



HOUSES OF PARLIAMENT
RESTORATION & RENEWAL

Quarterly Report R&R Programme Q2 2020/21

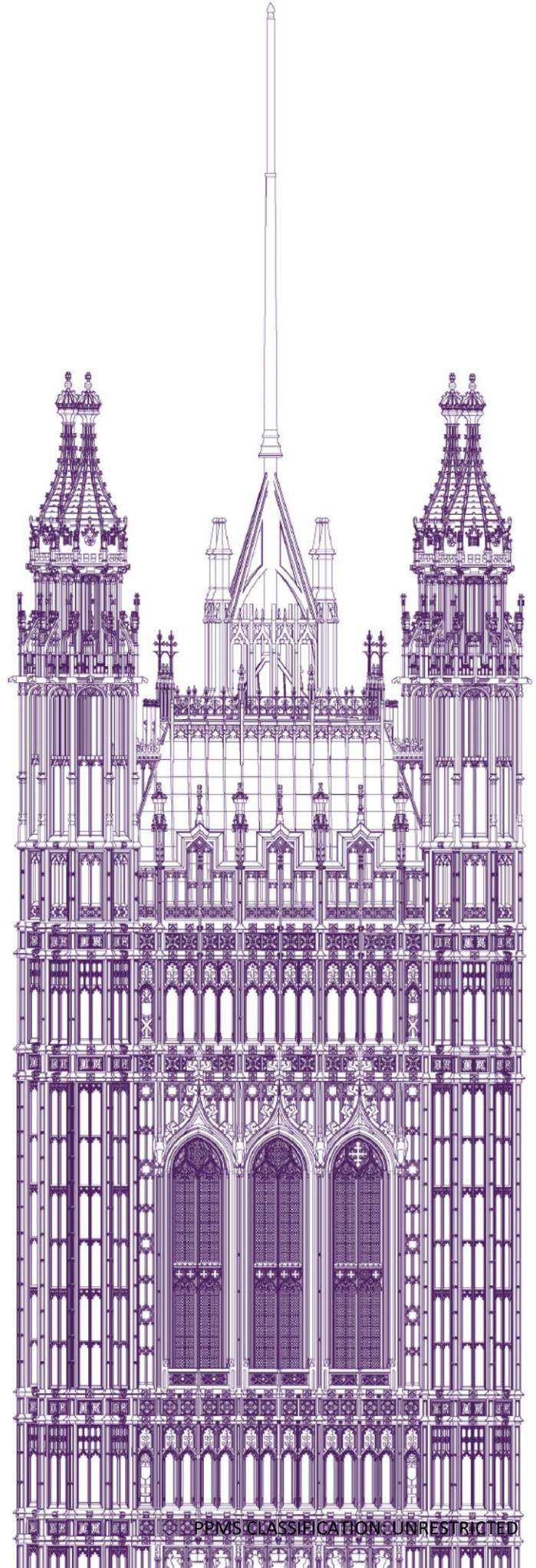




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Quarterly Report

Q2 2020-21

Purpose

1. Under the terms of the Parliamentary Relationship Agreement (PRA), the R&R Sponsor Body submits a quarterly report on the Programme to the Corporate Officers of both Houses. The report is expected to include an update on the recent activity of the Sponsor Body and Delivery Authority, including consultation and engagement with both Houses; the latest integrated schedule; and an overview of the programme costs, risks and assurance activities.
2. To ensure the quarterly report is as topical as possible it will cover past, ongoing and future Programme activity.
3. As part of its publication scheme and commitment to transparency, the Programme has decided to publish a version of the Quarterly Reports, following their consideration by the Commissions of both Houses. Any sensitive cost, schedule or commercial data will be removed in advance of publication.

Developing Corporate Capacity

4. The Sponsor Body and Delivery Authority continue to build their capability and capacity, transitioning from interim to permanent capability. The Sponsor Body has completed the recruitment of its executive team, with the appointment of a Chief of Staff, External Affairs Director and Finance and Corporate Services Director. The Delivery Authority has also completed recruitment of its Executive team with a Commercial Director and HR Director in post, and a Chief Finance Officer and General Counsel due to start in late autumn. The Chief Information Officer will be confirmed in quarter 3.
5. The six-month review of the Parliamentary Relationship Agreement (PRA), between the Sponsor Body and the Corporate Officers of both Houses, has been completed. A number of relatively minor amendments were agreed by the Parliamentary Relationship Group (the Sponsor Body CEO and the Clerks of both Houses). The PRG also agreed a programme of activity to further develop the relationship between the R&R Programme and both Houses and some of these activities will feed in to the 12-month review of the PRA which is due in Spring 2021.
6. The six-month review of the Programme Delivery Agreement (PDA) (the agreement between the Sponsor Body and the Delivery Authority) including any changes required as a result of the amendments to the PRA, was also completed in October and considered by the Sponsor Board and Delivery Authority Board in November.

Strategic Review

7. A strategic review of the Programme is ongoing, and the Commissions were invited to consider the review's interim findings, including an overview of engagement and next steps, at their September meetings.



8. As we near the end of the Review, we have commissioned a further piece of independent technical work, led by an independent engineering company, which has not previously been involved in the Programme but has experience of working for Parliament.
9. Following the Commission meetings in September, the Sponsor Body Chief Executive wrote to the Speakers of both Houses to provide further information about the additional work described above as well as the revised timetable for the completion of the review, including its consideration by both Houses. This will see the Sponsor Body Board considering the review's draft recommendations in November, with the report being considered by the House Boards and Commissions before the Christmas recess. Following further engagement on the report with various committees in both Houses in the new year, the report will then be published.
10. On 21 July, the Chief Executives of the Sponsor Body and Delivery Authority, alongside the Clerks of both Houses and the Director General of the House of Commons, gave evidence to the Public Accounts Committee following the publication of the NAO's first report into the Programme. The evidence session also covered the strategic review, and the PAC published a report at the beginning of October making a number of recommendations to the Programme. The Chief Executives of the Sponsor Body and Delivery Authority wrote to the PAC Chair on 15 October to accept these recommendations.

Consultation and Engagement

11. Q2 saw an increase in Member engagement in comparison to low engagement during Q1 due to the initial impact of COVID-19 on such activity.
12. Member engagement has focused on two areas: an invitation to Members of both Houses, including their staff and Parliamentary officials, to contribute their views to the strategic review, and the offer of an introductory briefing on the Programme to new Members of Parliament.
13. The Member engagement on the strategic review took place throughout July. The Programme received 191 responses overall, with 63 submissions received from MPs and 75 submissions from Peers.
14. All new Members of the House of Commons elected at the 2019 General Election have been offered a one-to-one briefing on the Programme. Take up of this offer has been good, with 36 one-to-one meetings with MPs having taken place to date and more in the pipeline. New Members of the House of Lords have also been offered an introductory briefing, which will be followed up once the strategic review is completed.
15. There has been a busy programme of engagement with parliamentary staff during Q2. As with Members and Members' staff, staff of both Houses and third-party occupiers (e.g. the press lobby) were also invited to submit their views to the strategic review in July.
16. The Programme has established twelve Regular Engagement Groups with Parliamentary stakeholders, across a range of subject areas (e.g. Building Services and Logistics, Catering, Participation). These groups intend to coordinate and streamline ongoing engagement with subject matter experts within the House administrations.



17. Looking ahead to Q3, the Programme's communications and engagement priorities will be in support of the strategic review, developing the Regular Engagement Groups, and engaging with the House administrations' Joint Working Group to clarify a series of design assumptions that will be required to inform the outline business case during the first half of 2021.

Assurance

18. A joint management response to the April NAO report on the Programme was developed between the Programme and both House administrations, which was discussed by the Public Accounts Committee on 21 July.
19. The first joint meeting of the Risk, Audit and Assurance Committees of the Sponsor Body and Delivery Authority was held on 18 September. This was a productive meeting which approved the Programme Risk and Contingency Strategies, Third Line Assurance Plan, and initial audit plan. There were also discussions on the strategic risks and organisational risk appetite. Further joint meetings will be held on a quarterly basis.
20. A monthly Programme Assurance Group was established in June 2020. Its purpose is to ensure that comprehensive risk-based assurance activities are planned and completed by various functional and discipline experts across the Delivery Authority; that a multi-disciplinary coordinated and collaborative approach is taken, and that assurance outcomes provide insight into the performance of the Delivery Authority.
21. New areas of risk were identified between the Programme and both Houses at the Risk Interface Forum. These were mainly around requirements and interfaces with Parliamentary programmes. The mitigations for these new risks focussed around effective information exchange between the parties and collaborative planning through the Integrated Schedule Working Group.

Business Case Development

22. The Sponsor Body issued the Restoration and Renewal Programme OBC Task Brief to the Delivery Authority in September. Whilst the outcome of the strategic review may warrant an amendment to the brief, the majority of activities that have been requested in the brief will be required to support the OBC regardless of the outcome of the review. On this basis, there was judged to be greater benefit in formally issuing the brief in September rather than waiting until the outcome of the review is known, in order to maintain momentum with the development of this key deliverable.
23. The development of a Requirements Management Strategy is underway across the Sponsor Body and Delivery Authority, which will include engagement with both House administrations. 28% of the business requirements are ready to be presented to the Joint Working Group for endorsement in November, with the remaining 72% being separated into two tranches. The first tranche is planned to have prepared working assumptions by the end of Q3 2020/21 and the second tranche by the end of Q4 2020/21.



24. Technical work continues on the Palace of Westminster project, to assess the options across a number of scope interventions as part of the business case strategy. This will then inform the schemes that are to be developed and assessed as part of the Outline Business Case (OBC). To date the Sponsor Board have considered options for improving accessibility, security and fire protection measures, as well as considering asbestos strategies and an approach to accretions.
25. The House of Lords Decant project has progressed on defining the potential options for the fit out of the QE2 and the Delivery Authority have provided a technical assessment of the options including costs and risks.
26. Further engagement with the House of Lords Administration on the scheme options has been paused pending the outcome of the strategic review, which will delay the planned down-selection to the preferred option which was scheduled during Q4. Options to mitigate this impact, if required following the outcome of the review, are being considered by the Sponsor Body and Delivery Authority.
27. The Heritage Collections Decant Project has developed a range of draft options for facilities that would allow for Palace decant, as a minimum, as well as meeting the Houses longer term requirements for heritage storage and conservation facilities. The two Houses Joint Investment Board have recently considered a mandate from the Head of Heritage Collections which sets out the needs of the Collections. Following the agreement of the mandate the next steps include ensuring alignment of accountabilities and responsibilities between the Heritage Collections and R&R teams.

Programme Delivery

Palace of Westminster

28. The strategic review has had an impact on the Palace of Westminster project timescales as resources have been redirected to support the review. Some project milestones have slipped one to two months as a result. However, the project continues to make progress with all 13 RIBA 1 desktop surveys now completed; all five BDP supply chain surveys completed, and asbestos and hazardous materials surveys now nearing completion with access to a few difficult rooms still required.
29. Heritage impact assessments have been completed and engagement with Westminster City Council and Historic England will re-start next month to keep them informed of the options being considered and the evidenced-based process of analysis. Evidence-based analysis is the scoring applied when assessing the Heritage impact of a particular activity.
30. The anticipated target date for preparing the Programme Outline Business Case for initial consideration by the Sponsor Board continues to be Mid-2022.

House of Lords Decant

31. Progress has been made during Q2 with a number of technical, cost and schedule deliverables issued to the Sponsor Body for challenge and review. This includes proposals for four of the potential scheme options, cost plans, schedules, and quantified risk assessments.



Heritage Collections Decant

32. The ability to undertake surveys on the condition of the Heritage Collection has been inhibited by the COVID-19 restrictions. Instead, as much work as possible using existing inventories and information is being taken forward remotely, until Palace surveys can resume on site. There have been delays in accessing Parliament's online database, but an action plan has been agreed with the Parliamentary Digital Service to resolve the issues and move forwards.

Integrated Schedule

33. The integrated schedule will continue to be jointly owned and updated by the leads of the three major programmes (R&R, NEP and Moves). Additional processes will be introduced to ensure that the Moves and NEP dates are aligned and based on published schedules. Future work to present timeline scenarios will be undertaken by the joint team but formal updates of the schedule will be paused until outcomes of the Strategic Review are understood.

Health, Safety & Wellbeing

34. No safety incidents have been reported in Q2 and the Delivery Authority Safety Management System continues to be developed.
35. The Programme's COVID-19 business continuity plan has been enacted with regular priority planning and information cascades to team leaders.
36. Staff wellbeing remains a key priority of the Programme. A limited return to the office for those who need to access office space is planned in line with Parliamentary and Government guidelines for COVID-19 secure working.

Annex A – Integrated Schedule

[REDACTED]

Annex B – Financial Summary

Restoration and Renewal Programme - Quarter 2 Outturn (£m's)

Quarter 2 2020/21	Quarter 2				YTD				Full Year			
	Actuals	Q1 Forecast	Variance	%	Actuals	Q1 Forecast	Variance	%	Out Turn Forecast	Budget	Variance	%
Sponsor Body	3.0	3.6	0.6	13%	6.6	7.3	0.7	9%	14.8	16.6	1.8	11%
Delivery Authority Management	7.1	10.4	3.3	32%	13.6	18.5	4.9	26%	32.0	37.8	5.7	15%
Digital and Data	5.9	8.0	2.1	26%	13.6	14.8	1.2	8%	27.8	27.9	0.1	0%
Heritage Collections Decant	0.5	0.6	0.1	13%	0.8	1.1	0.3	28%	2.5	3.0	0.6	18%
House of Lords Decant	1.9	4.1	2.2	53%	4.1	6.8	2.7	40%	12.0	12.5	0.5	4%
Palace of Westminster	3.7	4.3	0.6	13%	7.5	8.9	1.4	16%	18.8	19.9	1.1	5%
Programme Risk	0.0	0.0	0.0	0%	0.0	0.0	0.0	0%	2.0	7.6	5.6	74%
Total Expenditure	22.1	31.0	8.9	28%	46.2	57.4	11.2	19%	110.0	125.4	15.4	12%

Table 1: Financial Performance



Headlines

The financial performance at the end of September has shown a further underspend against the Q1 forecast. The underspend is due to a number of factors, including the continued impact of the pandemic on the ability to carry out surveys, and the slower than expected recruitment of staff. In the second half of the year, we expect to see a ramp up of activity and recruitment.

The forecast outturn for the year, reviewed as part of the of the 2021/22 Business Planning process, reflects the latest position and is based on the current Programme schedule. The planned activity is subject to the findings of the Strategic Review. We will review the outturn forecast for the year and report the position at Q3.

Sponsor Body

An underspend in the quarter of £0.6m within the Sponsor Body is largely driven by delays in recruitment. The full year forecast has been reduced to reflect this impact accordingly.

Delivery Authority Management

The Delivery Authority management and corporate overheads are reporting a year to date £4.9m underspend. The main two drivers for this underspend are: £1.6m due to planned refurbishment of office space not taking place; £1.3m due to less design activity whilst the Strategic Review is ongoing; and a reduced spend on benchmarking, technical standards and sustainability services, although it is expected these services will ramp up over the next six months. The balance of the underspend is largely driven by delays in recruitment.

Data & Digital

A delay in onboarding resources and delayed procurement of a main partner for Data Services is largely responsible for the £1.2m underspend against the Q1 Forecast.

Heritage Collections Decant

The Heritage Collections Decant project currently has a £0.3m year to date underspend. This is due to a delay in planned activities such as appointing a storage consultant, as further work is needed to understand requirements.

House of Lords Decant

The House of Lords Decant project costs are £2.7m under the Q1 Forecast due to the deferral of a decision on the preferred option for Lords decant until after the strategic review. This has resulted in less expenditure than expected on the business case and design costs.

Palace of Westminster

The Palace of Westminster project spend is currently £1.4m under the Q1 Forecast. This underspend is mainly driven by a slower than expected start of digital 3D design and modelling work, and survey work which has been delayed due to restricted access to the Palace.

Annex C – Top Strategic Risks

ID	Title	Description	Effect	Mitigations
SR 20	Political and Economic Environment	The current financial climate and uncertainty due to the COVID-19 pandemic make building political consensus difficult.	Consensus on the end requirement is difficult to achieve and decision making in the Houses is slower.	<ol style="list-style-type: none"> 1. Strategic Review will help to clarify overall objectives and high-level requirements. (Completed and shared with the Houses autumn 2020, published early 2021) 2. Engagement with the Houses after to the Strategic Review is published to clarify outcomes; give direction with regards to requirements; and re-confirm the Outline Business Case strategy (Early 2021) 3. Agree a clear roadmap and timeline for engagement and decisions to be taken by the Houses to support the programme (Nov) 4. Engage with Members to explain the outcomes of the Strategic Review and the evidence behind the recommended approach. (June 21)
SR 03	Parliamentary Requirements Unclear	Parliamentary stakeholders are unable to articulate clear requirements for R&R.	Considerable delay, cost and reputational damage to the programme. Programme knowingly or unknowingly progressed at risk.	<ol style="list-style-type: none"> 1. Strategic Review will help to clarify overall objectives and high-level requirements. (Early 2021) 2. Implement engagement plan with Parliamentary stakeholders. Engagement through different forums such as Joint Working Group, Master planning and Regular Engagement Groups. (Ongoing) 3. Proactively inform stakeholders as design and other outputs are developed. (Ongoing) 4. Maintain a controlled list of requests for information for Parliamentary stakeholders. (Ongoing) 5. Develop clear assumptions which can inform design in the absence of other direction, including developing assumptions from existing standards (Ongoing) 6. Unresolved user requirements (Business, Data, Technical) which have now been prioritised to be resolved through engagement mentioned above. These should be tracked through a Requirements Management Framework. (Mar 2021) 7. Business case option papers will be developed that have a range of deliverable options and the programme will continue work on multiple options to maintain flexibility where that is practical. (Ongoing) 8. Engage with IHSE and Joint Working Group to understand any changes to the estate and ways of working post COVID-19. (Ongoing)
DA 01	Impact of other Parliamentary Projects on the R&R Programme	As a result of dependent, preparatory projects being out with the control of the R&R programme, there is a risk that work is not effectively prioritised to meet the needs of R&R, resulting in unplanned changes to schedule, scope or cost.	Delay and cost to the programme along with reputational damage.	<ol style="list-style-type: none"> 1. Regular update of the Level 1 Integrated Schedule to take account of COVID impact, NEP planning, Moves programme changes. 2. Establish a clear definition of 'vacant possession' of a building to clarify responsibilities between Moves and NEP, Moves and R&R e.g. the decant HoC to Richmond House. 3. Establish a process for the clear identification, description, dependency, and risk level of R&R Interfacing Projects. Dashboard reporting to be developed. 4. Providing clarity on interfacing Programmes to Parliamentary colleagues as requested by the Public Account Committee. 5. Implement a clear change control process with the Houses, as set out in the PRA, to understand and manage change to the R&R Programme (April 2021). 6. Control the scope of the R&R Programme via the Task Briefing process between SB and DA, to ensure



				benefits realisation with minimal or no disruption to the Programme or to the outcomes of the Programme.
SR 16	Programme funding	Due to the likely economic uncertainty following the COVID-19 pandemic and the political focus that will require, the programme may not get the funding required at the right time.	Delay to Programme.	<ol style="list-style-type: none"> 1. Review of programme cost and schedule in the Strategic Review (Nov) 2. Submit paper to Finance Committee and both Commissions to seek full estimate for year (Complete) 3. Complete Business Planning process to agree budgetary submission (21/22 and 22/23) with the Sponsor Board (Dec) 4. Proactive engagement with key stakeholders in the Houses and HMT in support of gaining approval of the main estimate ahead of commencement of the next financial year (Mar 21) 5. Benchmarking of costs and funding estimates against other programmes and external reviews of the R&R Programme to test value for money. 6. Build up the Finance team to provide control of budget, scrutiny, and challenge to operational teams 7. PMO function implement the cost control and reporting framework to ensure financial outlay is strictly controlled and monitored using an agreed Programme Breakdown Structure (PBS) 8. New Finance system implemented, with budgets loaded, to enhance control environment 9. Development and implementation of a detailed Corporate and Business Plans. (Dec)
SR 05	Programme outputs do not meet requirements	Programme outputs (e.g. OBC and designs) do not meet Parliamentary stakeholder requirements.	Considerable delay, cost, and reputational damage to the programme. Programme knowingly or unknowingly progressed at risk.	<ol style="list-style-type: none"> 1. Strategic Review will help to clarify overall objectives and high-level requirements. (Early 2021) 2. Implement engagement plan with Parliamentary stakeholders. Engagement through different forums such as Joint Working Group, Master planning and Regular Engagement Groups. (Ongoing) 3. Implement commissioning strategy and maintain high level Strategic Themes and Goals/Objectives (in absence of Sponsor's Requirements) to inform the work of the delivery teams. (Complete) 4. Ensure end to end process is in place to manage requirements capture and flow from users through the Sponsor to the Delivery Authority and design teams. (March 21) 5. Develop requirements management strategy and ensure that there is a requirements management framework across the programme. (March 21) 6. Control the scope of the R&R Programme via the Task Briefing process between SB and DA, to ensure that strategic outcomes are clear and prioritised. Work to define clear accountability for producing OBC inputs (Ongoing)



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SR 10	Negative media delays or derails programme	Significant negative media (including from current economic situation) disrupts support for the Programme among the public and key stakeholders, leading to pressure to make significant changes to scope, budget (when defined) or timetable.	Inappropriate requirements and requests for change are driven by media or campaigning narratives leading to outputs that do not fit need.	<ol style="list-style-type: none">1. Develop narrative on how R&R will create jobs and support economic opportunities for companies, workers, and apprenticeships across all regions of the UK. (Complete)2. Publish Strategy for public engagement. (to be agreed by SB December 2020)3. Communications strategy to be re-defined after results of the strategic review (Jan 21)4. Insight into public opinion started with qualitative research in August and quantitative in November. (Focus group and first deliberative panel complete, tracker polling to be completed Jan 2021)5. Define strategy for building support with key Government and Parliamentary stakeholders. (Postponed due to COVID-19 impact) (Early 2021)
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Table 3: Top Strategic Risks