasury should be subordinate to Parliament in shaping Restoration and Renewal and in accepting or rejecting the costs of the project. The governance of the programme will require partnership led by the Sponsor Body on behalf of Parliament. In order to underpin the hierarchy of decision making and to provide clarity to those delivering the project we recommend that the Sponsor Body be required to draft a terms of agreement with the Government which would firmly establish what the project will deliver for the taxpayers’ money being provided by the Treasury. However, we do not consider that this on its own will provide sufficient political buy-in from the Treasury over the course of this long project. We therefore propose that the Bill be amended to provide that a Treasury Minister should be an additional member of the Sponsor Body.}

\section*{Relationship between the Sponsor Body and Delivery Authority}

\textit{Programme Delivery Agreement}

130. Clause 5(1) of the draft Bill requires the Sponsor Board and the Delivery Authority to enter into a Programme Delivery Agreement (PDA) which will include a statement of the Sponsor Body’s strategic objectives, the mechanism by which the Sponsor Body will review the Delivery Authority’s activities, and the circumstances in which the Sponsor Body may intervene in relation to the Delivery Authority’s performance of its duties where
it considers that the Delivery Authority is not performing those duties effectively and efficiently.\(^{133}\) The draft Bill provides for any dispute over the review or intervention in the Delivery Authority’s activities to be resolved by the House Commissions.\(^{134}\)

131. Describing how the PDA is being developed and how it will evolve, Liz Peace told us:

The first point to make is that this will not be a static document, because the relationship between us and the Delivery Authority will change as the project progresses. At the moment, we are both effectively in shadow form and we are in the project definition stage. The PDA as currently drafted—it is not finalised yet, but work is being done on it—actually sets out what we are able to demand from the people in the programme delivery body, in order to sort out our project definition. As we move through to being substantive and setting out—not necessarily in stone—more clearly precisely what we want, it will be more about how the delivery body actually delivers that to us. Finally, when we have got to the point of having the fixed programme and the contract, it will be a much more hard contractual relationship.\(^{135}\)

132. In oral evidence, Stephen Dance set out what the basic elements of the Programme Delivery Agreement would look like and, significantly, he highlighted the fact that it should limit the capacity for changes to the agreed plans and set out procedures for when the plans do have to alter:

Clearly, it needs to set out a number of things for the project. The key ones I would pick out are, first, being clear on delegation—who is responsible for what decisions and how that is managed. The second thing is the process for change control, because despite having said very clearly, “Don’t change your mind,” there will be changes that need to be made through the process during construction, so what is the process of dealing with that and setting that out? The third thing is the treatment of information management and ensuring that the sponsor organisation and those who want and need scrutiny of the project get access to real-time, timely information in a way that enables them to understand the way in which the project is proceeding without getting in its way. The fourth thing is—it is a difficult word—incentives: to set out the basis on which the delivery organisation is properly incentivised to innovate, drive down cost, drive up quality and achieve the value-for-money goals that we have discussed.\(^{136}\)

133. Liz Peace noted that any major changes to the R&R proposals could present difficulties for the programme and Delivery Authority:

We [the Sponsor Body] will set the scope of the project, and once we have done that, I believe we have to stick to that, barring some irrepressible need for a particular change. We have to be very clear about what we are doing, how long it is going to take, and what it is actually going to cost.

\(^{133}\) Clause 5(1) draft Bill
\(^{134}\) Clause 5(4)
\(^{135}\) Q17
\(^{136}\) Q119
The reason big projects go wrong is because people allow the scope to creep. Then the whole change process is one in which the contractors end up doing more than they thought they were going to do, and then there is a big argument about who pays for it.\footnote{137}

134. Becky Clark told us that the system of governance should be structured to anticipate and facilitate changes to the plan in an organised fashion:

Successful and timely delivery of any major project means that changes can occur only at certain points. When the Sponsor Body considers change gateways needs to be built in from day one. If you do not have these things, you are just not giving your professional contractors the best chance of actually doing what you want.\footnote{138}

135. In this context, Sir David Natzler and Ed Ollard expressed concern that the Sponsor Body’s responsibility for specifying “strategic” objectives\footnote{139} and making “strategic” decisions\footnote{140} was a potential source of conflict with the Delivery Authority:

We are concerned that the word “strategic” is insufficiently precise and meaningful to identify those matters that are properly the concern of the Sponsor Body, and that the Sponsor Body and Delivery Authority may become mired in litigation on the proper division of responsibilities between them. This might take the form of allegations that the Sponsor Body is improperly involving itself in decisions which are operational rather than strategic, or conversely allegations that strategic decisions are being improperly taken by the Delivery Authority. This would be a drain on resources, and has the potential to delay the works. The Bill should if possible be clearer about the nature of the objectives and decisions that are the responsibility of the Sponsor Body.\footnote{141}

136. \textit{Two of the main purposes of the Programme Delivery Agreement are to set out the strategic objectives of the Sponsor Body and, as Stephen Dance explained to us, to clarify which body is responsible for specific decisions. If difficulties arise between the Sponsor Body and the Delivery Authority, the key question will be the legal status of the PDA. It would be helpful for the Government to clarify how such difficulties are dealt with in relation to the other projects to which the proposed governance structure applies.}\

\textbf{Appointments to the board of the Delivery Authority}

137. Schedule 2 of the draft Bill would provide for the Sponsor Body to appoint up to two Non-Executive Directors (NED) of the Delivery Authority, but these may not be members of the Sponsor Body. Becky Clark questioned why this provision had been included in the Bill. Ms Clark described how an overlap in membership had been a point of failure in the restoration of an historic cathedral:

\footnotesize{\begin{itemize}
\item Q4
\item Q64
\item Clause 2(2)(a)
\item Clause 2(2)(b)
\item DPB0007
\end{itemize}}
There was commonality between what was effectively the sponsor board and the delivery agency; there were too many people on both, and it was a disaster. There were vested interests, which you cannot separate. People find it very difficult to separate in their brain their roles—they did, at least, in this project. I see that the chair of the Delivery Authority cannot be a member of either House, but I would encourage you to consider whether anyone from either House or the other list should be on the Delivery Authority. That clear line of governance separation and accountability is proven to be a real trip wire.\textsuperscript{142}

138. The right of the Sponsor Body to appoint members to the board of the Delivery Authority was seen as being a contentious aspect of the governance arrangements by Sir John Armitt:

If I was the chair of the Delivery Authority, having been appointed to that—presumably the chair would be appointed by the Sponsor Body—I then might take a bit of a dim view of being told that the Sponsor Body was now going to tell me who my other board colleagues were going to be. I would want to have either the final say or an equal say, if you like, as to who was going to join me, because I have got to chair this board and the Delivery Authority, and therefore they should be people who I am comfortable with and who, ideally, I’ve selected, and not people who have been imposed on me by the Sponsor Body.\textsuperscript{143}

139. The degree of scrutiny we have applied to the relationship that will exist between the Sponsor Body and Parliament should not detract from the importance of the relationship that will exist between the Sponsor Body and the Delivery Authority. It will, for the most part, be the interaction of these two organisations that will determine the timely and efficient progress of Restoration and Renewal.

140. The Sponsor Body will be tasked with holding the Delivery Authority to account, but it will also be a buffer between Parliament and the people undertaking the work. Sir David Natzler noted that one of the reasons that Sir Charles Barry, the deliverer of building works in the 19th century, had to appear before over one hundred parliamentary committees was because he did not have a Sponsor Body.\textsuperscript{144}

141. We do not expect the Programme Delivery Agreement to be set in stone and much like the agreement between the Sponsor Body and Parliament, it will have to evolve through many iterations to reflect the progress and challenges of the project at any given time. It is essential, however, that it sets out how revisions to the proposals should be implemented if Parliament and the Sponsor Body agree that changes are necessary. Major alterations should not be introduced outside a set process to determine how changes can be incorporated in to the plan and how the impact on the project’s budget and timetable will be accounted for.

142. It is important, however, not to regard the Programme Delivery Agreement as the blueprint which will provide a mechanism to resolve any problems that arise over the course of the project. The document will only succeed if there is a strong and effective...
working relationship between the Sponsor Body and Delivery Authority. The nature of the individual relationships and communication between the two bodies will be central to the programme of works running smoothly on a day-to-day basis. We therefore recognise that the draft Bill’s provision which allows appointments by the Sponsor Body to the board of the Delivery Authority is a pragmatic way of building a bridge between the two organisations to enhance communication. In itself, we do not believe that this provision will compromise the independence of the Delivery Authority, but we recommend that all appointments to the board of the Delivery Authority should be made with the input and consent of the Delivery Authority’s Chair.

Dissolution of the Delivery Authority

143. Clause 10 provides that the Sponsor Body may dissolve the Delivery Authority, but only after completion of the Parliamentary building works, and with the consent of the House Commissions. Sir David Natzler and Ed Ollard suggested that the Bill be amended to require the Sponsor Body to exercise its power to dissolve the Delivery Authority once the works have been completed as “there may be a risk that the Delivery Authority is continued in being for some reason which is plainly not the intention of Parliament.” Sir David and Mr Ollard also suggested that the corporate officers of the House be consulted before the Delivery Authority is dissolved.

144. We are neutral as to whether the Bill should constrain the Sponsor Body to use its power to dissolve the Delivery Authority after the completion of the Parliamentary building works. As there is no obvious downside to this amendment we are unsure of the reason why the power was made discretionary in the first place. We therefore suggest this clause is reviewed to establish how best to cast the power to dissolve the Delivery Authority.

Payments to the Delivery Authority

145. Clause 8 of the draft Bill provides details on the funding of the Sponsor Body and the Delivery Authority. It has been drawn to our attention, by Sir David Natzler and Ed Ollard, that the wording of the provision on the funding of the Delivery Authority may have unintended consequences:

[ ... ]“payments to the Delivery Authority” may be construed as payments under contracts for works or services, which would bring public procurement legislation into play. We suggest replacing “payments to” with “funding for”, to make it clear that these are not payments under any kind of contract.

146. We recommend that the drafting in clause 8(4) of the draft Bill be amended. Rather than referring to “payments to the Delivery Authority” from the Sponsor Board it should read “funding for the Delivery Authority”. This is to avoid bringing public procurement legislation into play which would be undesirable.
Responsibilities of the Sponsor Body’s accounting officer

147. Schedule 1 to the Bill provides that the Sponsor Body’s accounting officer “is to have, in relation to the Sponsor Body’s accounts and finance, the responsibilities that are from time to time specified by the Sponsor Body.” Sir David Natzler and Ed Ollard told us that this approach was “less than ideal”. They suggested the National Audit Office be consulted as to how this might be amended. Sir Amyas Morse, the Comptroller and Auditor General of the National Audit Office did not express any concerns to us over this provision. Given the very close scrutiny the accounts of the Sponsor Body will be under, together with the legal requirements all accounting officers are under, we believe this provision simply gives the opportunity for the Sponsor Body to require more of its accounting officer, rather than offering an opportunity for the Sponsor Body to act improperly.

Relationships

148. It became abundantly clear from the evidence we took that the success of the project will rely upon its leaders forming productive and cooperative professional relationships. No governance structure can ensure the smooth delivery of R&R if the senior figures in charge of the programme of works fail to work to the best interest of the project. As Sir John Armitt, said:

  Governance is fine on paper, but it depends on relationships and personalities. The key at the end of the day is going to be building those relationships.150

149. The approach taken by the guardians of the 2012 Olympic Games serves as a helpful illustration of how a positive working culture can shape the success of a project of national significance. We are concerned that all those involved in the delivery of Restoration and Renewal should recognise that a culture of transparency and open communication will be central to the success of project.
Chapter 5: R&R and the wider context of parliamentary building works

150. The Sponsor Body’s responsibility for Parliamentary works relates to the Palace of Westminster, but the Bill provides a mechanism (Clause 1) by which works can be extended to other buildings within the parliamentary estate. We considered whether once the Sponsor Body assumes statutory responsibility for Restoration and Renewal it should take charge of the entirety of the parliamentary building works, including the work already planned on the northern part of the parliamentary estate, on which R&R will be hugely reliant. The Sponsor Body will also inherit the relationships, both good and bad, that Parliament enjoys with its neighbours and partners.

Interaction between the NEP and the draft Bill

151. Clause 1 of the draft Bill extends the remit of the statutory bodies from restoration and renewal of the Palace of Westminster to any other part of the Parliamentary Estate. The explanatory notes to the Bill set out that the Bill is drafted in this fashion so that those exercising functions under the Bill “do so with a view to enabling both Houses of Parliament to return to the Palace of Westminster as soon as is reasonably practicable.” The motions agreed by both Houses requiring the establishment of the Sponsor Body and Delivery Authority did not make any specific reference to work outside the Palace of Westminster. However, this aspect of the Bill may be regarded as practically necessary for the efficient delivery of any programme of works, given that it is intended that the House of Commons should be decanted to the northern part of the parliamentary estate.

152. The responsibilities of the Sponsor Body in relation to the Northern Estate Programme will be determined by the Commissions of both Houses, with the agreement of the Sponsor Body and Delivery Authority. For the time being, therefore, the Northern Estate Programme (NEP) remains the responsibility of the House of Commons Commission and the Sponsor Body cannot initiate works in relation to the Northern Estate of its own volition. This distinction is important as the redevelopment of Richmond House as the location for the temporary Commons chamber is within the scope of the NEP.

153. The majority of our witnesses thought that it would be sensible for the Sponsor Body to take charge of the NEP as well as the works in the Palace, given the interdependency of the two programmes. Liz Peace said that it would be “highly desirable” for the NEP to be transferred into the R&R programme and placed under the auspices of the Sponsor Body. The Leader of the House of Commons, however, said that incorporating the NEP into the Sponsor Body’s responsibilities would add complexity to the project:

There is a general assumption that if the Sponsor Body is doing the Palace, it should take on the Northern Estate Programme because Richmond House is the decant solution. Now, obviously, that is the advantage, but the disadvantage is that it significantly adds to the complexity and scope of the project. Frankly, in my view it also risks the public’s saying, “Well, we can see the point of you restoring the Palace, but what are all these other

151 Explanatory notes, para 10
152 Ibid, para 9
153 Q47
buildings thrown in for?”, because the northern estates project is not just Richmond House, but all the upgrades to Norman Shaw North, Norman Shaw South, 1 Derby Gate and so on. […]

Just because it would be neat to bring them in does not mean that we should do that, because you have then broadened the scope and created some dependencies that you did not necessarily previously have.  

154. In oral evidence given to the Finance Committee in October 2018, Tom Healey noted that one feature of the Northern Estate Programme sitting outside of Restoration and Renewal was that it might create an inconsistent approach to decant of the Palace. If responsibility were not transferred to the Sponsor Body, decant of the Commons would fall under the Northern Estates work, but decant of the Lords would be part of the Restoration and Renewal programme.  

155. The Sponsor Body is to be established with the single purpose of overseeing the delivery of parliamentary buildings works. The House of Commons Commission is currently responsible for the Northern Estate Programme, including the extensive redevelopment of Grade II listed Richmond House. The Commission is not an organisation whose primary purpose is to manage major building works and we do not believe that it should retain this responsibility when a dedicated organisation is ready and able to take over. We recommend that the shadow Sponsor Body take on de facto responsibility for all the works necessary for decant even before the Act to set up the statutory body is passed.  

156. Once the Sponsor Body has been established in its substantive form we believe it should take control of the Northern Estate Programme. The timely decant of the Palace of Westminster can be achieved only if Richmond House is ready to accommodate the Commons. The Lords decant and transfer to a temporary home will be undertaken by the Sponsor Body and we believe it would be anomalous for the Sponsor Body not to have the same authority over the Commons decant.  

157. The Leader of the House said that combining the two programmes would create complexity and dependencies, but the fundamental dependency of the programmes already exists. The complexity and cost of works will only be exacerbated if there are two separate management teams and delivery organisations attempting to coordinate their activity in decanting an entire working parliament of two Houses into a number of disparate buildings.  

158. Moreover, the Leader of the House of Commons spoke about creating a legacy for Richmond House as part of Restoration and Renewal. Such an ambition underlines why the Sponsor Body, which will be responsible for the legacy of the Palace of Westminster, should also determine how the long term ambitions for the Palace complement other buildings subject to redevelopment, such as Richmond House.
A case study in legacy problems

159. In the course of our inquiry, we came across a problem that exemplifies some of the challenges that the shadow Sponsor Body is facing and that its statutory successor may continue to face in relation to carrying out Restoration and Renewal expeditiously and with due concern for economy. We learned that the plans for works on Richmond House which were already being developed by the current NEP team had been postulated on the contractors being able to get access to some land that is within the Ministry of Defence’s estate (it is currently used as a car park), largely to enable deliveries of materials to the construction site and the construction of temporary accommodation for those working on the building. However, all efforts to discuss these plans with the Ministry of Defence had been met with a refusal to engage—in contrast to the helpful attitude displayed by another neighbour, Scotland Yard. There may well be significant security reasons for not allowing this area to be used during the reconstruction of Richmond House, but that had not been clearly stated.

160. Although it would be possible to work around the loss of this land, because of the need to move access arrangements and dismantle and rebuild accommodation as the works developed, there would be significant extra costs—we were told in the region of £350 million—and delay (possibly resulting in decant being postponed for several years, until 2028). After a considerable time during which Commons officials were able to make no progress in this impasse, the Chancellor of the Duchy of Lancaster was now involved in the discussion with the Ministry of Defence and the Leader of the House assured us that serious engagement was now under way.157 Unfortunately, the delay and uncertainty caused by the failure of the Ministry to engage with the House administration had already resulted in the need to draw up alternative plans without knowing whether they might be needed and to what extent any issues identified by the Ministry of Defence might be accommodated.158

161. The situation in relation to the Ministry of Defence land must be clarified swiftly. The delay and confusion already caused highlights for us a number of issues that we have explored elsewhere in this report. The first is the need for the Northern Estate Programme to be brought under the aegis of the Sponsor Body as soon as practicable, as R&R is critically dependent on the arrangements for decant being as smooth and efficient as possible. The second is the need for some form of government commitment to the project so that, if necessary, Ministers can talk to Ministers to resolve problems. To a certain extent, this is a role for the Treasury, as the guarantor of value for taxpayers’ money: it seems to us that, had this problem occurred later in the project, the Treasury would have felt bound to comment on a possible £350 million increase in budget, and quite likely would have put pressure on the Ministry of Defence to engage. The third is the need for a strong, confident Sponsor Body, proactive in reporting problems and fully supported by Parliament in addressing them. Finally, we note that our inquiry appears to have had a role in bringing the ‘Ministry of Defence car park’ problem to the notice of Members of both Houses and others, which underlines the role of select committees in facilitating, as well as hindering, projects.

157 Q223, Q220
158 Q220, Q221
Decant of the House of Lords

162. Plans for the decant of the House of Lords are much less advanced than those for the Commons. Ed Ollard told us that, although there are no formal agreements in place, the QEII Conference Centre is the preferred location for the House of Lords. Explaining the challenges in decanting to a building outside the parliamentary estate the Clerk of the Parliaments said:

Obviously, it is a separate, stand-alone island site. The main issue really is about accessibility and security. We will need to identify with much more granularity than we have been able to at the moment what those issues are. Then we will seek to discuss how to mitigate them. That is the most serious thing.159

163. We anticipate that given its location, establishing the House of Lords in the QEII centre may bring with it security considerations which would demand solutions that require planning consent.

164. Providing for the decant of the House of Lords and taking on responsibility for the NEP will create numerous challenges for the Sponsor Body. Perhaps, the most significant amongst them will relate to planning in relation to the QEII centre and Richmond House. We examine how the draft Bill could assist the Sponsor Body to navigate the planning system in the following paragraphs.

Planning powers

165. In contrast to other major infrastructure projects such as the 2012 Olympics and HS2, the Restoration and Renewal of the Palace of Westminster will be conducted within the confines of the existing planning system. Giving evidence to the House of Commons Finance Committee in October 2018, Tom Healey outlined the Restoration and Renewal programme team’s broad approach to planning:

Our planning assumption at the moment is, and always has been, that we will go through the normal planning process with Westminster City Council, Historic England and so on. If the Joint Committee were to identify a need for some kind of streamlined planning process then that might be beneficial to us, but we are open-minded about that.160

166. We subsequently heard in evidence that to facilitate Parliament’s journey through the planning process, it is likely that the Sponsor Body will provide funding to Westminster City Council.161 Mechanisms exist that allow applicants to fund the additional staff a planning authority will require to help it cope with the huge demands a project such as this would place on the system.162

167. In our attempts to understand how the planning process could be shaped for a project of this magnitude we examined how the Ecclesiastical Exemption supports the planning...
process for the restoration of historic churches. Becky Clark cautioned that this type of system does not streamline or simplify planning but simply creates a manageable method which recognises the size of the church estate.\textsuperscript{163} Ms Clark did not think it would be appropriate for Parliament to sit outside of the planning regime it has created and said “I can see no reason why the secular system cannot deal with this incredibly competently if you engage right, at the right moments.”\textsuperscript{164} Liz Peace agreed: noting the impact of potential planning problems in relation to the NEP, she said that she was concerned about objections to the redevelopment of Richmond House but that a public inquiry could be avoided by discussion with interested parties.\textsuperscript{165}

168. Sir John Armitt observed, however, that one substantial advantage of the legislation which governed the delivery of the 2012 Olympics Games was that it gave planning powers to the Olympic Delivery Authority (ODA).\textsuperscript{166} Sir John describe how the system worked and how the ODA used the powers:

To be fair, we did not abuse them and we actually set up a structure with the five local authorities affected where there was a planning committee and we submitted a planning application each time to “ourselves”—in inverted commas. We chaired that but, actually, the local authorities were represented and it was handled in the normal way. At the end of the day, when push came to shove, everybody knew that we could actually decide. But time was of the essence and that was the driver, of course. That made a big difference.\textsuperscript{167}

Sir John added that the streamlined process meant that planning decisions were not subject to ministerial review or at risk of being subject to public inquiries.\textsuperscript{168}

169. \textbf{We are concerned that, without a definite date for completion, the R&R project may lose momentum.} We acknowledge that it is for the Sponsor Body to formulate a timetable for the works but we consider that it would be helpful to the Sponsor Body if Parliament were to agree its timetable for completion of R&R, together with milestones along the way. The system of annual reports to Parliament set out in Paragraph 26 of Schedule 1 to the Bill would provide the mechanism for this, and we would expect that such annual reports would form part of the National Audit Office’s audit process. This does not mean that the Sponsor Body would be unable to come back to Parliament to propose significant changes to the timetable should there be major unforeseen circumstances that cause unavoidable delays.

170. The Leader of the House of Commons explained the rationale behind excluding any planning powers from the draft Bill. Ms Leadsom observed that the major difference between R&R and the 2012 Olympic Games was that the ODA was dealing with multiple planning authorities whereas in the case of R&R there is only one. Moreover,:

We felt that, on balance, it would be better for transparency and public confidence if we went through the normal planning rules as opposed to just

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\item[163] Q70
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\item[166] Q91
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allowing ourselves to get around them in any way we saw fit. We felt that, in terms of public buy-in, it would be better if we subjected ourselves to the normal planning rules.

Secondly, we did not feel that there were any insurmountable planning issues that could not be achieved through the normal planning rules. Thirdly, like with any other big project, we will be required to provide resources to Westminster Council to enable it to deal with our planning requirements. Finally, we are subject to a huge amount of consultation with different listed and expert authorities, which we felt would be sufficient to keep the planning aspects in a good place.169

171. Even if Parliament was minded to incorporate planning powers into the Bill, the hybrid bill procedure is itself potentially time consuming and complex, and would not avoid the need to provide a forum for those who might object to the provisions of the Bill. The Leader of the House was sceptical that creating a hybrid Bill would be advantageous.170

172. Historic England commented on the possibility of bypassing the normal planning system by means of legislation. It argued that the current system is based on a clear set of principles, goes through a recognised sequence of stages—including the possibility for statutory amenity societies to be closely involved before any planning application is made—and provides for democratic involvement. Historic England considered that the Hybrid Bill procedure was inferior in all these respects. It also challenged the idea that Hybrid Bills provided a swifter resolution to planning questions then the normal process. Historic England concluded that the normal planning procedure was more likely to be seen as fair and open, and was less complex and lengthy, than a Hybrid Bill.171

173. Liz Peace showed little enthusiasm for adding complexity to the legislative process. Asked if she would like to be given planning powers she said

For the moment, no, because it is really important that the legislation goes through as quickly as possible and we can become substantive as quickly as possible. If you had been taking planning powers, the advice I have had is that it would have made it a far more complex Bill. It might even have become a hybrid Bill. It would have taken a lot longer and we would be in this vague shadow phase, which I think it is in everybody’s interest for us to move out of as quickly as possible.172

174. We found no simple solution to the problem of ensuring that Restoration and Renewal can be undertaken in timely fashion, whilst guaranteeing that the letter and spirit of planning law are respected. Streamlining the system so that R&R does not become constrained by objections, complaints and inquiries is attractive when considered against the demands of a project of such national importance. However, there is no legislative solution that would achieve this objective and we do not believe that creating a hybrid Bill would be of benefit to the project. Furthermore, we do not believe that Parliament should exempt itself from the planning regime that it has determined that all other projects should abide by.
175. We do not underestimate the challenges that the Sponsor Body and Delivery Authority will face, but we believe that they can be managed through resourcing the needs of Westminster City Council and maintaining open communication with those parties that hold a fundamental interest in the project.
Conclusions and recommendations

Amendments

Specific duties on the Sponsor Body

1. We recommend that Clause 2(4) be amended to place on the Sponsor Body the requirement to take account of “the need” rather than “the desirability” of ensuring educational and other facilities are provided in the restored Palace. We also recommend that a further point be added to the list concerning the need to promote public engagement with and public understanding of Parliament. This should give the Sponsor Body the opportunity to consider how the building can be adapted to enable greater outreach. (Paragraph 53)

2. The comprehensive rebuilding required by the Restoration and Renewal programme will inevitably present challenges for those responsible for the security of the Houses of Parliament. We have every confidence that they will successfully meet those challenges, but they will need the cooperation of the Sponsor Body in order to do so. We recommend that Clause 2(4)(b) of the draft Bill is amended to provide that the Sponsor Body must have regard to the safety and security of the people who work in Parliament and members of the public when carrying out its functions. (Paragraph 69)

3. Members of the public must be able to exercise their democratic right to access the proceedings of Parliament throughout the Restoration and Renewal programme. We recommend clause 2(4)(d) is amended to reflect the fact that this essential right is not the same as an unqualified right of access. (Paragraph 71)

4. Given the historical and archaeological significance of Palace of Westminster we recommend that Clause 2(4) be amended so that the Sponsor Body has regard to the UNESCO World Heritage status of the Palace of Westminster and its environs. This requirement should not, however, automatically take precedence over any other legal requirement, especially that relating to access for people with disabilities. (Paragraph 61)

Membership of the Sponsor Body

5. We recommend that members of both the Sponsor Body and the Delivery Authority be appointed for three-year terms, with the potential to renew the appointments. Given the length of the Restoration and Renewal project we recommend that members serve for no more than nine years in total, in line with corporate governance guidance. We recommend that when the Sponsor Body comes into being, it should consider how best to stagger the length of the appointments in order to avoid the situation where several members leave simultaneously, resulting in a serious loss of continuity. (Paragraph 88)

6. We recommend that they be appointed by means of elections in each House. (Paragraph 91)

7. We recommend the draft Bill be amended to require that the Leader of the House of Commons obtain the consent of the Leader of the House of Lords before laying draft
regulations that abolish the Sponsor Body. There does not appear to us to be any reason why this power should lie solely with the Leader of the Commons. Restoration and Renewal concerns both Houses of Parliament equally and the Bill governing the project should reflect that. (Paragraph 95)

8. We note that Clause 12(4) of the draft Bill allows the Leader of the House of Commons to lay regulations to bring the Bill into force less than six months after Royal Assent. There is no provision requiring the consent of the Leader of the House of Lords to this. We recommend the clause be amended to require the Leader of the House of Commons to obtain the consent of the Leader of the House of Lords before laying such regulations. (Paragraph 96)

**Accountability to Parliament**

9. The relationship between Parliament as a corporate entity on the one hand and the Sponsor Body and Delivery Authority on the other will be key to the success of the Restoration and Renewal project. We recommend that the Bill mandate the development of a Parliamentary Relationship Agreement to provide clarity for all parties. We further recommend that the Bill specify that the Parliamentary Relationship Agreement set out the date when legal responsibility for the Palace of Westminster and any other area covered by Restoration and Renewal pass between the corporate officers of the Houses of Parliament and those responsible for delivery of the programme. (Paragraph 120)

10. The draft Bill should be reviewed to ensure that provisions aimed at allowing for the smooth transfer of responsibility between the House Commissions and the Sponsor Body apply to the House of Lords as well as the House of Commons. The power to make plans for such a transfer should be shared by the Leaders of the two Houses and their respective corporate officers to ensure any scheme is clear and effective. (Paragraph 122)

11. Parliament has determined that the Treasury should be subordinate to Parliament in shaping Restoration and Renewal and in accepting or rejecting the costs of the project. The governance of the programme will require partnership led by the Sponsor Body on behalf of Parliament. In order to underpin the hierarchy of decision making and to provide clarity to those delivering the project we recommend that the Sponsor Body be required to draft a terms of agreement with the Government which would firmly establish what the project will deliver for the taxpayers’ money being provided by the Treasury. However, we do not consider that this on its own will provide sufficient political buy-in from the Treasury over the course of this long project. We therefore propose that the Bill be amended to provide that a Treasury Minister should be an additional member of the Sponsor Body. (Paragraph 129)

**Relationship between the Sponsor Body and Delivery Authority**

12. We recommend that the drafting in clause 8(4) of the draft Bill be amended. Rather than referring to “payments to the Delivery Authority” from the Sponsor Board it should read “funding for the Delivery Authority”. This is to avoid bringing public procurement legislation into play which would be undesirable. (Paragraph 146)
Interaction between the NEP and the draft Bill

13. We recommend that the shadow Sponsor Body take on de facto responsibility for all the works necessary for decant even before the Act to set up the statutory body is passed. (Paragraph 155)

Conclusions

Outline business case

1. There is a great deal of experience in adapting historical buildings to best standards for accessibility, and we expect the Palace to set the highest standards in this area. (Paragraph 9)

2. Renewal brings with it an opportunity to shape parliament by listening to and harnessing the views of the general public. The Sponsor Body will not achieve the potential of the building if consultation and engagement is limited to a narrow set of users. We heard repeatedly that accessibility in different forms should be central to renewal, therefore the Sponsor Body should attempt to understand how and why the general public engage with parliamentarians and the political process in Westminster. (Paragraph 17)

3. There are limits to what the Restoration and Renewal programme can achieve in terms of political renewal. It will be for Parliament to decide on constitutional changes and for each House to determine any changes to its procedures. What the Sponsor Body should set out to deliver is a Parliament capable of absorbing and accommodating major political and constitutional reforms. Nevertheless, as indicated in this Report, we believe the term ‘renewal’ requires an outward-facing approach to the UK Parliament’s role at the centre of our democracy. (Paragraph 18)

4. It has been established beyond doubt that the Palace is at risk of catastrophic failure and as a UNESCO world heritage site the Government is obliged to ensure the building is maintained and protected. Our generation of Parliamentarians should not shirk from the challenge of not only protecting the fabric of the building, but investing in a building which can meet the democratic demands of the British people both in this century and the next. (Paragraph 20)

5. We are concerned that a culture of cynicism and pessimism lingers around Restoration and Renewal. Parliamentarians and those involved in the project have sounded almost apologetic about the ambitions inherent to Restoration and Renewal. For the project to succeed, and for the public to buy into its ambitions, its leaders must champion its objectives central to which should be the promotion of inclusive participatory democracy in the UK. The country is evolving and so must the building in which the most important decisions which touch upon every member of the population are made. (Paragraph 21)
Agreeing the proposals

6. Detailed consultation processes will be necessary to understand the views of Members, staff, and organisations with an interest in Restoration and Renewal throughout the life of the project. We believe it is necessary to write a duty to consult with staff, and to establish an ongoing process of engagement with the wider public, onto the face of the Bill. If the Sponsor Body failed to fulfil this duty it would be failing in one of its most basic and essential tasks. (Paragraph 35)

7. We recommend that a member of the Sponsor Body is given the specific responsibility of engaging with staff and being a route for staff into the Sponsor Body. This responsibility will carry with it a substantial time commitment and place significant demands on the individual chosen for this task. As such we expect resources to be made available to the member in question to allow them to fulfil their duties in this regard. (Paragraph 36)

8. We are concerned that the Sponsor Body should not settle for formal mechanisms of public consultation when a project of this scale requires a more thorough approach to discovering the views of people from beyond the political sphere. To build and maintain public legitimacy R&R will require a more in-depth and proactive approach so that members of the public from all parts of the UK and all walks of life can become involved in shaping our renewed parliament. The ultimate client in R&R is the public. The Bill should not be amended to specify how the Sponsor Body undertakes consultation, but we recommend that Clause 2(4) be amended to ensure that the Sponsor Body has regard to engaging the public in the development of its strategy for Restoration and Renewal. (Paragraph 37)

9. We agree that the Sponsor Body should be required to seek the approval of Parliament before implementing any significant changes to the Restoration and Renewal programme. Removing this duty would run the risk of the project spiralling out of control without parliamentary oversight. For the success of the Restoration and Renewal programme, the definition of “significant changes” for which obtaining parliamentary approval would be proportionate must be established, once the business case has been agreed. (Paragraph 48)

10. Overall, we are satisfied that the structure of Governance proposed by the draft Bill provides sufficient independence to limit political interference in Restoration and Renewal. In Chapter 4 we discuss the various agreements that will govern the relationships between Parliament, the Sponsor Body, and the Delivery Authority and observe how they will shape the process for making changes to the agreed plans. (Paragraph 49)

Specific duties on the Sponsor Body

11. We are sympathetic to concerns that an explicit provision protecting the heritage of the building could override opportunities to renew and enhance its purpose. Renewal should not stand in opposition to conservation and—in the most prosaic terms—improved lighting, heating and IT can do as much to enhance and protect the historic features of the Palace as they will to underpin improved accessibility and greater public engagement. (Paragraph 60)
12. Maintaining control over the costs of even the most basic aspects of Restoration and Renewal will be no easy task for the Sponsor Body. Nevertheless, there exist well-established processes that will enable the Sponsor Body to monitor whether value for money is being achieved both in the restoration of the fabric of the Palace and in determining the added value of those parts of the work that are designed to enhance public engagement and understanding of the political process. (Paragraph 65)

13. We welcome the Chair of the shadow Sponsor Body’s assurance that she will challenge the Treasury regarding the non-cashable benefits of the programme if it becomes necessary. We are confident that the Sponsor Body will make the case for the value of those aspects of R&R that will drive public participation in parliamentary democracy. The challenge of delivering value for money underlines how vital it is to agree a clear vision of what Restoration and Renewal is intended to achieve. (Paragraph 66)

A UK wide project

14. We consider it vital that the opportunity be seized to produce advantages for the whole UK. These should include the development of apprenticeships and investment in shortage skills, proportionate capital funding for all nations and regions, the fostering of smaller businesses to undertake many of the specialist roles that the project will require, and ensuring that commercial opportunities are spread throughout the UK. We do not wish to be prescriptive about how to achieve these benefits, but we note the opportunities provided by the Government’s Construction Industry Strategy to engage with the industry in areas such as training and skills. We are also aware that, although there is a tension between maximising economic benefits and obtaining value for money, the private sector groups heading large-scale projects such as the expansion of Heathrow Airport and Crossrail have allocated resources to ensuring the benefits of their building works are spread beyond a narrow geographical area and ‘the usual suspects’. Arguably, an even clearer duty lies on Parliament to follow this approach. (Paragraph 76)

15. There should be an audit of the Sponsor Body’s success in achieving this and it will be for Parliament as the ultimate client to hold the Sponsor Body to account for creating nationwide benefit from Restoration and Renewal. (Paragraph 77)

Governance

16. We believe that the basic structure of governance proposed by the draft Bill is the correct one. We do not recommend any fundamental changes to the structures or bodies that will be responsible for Restoration and Renewal. We do, however, explore the detail of how the bodies will interact with one another and how the draft Bill could be finessed to maximise the potential of Restoration and Renewal. (Paragraph 79)
**Membership of the Sponsor Body**

17. We recommend the Bill be amended to make it clear that the external members of the shadow Sponsor Body appointed in July 2018 should be appointed to the statutory Sponsor Body under a streamlined process of public appointment. We make this recommendation for the following reasons. First, there is a grave risk that the members of the shadow Sponsor Body may be disinclined to repeat the full and lengthy public appointments process, leading to the loss of both corporate memory and talent. Second, a further appointment process will inevitably lead to some delay we believe the project can ill afford. Third, the benefit to running another public competition, that the balance of expertise on the Sponsor Body could be reconsidered, is one that will be achieved more straightforwardly, and without any of the downsides, through the reappointment process. Finally, we believe the shadow Sponsor Body needs to be allowed to make headway with this urgent project, making it clear that members of the Body will remain in post after Royal Assent will give them the authority and the focus required. (Paragraph 85)

18. The parliamentary members of the Sponsor Body may well become the public face of Restoration and Renewal. It would benefit the credibility of Restoration and Renewal if the parliamentary members of the Sponsor Body were chosen by their peers. We recommend that they be appointed by means of elections in each House. (Paragraph 91)

**Accountability to Parliament**

19. We believe that the magnitude of Restoration and Renewal will require political figureheads to speak on behalf of the Sponsor Body, be held to account for the progress of the works and, vitally, provide leadership in making the case for the vision of a restored and renewed Parliament. The political figureheads will, inevitably, be drawn from the parliamentary members of the Sponsor Body and it is essential that they are able to fulfil this task. (Paragraph 102)

20. We recommend that parliamentary members of the Sponsor Body should be responsible for answering parliamentary questions. We do not believe it will be necessary to write this requirement onto the face of the Bill. Instead, we believe that the Parliamentary Relationship Agreement should specify how the Sponsor Body will address the issue of answering parliamentary questions. (Paragraph 103)

21. We do not consider that the draft Bill should be amended to specify committees which will examine the work of the Sponsor Body and Delivery Authority. While there is a risk that Restoration and Renewal could be subject to excessive scrutiny which duplicates and confuses rather than holds to account, we do not think it proper that parliamentary scrutiny of the process should be limited by primary legislation. We believe that the division of responsibility between the Sponsor Body and the Delivery Authority should help to reduce the impact of this demand—whilst the Sponsor Body is accounting to Parliament the Delivery Authority can get on with the task in hand. (Paragraph 109)
22. We believe that the Commons and Lords should take it upon themselves to clarify how the scrutiny process will work. As it stands there could be as many as eight different committees in the Commons alone that may feel they have grounds to scrutinise Restoration and Renewal and there is no reason why Parliament should not design committee scrutiny to maximise its effectiveness. (Paragraph 110)

23. We recommend, therefore, that both Houses consider amending their Standing Orders to specify which committees should primarily be tasked with scrutinising the progress of the parliamentary buildings works and the associated use of public funds. It will be for each House to determine which committees assume these responsibilities, but we note that the Public Accounts Committee has the right to scrutinise any value for money reports on R&R produced by the National Audit Office. We suggest further that the Public Administration and Constitutional Affairs Committee in the House of Commons, and the Constitution Committee of the Lords, are given explicit responsibility for scrutiny of the R&R programme. (Paragraph 111)

**Relationship between the Sponsor Body and Delivery Authority**

24. Two of the main purposes of the Programme Delivery Agreement are to set out the strategic objectives of the Sponsor Body and, as Stephen Dance explained to us, to clarify which body is responsible for specific decisions. If difficulties arise between the Sponsor Body and the Delivery Authority, the key question will be the legal status of the PDA. It would be helpful for the Government to clarify how such difficulties are dealt with in relation to the other projects to which the proposed governance structure applies. (Paragraph 136)

25. The degree of scrutiny we have applied to the relationship that will exist between the Sponsor Body and Parliament should not detract from the importance of the relationship that will exist between the Sponsor Body and the Delivery Authority. It will, for the most part, be the interaction of these two organisations that will determine the timely and efficient progress of Restoration and Renewal. (Paragraph 139)

26. The Sponsor Body will be tasked with holding the Delivery Authority to account, but it will also be a buffer between Parliament and the people undertaking the work. Sir David Natzler noted that one of the reasons that Sir Charles Barry, the deliverer of building works in the 19th century, had to appear before over one hundred parliamentary committees was because he did not have a Sponsor Body. (Paragraph 140)

27. We do not expect the Programme Delivery Agreement to be set in stone and much like the agreement between the Sponsor Body and Parliament, it will have to evolve through many iterations to reflect the progress and challenges of the project at any given time. It is essential, however, that it sets out how revisions to the proposals should be implemented if Parliament and the Sponsor Body agree that changes are necessary. Major alterations should not be introduced outside a set process to determine how changes can be incorporated into the plan and how the impact on the project’s budget and timetable will be accounted for. (Paragraph 141)
28. It is important, however, not to regard the Programme Delivery Agreement as the blueprint which will provide a mechanism to resolve any problems that arise over the course of the project. The document will only succeed if there is a strong and effective working relationship between the Sponsor Body and Delivery Authority. The nature of the individual relationships and communication between the two bodies will be central to the programme of works running smoothly on a day–to–day basis. We therefore recognise that the draft Bill’s provision which allows appointments by the Sponsor Body to the board of the Delivery Authority is a pragmatic way of building a bridge between the two organisations to enhance communication. In itself, we do not believe that this provision will compromise the independence of the Delivery Authority, but we recommend that all appointments to the board of the Delivery Authority should be made with the input and consent of the Delivery Authority’s Chair. (Paragraph 142)

29. We are neutral as to whether the Bill should constrain the Sponsor Body to use its power to dissolve the Delivery Authority after the completion of the Parliamentary building works. As there is no obvious downside to this amendment we are unsure of the reason why the power was made discretionary in the first place. We therefore suggest this clause is reviewed to establish how best to cast the power to dissolve the Delivery Authority. (Paragraph 144)

30. The approach taken by the guardians of the 2012 Olympic Games serves as a helpful illustration of how a positive working culture can shape the success of a project of national significance. We are concerned that all those involved in the delivery of Restoration and Renewal should recognise that a culture of transparency and open communication will be central to the success of project. (Paragraph 149)

**Interaction between the NEP and the draft Bill**

31. The Sponsor Body is to be established with the single purpose of overseeing the delivery of parliamentary buildings works. The House of Commons Commission is currently responsible for the Northern Estate Programme, including the extensive redevelopment of Grade II listed Richmond House. The Commission is not an organisation whose primary purpose is to manage major building works and we do not believe that it should retain this responsibility when a dedicated organisation is ready and able to take over. (Paragraph 155)

32. Once the Sponsor Body has been established in its substantive form we believe it should take control of the Northern Estate Programme. The timely decant of the Palace of Westminster can be achieved only if Richmond House is ready to accommodate the Commons. The Lords decant and transfer to a temporary home will be undertaken by the Sponsor Body and we believe it would be anomalous for the Sponsor Body not to have the same authority over the Commons decant. (Paragraph 156)
33. The Leader of the House said that combining the two programmes would create complexity and dependencies, but the fundamental dependency of the programmes already exists. The complexity and cost of works will only be exacerbated if there are two separate management teams and delivery organisations attempting to coordinate their activity in decanting an entire working parliament of two Houses into a number of disparate buildings. (Paragraph 157)

34. Moreover, the Leader of the House of Commons spoke about creating a legacy for Richmond House as part of Restoration and Renewal. Such an ambition underlines why the Sponsor Body, which will be responsible for the legacy of the Palace of Westminster, should also determine how the long term ambitions for the Palace complement other buildings subject to redevelopment, such as Richmond House. (Paragraph 158)

35. In the course of our inquiry, we came across a problem that exemplifies some of the challenges that the shadow Sponsor Body is facing and that its statutory successor may continue to face in relation to carrying out Restoration and Renewal expeditiously and with due concern for economy. We learned that the plans for works on Richmond House which were already being developed by the current NEP team had been postulated on the contractors being able to get access to some land that is within the Ministry of Defence’s estate (it is currently used as a car park), largely to enable deliveries of materials to the construction site and the construction of temporary accommodation for those working on the building. However, all efforts to discuss these plans with the Ministry of Defence had been met with a refusal to engage—in contrast to the helpful attitude displayed by another neighbour, Scotland Yard. There may well be significant security reasons for not allowing this area to be used during the reconstruction of Richmond House, but that had not been clearly stated. (Paragraph 159)

36. Although it would be possible to work around the loss of this land, because of the need to move access arrangements and dismantle and rebuild accommodation as the works developed, there would be significant extra costs—we were told in the region of £350 million—and delay (possibly resulting in decant being postponed for several years, until 2028). After a considerable time during which Commons officials were able to make no progress in this impasse, the Chancellor of the Duchy of Lancaster was now involved in the discussion with the Ministry of Defence and the Leader of the House assured us that serious engagement was now under way. Unfortunately, the delay and uncertainty caused by the failure of the Ministry to engage with the House administration had already resulted in the need to draw up alternative plans without knowing whether they might be needed and to what extent any issues identified by the Ministry of Defence might be accommodated. (Paragraph 160)

37. The situation in relation to the Ministry of Defence land must be clarified swiftly. The delay and confusion already caused highlights for us a number of issues that we have explored elsewhere in this report. The first is the need for the Northern Estate Programme to be brought under the aegis of the Sponsor Body as soon as practicable, as R&R is critically dependent on the arrangements for decant being as smooth and efficient as possible. The second is the need for some form of government commitment to the project so that, if necessary, Ministers can talk to Ministers to
resolve problems. To a certain extent, this is a role for the Treasury, as the guarantor of value for taxpayers’ money: it seems to us that, had this problem occurred later in the project, the Treasury would have felt bound to comment on a possible £350 million increase in budget, and quite likely would have put pressure on the Ministry of Defence to engage. The third is the need for a strong, confident Sponsor Body, proactive in reporting problems and fully supported by Parliament in addressing them. Finally, we note that our inquiry appears to have had a role in bringing the ‘Ministry of Defence car park’ problem to the notice of Members of both Houses and others, which underlines the role of select committees in facilitating, as well as hindering, projects. (Paragraph 161)

38. We are concerned that, without a definite date for completion, the R&R project may lose momentum. We acknowledge that it is for the Sponsor Body to formulate a timetable for the works but we consider that it would be helpful to the Sponsor Body if Parliament were to agree its timetable for completion of R&R, together with milestones along the way. The system of annual reports to Parliament set out in Paragraph 26 of Schedule 1 to the Bill would provide the mechanism for this, and we would expect that such annual reports would form part of the National Audit Office’s audit process. This does not mean that the Sponsor Body would be unable to come back to Parliament to propose significant changes to the timetable should there be major unforeseen circumstances that cause unavoidable delays. (Paragraph 169)

39. We found no simple solution to the problem of ensuring that Restoration and Renewal can be undertaken in timely fashion, whilst guaranteeing that the letter and spirit of planning law are respected. Streamlining the system so that R&R does not become constrained by objections, complaints and inquiries is attractive when considered against the demands of a project of such national importance. However, there is no legislative solution that would achieve this objective and we do not believe that creating a hybrid Bill would be of benefit to the project. Furthermore, we do not believe that Parliament should exempt itself from the planning regime that it has determined that all other projects should abide by. (Paragraph 174)

40. We do not underestimate the challenges that the Sponsor Body and Delivery Authority will face, but we believe that they can be managed through resourcing the needs of Westminster City Council and maintaining open communication with those parties that hold a fundamental interest in the project. (Paragraph 175)
Draft Report (Draft Parliamentary Buildings (Restoration and Renewal) Bill), proposed by the Chair, brought up and read.

Ordered, That the Chair's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 175 read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Report of the Committee to both Houses.

Ordered, That the Chair make the Report to the House of Commons and that the Report be made to the House of Lords.

Ordered, That embargoed copies of the report be made available, in accordance with the provisions of House of Commons Standing Order No.134.
Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [publications page](#) of the Committee’s website.

**Wednesday 9 January 2019**

Tom Healey, Programme Director of the Restoration and Renewal Programme, and Liz Peace CBE, Chair of the shadow Sponsor Board for the Restoration and Renewal of the Palace of Westminster.  
[Q1–51](#)

**Wednesday 23 January 2019**

Professor Matthew Flinders, Director, Sir Bernard Crick Centre for the Public Understanding of Politics, Sheffield University, and Becky Clark, Director, Cathedral and Church Buildings Division, Church of England.  
[Q52–83](#)

**Wednesday 30 January 2019**

Sir John Armitt, Former Chairman, Olympic Delivery Authority, Matthew Vickerstaff, Interim Chief Executive, and Stephen Dance, Director of Infrastructure Delivery, Infrastructure and Projects Authority.  
[Q84–126](#)

Sir Amyas Morse, Comptroller and Auditor General, National Audit Office.  
[Q127–137](#)

**Wednesday 6 February 2019**

Ken Gall, TUS President; Sean House, Chair, ParliAble, Helen Kenny, national officer, First Division Association, and Georgina Kester, Chairman, Members and Peers Staff Association.  
[Q138–175](#)

**Wednesday 13 February 2019**

Rt Hon. Andrea Leadsom MP, Lord President of the Council and Leader of the House of Commons.  
[Q176–224](#)

Sir David Natzler KCB, Clerk of the House of Commons, and Ed Ollard, Clerk of the Parliaments.  
[Q225–280](#)
Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee’s website.

DPB numbers are generated by the evidence processing system and so may not be complete.

1 Baroness Evans of Bowes Park, Leader of the House of Lords and Lord Privy Seal (DPB0009)
2 Historic England (DPB0005, DPB0002, DPB0010)
3 House Trade Union Side (DPB0006)
4 Dr Andreas Pantazatos (DPB0007)
5 Dr Henrik Schoenefeldt (DPB0001)
6 Sir David Natzler KCB, Clerk of the House and Commons and Ed Ollard, Clerk of the Parliaments (DPB0007)
7 The Sir Bernard Crick Centre, Department of Politics, University of Sheffield (DPB0004, DPB0003)