



Minutes Sponsor Board – Final Meeting

SB/22/104

Meeting date	05 December 2022
Meeting location	Archbishop's Room
Meeting time	3.00pm – 5.00pm

Members Present
Liz Peace, Chair
Baroness Doocey
Lord Best
Lord Carter
Lord Deighton
Mark Tami MP
Marta Phillips
Paul Lewis
Robin Millar MP
Simon Thurley
Simon Wright
Sir Edward Leigh MP
Kirsty Blackman MP

Attendees	Item
Andy Helliwell, Chief Operating Officer, Sponsor Body	All
Chris Dawson, Head of Communications, Sponsor Body	All
David Goldstone, CEO, Delivery Authority	6
Jane Mee, General Counsel, Delivery Authority	7
Elayne Carby, Board Secretary, Sponsor Body	All
Gurdip Juty, Director of Finance and Corporate Services	All
James Young, Chief of Staff, Sponsor Body	All
Patsy Richards, interim CEO, Sponsor Body	All
Karen Watling, Executive Assistant, Sponsor Body	All
Marek Kubala, Head of Governance and Parliamentary Affairs	All

1. Welcome, agenda and declarations of interest

- 1.1 The Chair opened the meeting and confirmed that a quorum was present.
- 1.2 Simon Burton, John Benger and Matt White had sent their apologies.
- 1.3 DECISION: The Board NOTED the meeting agenda (SB/22/094). There were no proposed amendments.
- 1.4 DECISION: The Board NOTED the register of interests (SB/22/095). There were no further declarations made.

2. Minutes of the previous meeting and matters arising



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2.1 DECISION: The Board APPROVED the minutes of the previous meeting 07 November 2022 (SB/22/096)

2.2 The Board NOTED that there were no open actions on the log (SB/22/097)

3. Clerks of the Houses – Reflection and thanks

Verbal item

Official Andy Helliwell, Chief Operating Officer, House of Lords

3.1 On behalf of the Clerks of the Houses, the Chief Operating Officer, House of Lords, reflected on the four-year period of operation of the Sponsor Board. He acknowledged the cultural, communication and structural barriers that had been overcome. The Board had succeeded in their management of the Delivery Authority and were passing on a high performing and well governed organisation. The restoration and renewal of the Palace of Westminster was a worthy mission that would be fulfilled. On behalf of the House administrations, thanks were again expressed for the contributions given by all Members of the Sponsor Board.

4. Sponsor Body Progress Report

(SB/22/098)

Period: November 2022

Official Patsy Richards, Interim CEO, Sponsor Body

4.1 The Sponsor Body was on course to transition as the Client team on 1st January. The SI had been laid and Committee debates were scheduled to take place on 12 December for the House of Commons and 13 December for the House of Lords. The Clerks of both Houses would be accountable for the work of the Client team.

4.2 A new Programme Delivery Agreement (PDA) was close to being agreed. The new Task Brief had been responded to by the Delivery Authority—this was an important instrument as part of the delivery of its work. A date had not yet been agreed for the first meeting of the Programme Board but was expected to take place in January 2023. The external members appointments process was progressing.

4.3 A Target Operating Model (TOM) was being devised to establish how the Client Team would interact and work with the Houses going forwards. This work would continue for another couple of months to ensure that the Client Team was able to scrutinise the work of the Delivery Authority and engage with the Houses on the strategic case, due to be presented in 2023.

4.4 The Chair enquired about the prospect of duplication of roles. The CEO stated that there was a large volume of work to undertake, and the Sponsor Body was under capacity. Redundancies were not expected but there may be a re-organisation of teams and responsibilities in certain areas. The Sponsor Body had not lost many employees since last reported; they would all transfer into the Client team as a joint department reporting to both Houses.

4.5 The Delivery Authority had conducted a deep dive of its proposed 2023/24 budget with the Director of Finance and Corporate Services. It was acknowledged that greater understanding of the different funding models would be required by Phase 2, particularly from a construction project perspective. Current methodology would be reviewed as it may not be sufficient to continue a task-by-task approach. This had been discussed with finance managers and was being taken forward.



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4.6 The S-Rep had provided a report into the options development process, this was included in the Board pack.

4.7 Engagement planning, with a focus on Parliamentary members, would be a significant area of development as part of the Phase 1 plan.

5. Transition Update (including Programme Board formation and related DA activities)

Verbal item

Official Patsy Richards, Interim CEO, Sponsor Body

5.1 Many points had earlier been covered in Item 4. The TUPE consultation process had formally closed.

5.2 The Phase 1 timeline contained in Appendix A depicted new governance arrangements that would be established. The new Programme Board would be fully briefed leading up to the assessment and shortlisting options process. A detailed induction programme was being prepared for when the Programme Board was established. Alternative funding models were being reviewed with the Delivery Authority and option neutral works investigated to mitigate for time lost during the transition process.

5.3 Parliamentarians would require time and commitment to be fully inducted into the restoration and renewal programme and attend briefings. Support in this area could be enhanced by correspondence with the Whip's Office.

5.4 A review of the QEII decant option and Northern Estates work, currently managed by a Strategic Estates project, would be undertaken.

6. Delivery Authority Programme Update

Executive Summary: October 2022

(SB/22/099)

Official David Goldstone, CEO, Delivery Authority

6.1 The content of the report was noted. Evaluation of shortlisting options was being undertaken and on schedule to be communicated in January. Discussions were taking place regarding the governance changes that would occur and its impact on how the Delivery Authority and Client team worked together in future.

6.2 The Delivery Authority was re-activating work that had been paused. An increase in activity and budget for next year was attributed to early works design and engagement of services. Building on the work previously carried out, options for locations for temporary accommodation would restart and surveys work would be ramped up.

6.3 The archaeological remains of an old river walkway had recently been discovered. The area had been highlighted on the appropriate plans. The Board noted that discoveries such as this provided an opportunity to increase public interest and connection to the historical aspects of the works.



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6.4 Responsibilities for areas such as temporary accommodation were currently unclear and affected the Delivery Authority's ability to build capacity. A draft engagement strategy had been shared with all parties and a series of briefings would begin in the new year. Recruitment for a new Director of Engagement would also take place.

6.5 A small amount of nugatory costs, resulting from cancelled recruitment fees and services, was yet to be accounted for. This would be shared once final figures were known.

7. Amendments to the Delivery Authority's Articles of Association (SB/22/100)

Officials Marek Kubala, Head of Governance and Parliamentary Procedure, Sponsor Body
Jane Mee, General Counsel, Delivery Authority

7.1 Marek Kubala summarised the paper circulated. The Board was asked to formally agree the Amendments to the Delivery Authority's Articles of Association.

DECISION: The Board confirmed its agreement to:

(a) APPROVE the special resolution at Appendix 1 to make the proposed amendments to the Delivery Authority's Articles of Association;
and

(b) AUTHORISE to sign the special resolution and to send the signed special resolution to the Delivery Authority.

Following the Board's approval as above, the Amendments to the Delivery Authority's Articles of Association would be finalised and filed with Companies House.

8. Financial Governance and Handover process (SB/22/101)

Officials Gurdip Juty, Finance & Corporate Services Director, Sponsor Body
Marta Phillips, Chair, Audit and Assurance Committee

8.1 The Finance & Corporate Services Director summarised the paper and highlighted to the Board the sound control framework in place for the nine months of the financial year and noted this would form part of the assurance at transfer to Parliament.

8.2 The key area for discussion in the paper was to note the two financial accounting treatments, under discussion with the two Houses, for the transfer of the Sponsor Body to the Client Team and the proposed governance arrangements to close the organisation. The issue was one of accounting judgment as the rules HM Treasury would normally apply, which were contained within the government financial reporting manual (FreM), were not conducive to the Parliamentary landscape and were written for Government Departments and their Arm's Length Bodies.

8.3 Discussions had progressed since the last Audit and Assurance Committee and a clearer recommendation had been agreed between the Sponsor Body and HM Treasury. Currently, the two Houses had differing opinions on treatment and further meetings would be held with the Finance Directors of both Houses to come to a joint decision on final treatment. A transfer of the



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accounts by merger, rather than by absorption, was the preferred and likely option, which does not require a closing Annual Report & Accounts for the Sponsor Body: all assets and liabilities would be transferred to the Houses as though the Sponsor Body always existed there.

8.4 To support the transfer of the Sponsor Body, the Board was required to agree the appropriate governance arrangements and to delegate the sign-off process. The National Audit Office (NAO) had confirmed that a skeleton governance structure was normal practice in such circumstances and would ideally consist of the Chair of the Sponsor Board, Chair of the Audit and Assurance Committee and the Accounting Officer, the Sponsor Body CEO.

8.5 The Chair of the Audit and Assurance Committee acknowledged that the processes involved had been helpfully laid out within the paper but believed that the decision on the accounts transfer should be made by the Sponsor Board. Also, as stated at the Audit and Assurance Committee, whichever route was chosen for the transfer of accounts, the NAO would be required to carry out audit work and governance oversight. Whilst not necessary for the whole Board to reconvene, assurance was required. It was suggested that the Audit and Assurance Committee Independent Member also be included as part of a skeleton team.

8.6 The matter on governance arrangements and actions required would be discussed further prior to circulation of a revised paper outlining the final position, and the timeline for audit work by the NAO. The Audit and Assurance Committee Chair would have preferred to have been presented with an approved document detailing an agreed position between the Sponsor Body, HM Treasury and National Audit Office; until that was received, it would be difficult to advise the Board.

DECISION: The Board agreed to the formation of a skeleton governance group, including the Chairs of the Sponsor Board and the Audit and Assurance Committee, the Independent external member of the Audit and Assurance Committee, and the Accounting Officer, the Sponsor Body CEO.

9. R&R Sponsor Board – closedown admin

Verbal item

Official Marek Kubala, Head of Governance and Parliamentary Procedure, Sponsor Body

9.1 As part of the closure of the Sponsor Body, specific administrative actions for the Board were explained. Members would be contacted by the IT team to arrange the return of R&R devices.

9.2 The Board would be sent written communication outlining the procedures and actions to be taken. Board members had received termination letters from the Chair of the Sponsor Board. It was also confirmed that the two independent members sitting on the Sponsor Board as well as the Delivery Authority Board, would retain their positions on the Delivery Authority Board until their terms had ended.

10. Comments, announcements, and other business

10.1 There was no further business.

10.2 A Board dinner would be arranged in the new year.



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- 10.3 The handover letter would be circulated to the Client Board ahead of its December meeting. The Chair requested that the letter be posted publicly. The Sponsor Body CEO would confirm the most appropriate avenues with the Chair.
- 10.4 The S-Rep report received praise for its content, focused format and approach. The Chief of Staff confirmed that it would be shared more widely through additional governance routes. The next area of focus for the S-Rep would be the surveys process.
- 10.5 The Chair of the Sponsor Board was thanked for her leadership and guidance by its Members. The Chair in turn expressed personal thanks to the Board and also on behalf of the Independent members. She stated that it had been a huge privilege to work with the administrations of both Houses.

Gratitude was conveyed to the Executive team and Sponsor Body staff, past and present, who had supported and provided assistance to the Sponsor Board over the past four years.

- 10.6 The meeting was brought to a close at 16.32.

11. Papers enclosed for information

11.1 DA Programme Report: October 2022

(SB/22/102)

11.2 S-Rep Assurance report – R&R New Approach to Works Options Development

(SB/22/103)

Signed By:

Date: 04 January 2023
