



Meeting Minutes

Sponsor Board

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| Meeting date | 13 July 2020 |
| Meeting location | Virtual Meeting |
| Meeting time | 3.30pm – 6.30pm |

Members Present

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| Liz Peace, Chair |
| Lord Best |
| Lord Carter of Coles |
| Lord Deighton |
| Damian Hinds MP |
| Brigid Janssen |
| Marta Phillips |
| Baroness Scott of Needham Market |
| Tommy Sheppard MP |
| Mark Tami MP |
| Simon Thurley |
| Simon Wright |

| Attendees | Item |
|---|----------|
| John Benger, Clerk of the House of Commons | All |
| Ed Ollard, Clerk of the Parliaments | All |
| Sarah Johnson, CEO, Sponsor Body | All |
| Michael Torrance, Head of Secretariat, Sponsor Body | All |
| Susannah Street, Board Secretary, Sponsor Body | All |
| Jo Porter, Governance Officer, Sponsor Body | All |
| David Goldstone, CEO, Delivery Authority | All |
| Matt White, Programme Director, Delivery Authority | 4 to end |
| David Yass, Strategic Review Lead, Sponsor Body | 3 |
| Simon Reason, Director, NAO | 5 |
| Tom White, Senior Analyst, NAO | 5 |
| Gurdip Juty, Finance & Corporate Services Director, Sponsor Body | 5 |
| James Young, Head of Programme, Risk & Assurance, Sponsor Body | 5 |
| Mike Brough, Programme & Assurance Director, Sponsor Body | 5 & 6 |
| Matthew Hamlyn, Strategic Director, Chamber Business Team, House of Commons, and Chair of the Joint Working Group | 6 |
| Amanda College, Business Case Director, Sponsor Board | 6, 7 & 8 |
| Andy Piper, Design Director, Delivery Authority | 7 |
| Ainsley Moore, Business Case Consultant, Sponsor Body | 7 & 8 |
| Bethan Evans, Business Case Consultant, Sponsor Body | 7 & 8 |
| Chris Ctori, Sponsor Body | 9 |



1. Welcome, Agenda & Declarations of Interest

- 1.1 The Chair welcomed those present to the fifth meeting of the Sponsor Board. She thanked the outgoing Board Secretary for her support to the Board. She also welcomed David Goldstone, CEO of the Delivery Authority, to his first Board meeting since taking up his post.
- 1.2 The Chair gave the Board an overview of her engagement activities since the last meeting, including discussions regarding the Strategic Review. She noted that the Programme would be debated in the House of Commons later in the week.
- 1.3 No apologies were received for the meeting.
- 1.4 No changes were tabled to the Board meeting agenda (SB/20/055).
- 1.5 There were no declarations of interest made relevant to the items on the agenda.

2. Minutes of the previous meeting and matters arising

- 2.1 The minutes of the previous meeting (SB/20/056) were APPROVED as amended.
- 2.2 The Board NOTED the progress made against the actions (SB/20/066).

3. Sponsor Body Progress Report

(SB/20/057)

Period: June 2020

Officials: Sarah Johnson, CEO, Sponsor Body

David Yass, Strategic Review Lead, Sponsor Body

- 3.1 The Chief Executive Officer gave the Board an overview of the work of the Sponsor Body for the period. She thanked Board members for the engagement work they were undertaking for the Strategic Review.
- 3.2 The CEO updated the Board on her recent discussions about work on the Estate-wide masterplan with Isabel Coman, MD of In-House Services and Strategic Estates. A person would be seconded from the Delivery Authority (DA) to Ms Coman's team. There was a distance to go before an overall plan and timetable for the work would be finalised, but progress was being made. The Programme's priorities had been fed in, and it was hoped that components would be ready in time to contribute to the Common Elements scheme.
- 3.3 The following points were raised and noted:



- 3.3.1 The impacts of the coronavirus crisis on the Houses' accommodation needs would not be clear for some time.
- 3.3.2 The timetable for finalising the Corporate Plan was discussed. The CEO noted that although the plan would be published part-way through the financial year, having the plan was an important discipline for the Programme and would feed into other corporate processes, so her preference was to finalise and publish it as soon as possible.
- 3.3.3 The Estate-Wide Engineering Infrastructure and Resilience (EWEIR) Programme was concluding as a separate programme, and its requirements in terms of outcomes would be transitioned into R&R by the end of July, without pre-judging any solutions. Whether acquiring these requirements amounted to a change in scope was discussed: the CEO noted that the Programme did not yet have a baseline for scope. The case was made that it was helpful for the Programme to acquire the requirements to take into development of the Business Case, rather than bear the risk of having to work with outputs from a separate programme that might not dovetail with the R&R Business Case. It was noted that it had always been expected that R&R would deliver a resilient energy centre in the Palace. The EWEIR requirements would reflect Parliament's Strategic Vision for the Built Environment, and the Government's emissions targets, which the Programme would also be expected to accommodate. The Board NOTED that, subject to development of the business case, the R&R Programme's eventual scope and costs might include some elements arising from the EWEIR transferred requirements which might not have been accounted for in the original Independent Options Appraisal numbers.
- 3.3.4 The outcomes of the Strategic Review were expected to be considered by the Board in October, and then by the House Commissions. What input might be required from the Commissions, and therefore how quickly the governance process would conclude, would become clearer as the Review progressed.
- 3.3.5 Recruitment to the vacancies in the CEO's senior team was nearly complete.

3.4 **DECISION:** The Board NOTED the contents of the Sponsor Body Progress Report for the period to late June 2020.

4. R&R Delivery Authority Programme Report

(SB/20/058)

Period: May 2020

Officials: David Goldstone, CEO, Delivery Authority
Matt White, Programme Director, Delivery Authority

4.1 The DA CEO introduced the item. He highlighted the work going on to prepare for the submission of the Programme OBC, which would be subject to the Strategic Review outcomes. A key priority for him as incoming DA CEO, alongside the Review, was building the organisation's capability and capacity, with recruitment ongoing.

4.2 The Programme Director gave the Board an overview of the work of the Delivery Authority for the period. The schedule for finalising the technical options papers was very tight, with no remaining float. Some of the Business Case options papers had moved back in the autumn but sticking to their revised schedule was vital. The timeline for the down-selection of options for the Lords decant venue



was under close scrutiny. The DA spend for May was £5.5m excl. VAT against the previous month's forecast of £6.2m excl. VAT, due to slower than planned staff recruitment.

4.3 The following points were raised and noted:

- 4.3.1 How minimal the 'do minimum' option for the Lords decant venue could be was dependent on the issue of refurbishing building systems which were approaching their life expiry.
- 4.3.2 As the DA was now a substantive body separate from Parliament, its periodic reports would cease to include the historic costs of the R&R Programme going back to 2012. That information would be retained in case of future inquiries.

4.4 **DECISION:** The Board NOTED the contents of the R&R Programme Progress Report for May 2020.

5. NAO Report & Management Response

(SB/20/059)

Officials: Simon Reason, Director, National Audit Office
Tom White, Senior Analyst, National Audit Office
Mike Brough, Director of Programme & Assurance, Sponsor Body
Gurdip Juty, Finance & Corporate Services Director, Sponsor Body
James Young, Head of Programme, Risk & Assurance, Sponsor Body

5.1 Simon Reason presented an overview of the NAO's recent first report on the Programme. Key themes, based on the NAO's experience of a large number of major infrastructure programmes, were programme oversight, development of programme requirements, related or interdependent projects, and the development of the cost and schedule. He encouraged the Board to look at the NAO's report on the UN capital master plan. For R&R, the relationship between the Programme's stakeholders would be crucial; the levels of uncertainty were high, especially given a lack of full information on the condition of all areas of the Palace; the market's ability to support the scale of heritage work involved was important, and robust contract management would be needed; and the culture and behaviours of the Programme would be fundamental. He discussed the support that the Sponsor Body's Audit & Assurance Committee could provide to the Programme.

5.2 The Sponsor Body's Director of Programme and Assurance gave an overview of the management response to the report. The report was welcomed, and all the recommendations had been accepted. Key themes of the response were the need for clear roles and responsibilities for all the parties; the need for effective engagement strategies and the resources to deliver on them; and the importance of reflecting and tackling uncertainty as the Programme developed. A strategy was being developed to define cost and timescale ranges: the Programme would need to be able to communicate the need for using ranges, which was driven by the Programme's uncertainties. The response would shortly be discussed by the Houses' Joint Audit Committees, and with the Public Accounts



Committee. He recommended that the SB's Audit & Assurance Committee should consider the response quarterly.

5.3 The following points were raised and noted:

- 5.3.1 Board members discussed the challenges arising from the Programme's large number of 'customers' and interested groups, especially as a number of the stakeholders changed with each General Election. The Programme would need to be very clear about the objectives it was setting, and make changes to those only when absolutely necessary. Its decisions would need to be transparent, so that the basis on which decisions had been taken would be clear.
- 5.3.2 The importance of transparency and proactive reporting on performance as a way of building trust and confidence in the Programme was noted.
- 5.3.3 Work would be needed on distilling what would constitute a change for the Programme.

5.4 **DECISION:** The Board NOTED the NAO Report and the Action Plan prepared by the Programme together with Parliamentary colleagues, the activities that would follow the Board's discussion, and the role of the Sponsor Body Audit and Assurance Committee in maintaining a watching brief on this activity.

6. Strategic Steers for the Palace of Westminster & Commentary from the Sponsor Body

(SB/20/060)

(SB/20/061)

Officials: Matthew Hamlyn, Strategic Director, Chamber Business Team, House of Commons, and Chair of the Joint Working Group
Mike Brough, Director of Programme & Assurance, Sponsor Body
Amanda Colledge, Business Case Director, Sponsor Body

6.1 Matthew Hamlyn introduced paper SB/20/060, which provided the Houses' response to the Board Chair's request in July 2019 for 'strategic steers' about the future of the Palace. The response had been prepared by the Joint Working Group, and reviewed by the Commons Executive Board and Lords Management Board. The coronavirus crisis had brought about substantial changes as the Group had been completing its work; further work would be needed on how space in the Palace could be best used. Some of the responses to the Chair's questions were open and shut, while others were more nuanced, and there were dependencies with the Estate-wide masterplan.

6.2 The SB's Director of Programme and Assurance introduced paper SB/20/061, which provided the SB's commentary on the strategic steers. The Business Case options papers that had come to the Board thus far had reflected the Group's emerging conclusions, and the steers would feed into the future options papers. The steers would also be reflected in the SB's task briefs to the DA.

6.3 The following points were raised and noted:

- 6.3.1 Changes to the way that the Estate was used after the coronavirus crisis would need to be reflected in the masterplan. Space might be used differently, but politics would likely always be a gregarious business. Requirements for accommodating Members' staff might change, though some Members' staff would presumably wish to be in Westminster at



least some of the time; this would relate to the rules set for Members' staffing by the Independent Parliamentary Standards Authority. Plans would need to build in flexibility as the future was unclear.

- 6.3.2 The steers were inter-related – for example, the siting of an Education Centre would be dependent on whether it was easy to move through the Palace's ground floor and come up to the Chambers in a secure and convenient way.

6.4 **DECISION:** The Board NOTED the strategic steers and would give due consideration to them, and to the accompanying contextual issues outlined in paper SB/20/060, as part of its business case review process. The Board also NOTED the commentary provided by the Sponsor Body in paper SB/20/061 on the strategic steers produced by the Houses, and how the Programme was taking forward actions arising from the provision of those steers.

7. Asbestos Options Paper

(SB/20/062)

Officials: Amanda Colledge, Business Case Director, Sponsor Body
Ainsley Moore, Business Case Consultant, Sponsor Body
Bethan Evans, Business Case Consultant, Sponsor Body
Andy Piper, Design Director, Delivery Authority

7.1 The Business Case Director gave a presentation summarising the paper. The Board had adopted the goal to "achieve an asbestos risk-free Palace of Westminster and safe disposal of any asbestos removed". The complete removal of asbestos in the Palace was not possible, and it could in some cases be safer to leave asbestos in situ, while monitoring it and making it safe. A key question for the Business Case was how much asbestos remediation should be done. The two preferred core options looked at remediating asbestos only where other R&R works were being undertaken, or throughout the Palace even where other works were not being undertaken. Whether there was a considerable step up between those options would be confirmed at a later stage in the Business Case process. The impact of asbestos on the future maintainability of the restored Palace would also be taken into account. The Board was asked to rule out undertaking no asbestos remediation, which would unfeasibly limit the scope of R&R works. Remediation as the works progressed, without surveys in advance, would also be ruled out, as it would involve unpredictable delays with a consequent impact on cost. The practice of comparable programmes was noted.

7.2 The following points were raised and noted:

- 7.2.1 It would be important for the Programme to understand the cost and level of residual risk arising from any asbestos left in situ, and how this would be safely managed. It was noted that almost all of the areas in which asbestos had been introduced would be refurbished as the mechanical and electrical plant was replaced. Spaces in which asbestos debris might have gathered would also be accessed as part of the Programme's fire strategy.
- 7.2.2 It would be important to communicate clearly that the Programme would focus on minimising the risks arising from asbestos in the Palace.

7.3 **DECISION:** The Board:



- 7.3.1 ENDORSED discounting asbestos options A (No asbestos remediation), B (No advance asbestos remediation), & E (Complete removal of asbestos) as unviable options, noting that the recommendation of the 2018 Resolutions of both Houses to ensure the “removal of asbestos” was not practicable as had previously been recognised by the Board in setting a strategic goal of achieving an asbestos ‘risk-free’ Palace of Westminster;
- 7.3.2 ENDORSED taking forward options C (Remediate asbestos only to areas impacted by agreed R&R works) and D (Remediate asbestos to all areas of the Palace) for further analysis as part of the Common Elements scheme, at which point they would be reassessed to determine whether they were substantially different and, if so, a ‘preferred option’ could be identified;
- 7.3.3 ACKNOWLEDGED the cost and schedule risks inherent in the fact that comprehensive information on the extent and condition of all asbestos containing materials (ACM) in the Palace can only be fully understood following an intrusive survey;
- 7.3.4 ACKNOWLEDGED that it was not possible to decide on a remediation approach for each individual case of Asbestos Containing Material (ACM) at this stage, and that as a consequence, there was a need for the DA to create a robust decision-making framework to ensure that the individual case-by-case decisions relating to asbestos remediation were made in a manner that delivered against the R&R strategic goals, including value for money.

8. R&R Programme Business Case Benefits & VfM Approach

(SB/20/063)

Officials: Amanda Colledge, Business Case Director, Sponsor Body
Ainsley Moore, Business Case Consultant, Sponsor Body
Bethan Evans, Business Case Consultant, Sponsor Body

- 8.1 The CEO introduced the item, and emphasised that it was important to ensure that the Board was comfortable with the approach to assessing benefits being proposed. The Business Case Director gave a presentation summarising the paper, which discussed how value for money would be assessed through the Business Case decisions process. The Treasury’s Green Book set out the methodology to be used by all public sector programmes; this paper was about how it would be applied. The Programme would put a monetary value on the Programme’s direct quantifiable benefits to Parliament and the public sector, but would not put a monetary value on the wider benefits to society such as employment and heritage. The Programme was not introducing a new good, such as a new asset, so it would not be making decisions on the basis of a positive Benefit-Cost Ratio. Qualitative assessments would be used in evaluating how far different options would meet the Programme’s goals, with adjustments as necessary for the decant venues. Scenario analysis would be used to assess whether any criteria could change the option chosen from a qualitative perspective. The Business Case team had undertaken initial consultation on this approach.
- 8.2 The following points were raised and noted:
 - 8.2.1 The Palace was a nationally and internationally recognised asset, so the Government bore an obligation to ensure it was protected for future generations. One of the Programme’s benefits would be allowing the Government to fulfil that obligation.
 - 8.2.2 The analysis of options would allow the Board to understand which options would meet the Programme’s minimum requirements, as well as the comparison between options. The



ranges of options that had been agreed with the DA had been developed with the Programme's strategic themes and goals in mind, to cover the full spectrum up to the upper end of the aspirations.

8.3 Board members were encouraged to discuss any questions with the Business Case Director; an additional briefing would be arranged if desired.

8.4 **DECISION:** The Board NOTED:

- 8.4.1 The scope and application of benefits to be included within the business case;
- 8.4.2 The net cost approach to assessing the business case options; and
- 8.4.3 The proposed qualitative criteria and scoring methodology against which options would be assessed as part of the qualitative appraisal of options.

9. Restoration & Renewal Corporate Plan

(SB/20/064)

Official: Chris Ctori, Sponsor Body

9.1 The CEO introduced the item. The Corporate Plan was important for the Programme's corporate processes, and for transparency; it had deliberately been created jointly with the DA. Chris Ctori noted that it was important for ensuring that both organisations were aligned on their priorities. It would be finalised in the coming weeks.

9.2 The following points were raised and noted:

- 9.2.1 The Plan should include more detail about the deliverables that would be produced before the completion of the Outline Business Case. More quantification, key milestones and measures against which progress could be assessed were requested.
- 9.2.2 The structure of the report should be guided by the governance structure of the Programme.
- 9.2.3 A user-friendly digest of the Plan should be provided on the Programme's website, as well as the full text, and that fewer dense diagrams should be included.
- 9.2.4 The Plan could say more about the Programme's valuable work on public engagement.

9.3 **DECISION:** The Board REQUESTED that the points raised be considered and that a final version of the Corporate Plan be provided to the Chair for her approval.

10. Changes to the Sponsor Board Meeting Schedule

(SB/20/065)

Official: Susannah Street, Board Secretary, Sponsor Board

10.1 The Board discussed the options for the Board's future schedule of meetings, in terms of its alignment with the Programme reporting cycle and the DA Board's schedule. Board members expressed a strong preference for receiving the DA's Programme progress reports as soon as they were available, and top-level information very soon after the month end. The CEO would also ensure her reports were as up-to-date as possible. Further work was needed to ensure a smooth process for considering without delay matters raised by the DA Board that required consideration by the Sponsor Board.



10.2 **DECISION:** The Board CONFIRMED the revised schedule for Sponsor Board meetings through autumn 2020 and beyond.

11. Appointment of interim Board Secretary

Official: Sarah Johnson, CEO, Sponsor Board

11.1 Susannah Street stood down in her role as the Sponsor Board Secretary to return to a role the House of Lords. The Board thanked Susannah for all her hard work and wished her well for the future.

11.2 **DECISION:** The Board agreed to the appointment of Johanna Porter as the interim secretary of the Sponsor Body, with effect from 1 August 2020.

12. Comments, Announcements and Other Business

12.1 There was no other business.

12.2 The date of the next meeting would be 14 September 2020. An informal briefing on the Strategic Review would be held on 20 July.

12.3 The Chair brought the meeting to a close at 6.29pm.

13. Papers Enclosed for Information

13.1 Action Log (SB/20/066)

13.2 Future agenda (SB/20/067)

13.3 Programme Acronyms (SB/20/068)

Small sections of these minutes have been redacted, usually for reasons such as commercial confidentiality and sensitive management information.

Signed By: 

Date: 14 September 2020