



HOUSES OF PARLIAMENT
RESTORATION & RENEWAL

Quarterly Report R&R Programme Q3 2020/21

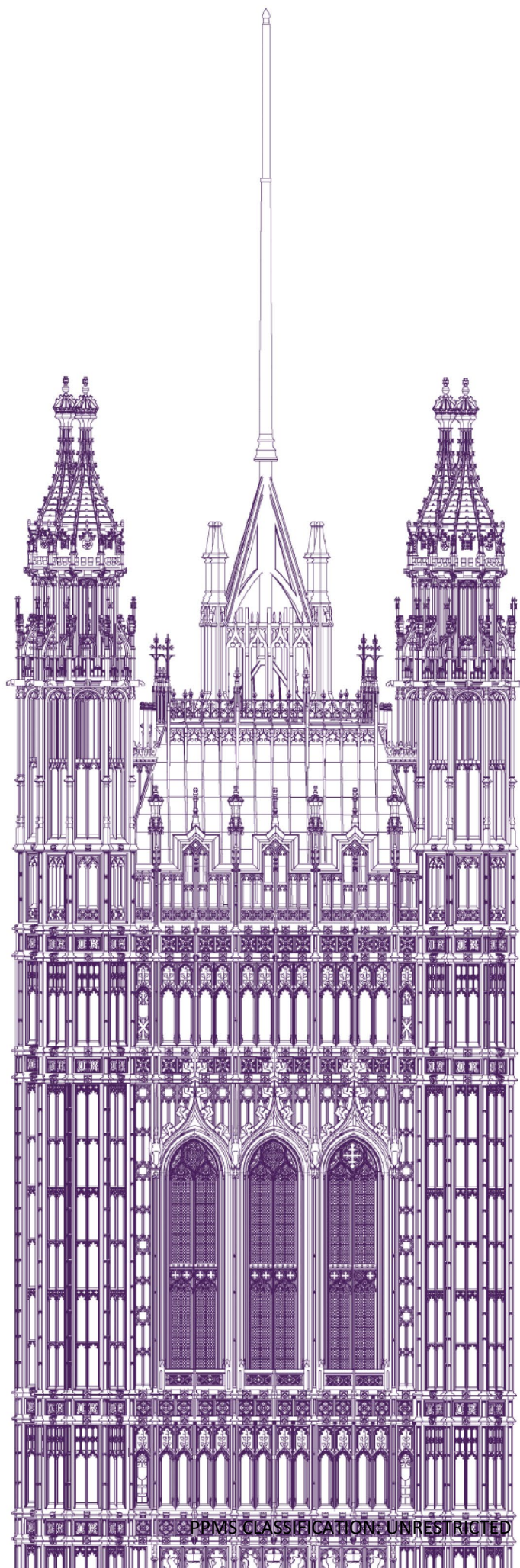




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Quarterly Report

Q3 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.

Action for the Commissions

4. The Commissions are invited to note the progress of the R&R Programme during the 3rd Quarter of 2020/21.

Developing Corporate Capacity & Capability

5. The Programme Delivery Agreement (PDA) was refreshed in the period. The revised PDA was approved by the Sponsor Board on 16 November and by the Delivery Authority Board on the 30 November. The revised PDA is available on the website at [PDA - 6-month review - signed](#).
6. Significant additions were made to the leadership teams of both the Sponsor Body and Delivery Authority
 - In Q3 the Sponsor Body welcomed a Communications Director who will lead on communications and engagement on a programme-wide basis.
 - For the DA, the arrival of the newly appointed Chief Finance Officer, General Counsel and the programme wide Communications Director referred to above reflected a very significant strengthening of corporate capability. The incoming Chief Information Officer will join in Q4, at which point the DA will have complete leadership team.
7. Recruitment activity has continued so that both organisations progress towards their planned capacities, in parallel with the work to progress the programme as set out below.
8. The emerging organisational plans, and programme capabilities required to deliver an Outline Business case have been developed into a comprehensive Business Plan incorporating both Sponsor Body and Delivery Authority requirements. The DA Board has approved its plans, the Sponsor Body are due to approve the total plan early in Q4 and the plan will then be the basis for engagement with the Houses on the Phase 1 Expenditure Limit through Q4.



Strategic Review

9. The Strategic Review of the Programme completed a draft report in November 2020. The Sponsor Body Board considered the draft report and draft recommendations at its meeting on 16th November.
10. The Commissions of the House of Commons and the House of Lords considered the draft report on 14th and 15th December. Steers on the main draft recommendations were provided, and the Commissions will be provided with an update on finalisation of the report at their meetings in January.

Consultation and Engagement

11. This quarter saw a continuation of one-to-one briefings of new MPs, to provide them with background on the programme and an opportunity to ask questions and provide their views. The next phase of engagement will include contacting all new Peers to offer the same one-to-one briefing.
12. Wider engagement with members is planned in Q4, following the publication of the Strategic Review. This will cover both the outcomes of the Strategic Review, the next steps for the Programme and how members will be engaged as part of the business case development.
13. An engagement plan, up to approval of the Outline Business Case, is being developed in collaboration with Parliamentary officials. This will provide a roadmap for engagement with Parliamentary officials, members and other stakeholders.
14. On 5 January 2021 the Chief Executives of the Sponsor Body and Delivery Authority wrote to the Chair of the Public Accounts Committee. This letter contained information and reports which responded to all of the recommendations made in the Committee's October 2020 report on the Programme. The Chief Executives had previously accepted all the recommendations the Committee had made.
15. Dependencies management continues to work well between the programme and the Houses' through the Dependencies Board. With a joint project list produced to inform the update to the Public Accounts Committee in January 2021.

Assurance

16. This quarter's joint meeting of the Risk, Audit and Assurance Committees of the Sponsor Body and Delivery Authority was held on 18 December. This was a productive meeting which noted progress against:
 - Programme Strategic Risks
 - the Programme Risk Appetite Statement
 - DA Assurance activities
 - Sponsor's Representative Assurance activities
 - Integrated Assurance and Approvals Plan
 - Information Governance
 - Annual Report and Accounts and
 - NAO Audit Plans



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17. The Sponsor Body has worked with the Infrastructure and Projects Authority (IPA) to recruit a team of independent assessors for the forthcoming third line assurance review which is planned in March/April.

Business Case Development

18. During the quarter, the Sponsor Board considered a paper on the potential range of options for building services including environmental sustainability. In early 2021 the board will receive the paper on the range of options associated with participation, building fabric, public realm, catering, logistics and space utilisation.
19. Together with the agreement of Programme Objectives recommended by the Strategic Review and progressing the on-going engagement through the Joint Working Group on user requirements, the design and business case analysis undertaken to date will inform the scope of the scheme options that will be analysed in the business case.
20. Establishing a clear and comprehensive timeline for the production and submission of the Business case, in light of the approach set out in the Strategic Review, will be a fundamental task during Q4, and will inform the emerging Business Plan and Phase 1 Expenditure Limit referred to above
21. Engagement with the House of Lords on the options for the fit out of QE2 was paused pending the outcome of the Strategic Review. This engagement will now be restarted to assess the options recommended for further analysis by the Strategic Review.
22. A series of workshops are due to take place in the next quarter to clarify and agree accountabilities and responsibilities of the R&R Programme and Parliament's Heritage Collection Team.

Communications and External Affairs

23. A Public Engagement Strategy for the programme has been approved by the Sponsor Board and was published at the end of December 2020. The Communications and External Affairs team will deliver the first public engagement activities during Q4 of 2020/21.
24. The first phases of focus groups and deliberative panels have been completed, with findings informing the programme narrative and providing input on the design options. These research phases gathered the views of people from all four nations of the UK, in a carefully moderated and constructive environment. We have also completed the first tracker poll, giving a representative sample of opinion. In Q4 we will hold a further phase of deliberative panels.
25. We have built our number of followers and the rate of engagement with social posts in our social channels over this quarter, with social content focussing on the people and talents within the programme as well as our approach to Equality Diversity and Inclusion (EDI) and well-being.
26. The Communications and External Affairs Team has continued to collaborate with the Communications Teams of both Houses, in particular around reactive media enquiries.



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Programme Delivery Palace of Westminster

27. The Design options have been completed for six areas: asbestos removal, architectural additions, accessibility, fire engineering, security, and building services. These six areas have been integrated into a single scheme to enable the start of construction planning and logistics analysis. This will also identify construction works on the critical path for the Programme. Options for the last six areas covering participation, catering, logistics, building fabric, public realm and space utilisation are planned to be finalised in the next quarter.
28. The next quarter will see the start of concept design (RIBA Stage 2) of the scheme options required as part of the business case strategy. Early preparatory work for the first of the scheme options, the 'Do Minimum Scheme', has commenced this quarter, based on the draft recommendations from the Strategic Review. Critical to the success of this stage of design will be the resolution of the design assumptions with the Parliamentary teams as these user requirements will become key inputs to the definition and development of all the schemes.
29. For surveys, non-intrusive surveys have made reasonable progress in the quarter but have since been restricted as part of the COVID-19 working arrangements. A commercial framework has been agreed for the important intrusive surveys, leading to the commencement of procurement activity in the next quarter.

House of Lords Decant

30. Good progress has been made this quarter with the completion of a number of technical, cost and schedule deliverables required for the business case. These include design proposals for four options, a legacy option design report, scheme options report, cost plans, schedules, and quantified risk assessments.

Heritage Collections Decant

31. Auditing and surveying of the heritage items in the Palace have been suspended due to the COVID-19 restrictions. However, work to develop the conservation policies, standards and processes required to protect and transport the items in the future continues.
32. Studies are currently being undertaken to establish a Property Brief for storage facilities. This work needs to be aligned with Parliament's wider plans for existing heritage storage facilities.

Integrated Schedule

33. The Integrated Schedule, included in Annex A, has now been updated to reflect the status of the projects during Q3 2019. This now forms part of the DA's Integrated Programme Baseline, during Phase 1, covering scope, cost, schedule, risk, and PDA obligations. Further updates of the Integrated Schedule will be paused until outcomes of the Strategic Review are agreed and implemented to avoid nugatory work.

Annex A – Integrated Schedule

Table 1: Integrated Schedule

[REDACTED]

Annex B – Financial Summary

Restoration and Renewal Programme - Quarter 3 Out Turn (£m's)

Quarter 3 2020/21	Quarter 3				YTD				Full Year			
	Actuals	Forecast	Variance	%	Actuals	Q2 Forecast	Variance	%	Revised Out Turn Forecast	Budget	Variance	%
Sponsor Body	3.1	3.7	0.5	15%	9.4	10.3	0.9	9%	13.5	16.6	3.1	19%
Delivery Authority Management	7.3	9.9	2.5	26%	21.0	24.3	3.3	14%	35.9	37.1	1.2	3%
Digital and Data	4.8	7.5	2.7	36%	18.4	20.4	2.1	10%	27.5	27.9	0.4	1%
Heritage Collections Decant	0.4	0.6	0.3	42%	1.1	1.3	0.2	16%	1.7	3.0	1.3	44%
House of Lords Decant	2.1	3.4	1.3	39%	6.0	7.5	1.5	20%	7.3	12.5	5.3	42%
Palace of Westminster	4.0	4.3	0.3	8%	11.6	12.3	0.6	5%	19.5	19.9	0.4	2%
Programme Risk	-	-	-	0%	-	-	-	0%	-	8.3	8.3	100%
Total Expenditure	21.7	29.4	7.7	26%	67.5	76.1	8.6	11%	105.4	125.4	20.0	16%

Table 2: Financial Performance

Headlines

The financial performance at the end of December has resulted in an underspend against the forecast for the quarter. The underspend is due to a number of factors, including the continued impact of the pandemic on the ability to undertake planned work and waiting for the outcome of the Strategic Review which will inform the programmes direction of travel and what work will be undertaken for the rest of year.

The forecast outturn for the year, reviewed as part of the 2021/22 Business Planning process, reflects the latest position and is based on the current Programme schedule. In the final quarter of the year, we expect to see a ramp up of activity and recruitment as Strategic Review comes to an end and work moves forward.

The main underspends for the projected full year out turn are:

Sponsor Body

An underspend of £3.1m within the Sponsor Body is largely driven by lower resources utilised than expected and the release of contingency in the business case development budget not required in this financial year, a revised profile in recruitment and external events and communications not required due the current working environment. In line with this impact the full year forecast has been reduced accordingly.

Delivery Authority Management

The Delivery Authority management are reporting a forecast underspend for the full year of £1.2m. The main driver for this underspend is savings on property costs including remedial work not undertaken due to the delay to return to office working. Other underspends within this area have been used to meet a saving target and unexpected IT recharges to the House of Commons.

Heritage Collections Decant

The Heritage Collections Decant project has a forecast a £1.3m underspend at the end of the year. This is due to a delay in planned activities and the deferment of those activities into next year. This underspend is not a saving to the programme and these costs will be incurred in 2021/22.

House of Lords Decant

The House of Lords Decant project has forecast a £5.3m underspend at the end of year. Work has been deferred into 2021/22 as result of the impact of both the COVID-19 pandemic and the Strategic Review. Again, this underspend does not result in a saving and aligns to the latest Programme Schedule.

Programme Risk

The programme risk has not been utilised for 2020/21 and has been released as part of the Q3 Forecast as it is not required in this financial year.



Annex C – Top Strategic Risks

ID	Title	Description	Effect	Mitigations
SR 20	R&R Strategic Objectives	The current financial climate and uncertainty due to the COVID-19 pandemic make building political consensus on the R&R strategic objectives difficult.	Consensus on the strategic objectives 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. (SJ by early 2021) 2. Engagement with the Houses after the Strategic Review is published to clarify outcomes; give direction with regards to requirements; and re-confirm the Outline Business Case strategy (LO early 2021) 3. Agree a clear roadmap and timeline for engagement and decisions to be taken by the Houses to support the programme (LO early 2021) 4. Engage with Members to explain the outcomes of the Strategic Review and the evidence behind the recommended approach. (LO by June 21) 5. Informal engagement with key stakeholders to align views and understanding (SJ ongoing) 6. Sponsor Board members to be provided with information and key lines to support conversations with colleagues and engagement in the Houses (SJ ongoing)
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. (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 through Task Brief process to inform design developments. (Ongoing) 6. Clear options set out in the business case which describe the range of outcomes and delivery solutions for R&R (2021) 7. Unresolved user requirements (Business, Data, Technical) to be clarified, rationalised, resolved and tracked via a "Requirements Management Framework" (2021) 8. Support Estate Wide Master Planning work to clarify which parts of the overall requirement is being met by R&R. (2021) 9. Engage with In House Services and Strategic Estates in understanding the Estate requirement post COVID-19. (Ongoing) 10. Re-emphasis that the case for change is a failing building and not Parliamentary Ways of working in external communications. (Ongoing)
SR 08	Interdependent Projects	Projects or works outside of the R&R programme undermine the delivery of R&R.	Significant cost and delay. Misaligned outcomes and benefits between R&R and other projects.	<ol style="list-style-type: none"> 1. Regular update of the Level 1 Integrated Schedule to take account of COVID impact, Richmond House planning, Moves programme changes. (Ongoing) 2. Establish a clear definition of 'vacant possession' of a building to clarify responsibilities between Moves and Richmond House, Moves and R&R e.g., the decant HoC to Richmond House. (Ongoing) 3. Put in place a forum to oversee and manage interdependencies with the Houses. (Complete) 4. Scope transfer methodology agreed between R&R and the Houses (Complete) 5. Decide which ongoing works will be incorporated into the R&R programme with the Houses. (Ongoing) 6. Implement a clear change control process as set out in the PRA to manage further transfers into the R&R programme. (2021)



SR21	Political Consensus	Due to the different context and pressures on both Houses and on different stakeholder groups there is a risk that political consensus is difficult to reach affecting ongoing decision making for the R&R Programme.	Decision making is slower and agreement on preferred solutions is difficult to reach.	<ol style="list-style-type: none">1. Agree a clear roadmap and timeline for engagement and decisions to be taken by the Houses to support the programme (LO early 2021)2. Engage with Members to explain the outcomes of the Strategic Review and the evidence behind the recommended approach. (LO by June 21)3. Agree a robust governance route with the Houses for decision making. (LO by 2021)4. Informal engagement with key stakeholders to align views and understanding (SJ ongoing)5. Sponsor Board members to be provided with information and key lines to support conversations with colleagues and engagement in the Houses (SJ ongoing)
DA 33	Definition of Heritage Collections Decant Project Requirements	As a result of a lack of definition of requirement, extent of scope and overlap of responsibilities and authority between R&R and IHSE, there is a risk that the requirement of the Heritage Collections project cannot be effectively crystallised.	Delay in the provision of the required facilities, and potential for delay of the start of Palace main works.	<ol style="list-style-type: none">1. With Sponsor Body, engage House authorities to clarify mandate for delivery, the associated roles and responsibilities (via a RACI matrix) and the eventual future operating model for heritage collections. Work will then be re-remitted to the Delivery Authority from the Sponsor Body to deliver. (Early 2021)2. Continue to inventory the Heritage Collection and plan potential moves whilst clarity on the mandate is sought. (Ongoing)3. Link with mitigations for risk above on Political Consensus.4. R&R Interface Group being used to manage high level interface, with R&R Risk Interface Forum at the operating level. (Ongoing)



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. Sponsor Body to set the Strategic Objectives for the Programme. (2021)3. Implement engagement plan with Parliamentary stakeholders. Build an understanding of members views and expectations and engage effectively to explain our proposed approach and options. (Ongoing)4. As in 3. above with government stakeholders. (Ongoing)5. Clear options set out in the business case which describe the choices between value for money and other strategic objectives. (2021)6. 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)7. 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)8. Develop requirements management strategy and ensure that there is a requirements management framework across the programme. (March 21)9. 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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Table 3: Top Strategic Risks