



Minutes

Sponsor Board

Meeting date	6 September 2021
Meeting location	Virtual Meeting
Meeting time	3.30pm – 6.00pm

Attendees

Members Present
Liz Peace, Chair
Baroness Doocey
Kirsty Blackman MP
Lord Best
Lord Carter of Coles
Lord Deighton
Mark Tami MP
Marta Phillips
Simon Thurley
Simon Wright

Attendees	Item
John Benger, Clerk of the House of Commons	All
Sarah Johnson, CEO, Sponsor Body	All
Simon Burton, Clerk of the Parliaments, House of Lords	All
Ainsley Moore, Business Case Consultant, PwC	5 & 6
Amanda Colledge, Business Case Director, Sponsor Body	5 & 6
Claire Maugham, Communications Director, Sponsor Body	All
David Goldstone, CEO, Delivery Authority	4 & 5
Johanna Porter, Board Secretary, Sponsor Body	All
Karen Watling, Executive Assistant, Sponsor Body	All
Marek Kubala, Head of Governance & Parliamentary Procedure, Sponsor Body	All
Matt White, Programme Director, Delivery Authority	4 & 5
Nicholas Lane, Business Case Consultant, PwC	5 & 6
Chris Sexton, Chief of Staff, Sponsor Body	All

1. Welcome, agenda and declarations of interest

- 1.1 The Chair opened the meeting and noted that a quorum was present. She noted that the coming months would be busy for the Sponsor Board.
- 1.2 She welcomed Baroness Doocey to her first formal meeting as a member of the Sponsor Board, and Lucy Owen's replacement Chris Sexton as the interim Chief of Staff of the Sponsor Body. She noted that Rt Hon Damian Hinds MP had stepped down as a member of the Sponsor Board following his appointment as Minister for Security on 13 August 2021. She thanked Damian for all his enthusiasm and commitment to the Programme. The Secretariat were waiting to hear from the whips' office as to his proposed replacement. She informed the Board that its fourth external member, Paul Lewis, had been selected, and a resolution was due in both Houses to confirm his appointment shortly.
- 1.3 The Sponsor Board's new external member, Paul Lewis had been invited to join the meeting as an observer but due to a previous commitment had sent apologies. Ian Levy had sent his apologies. Baroness Doocey joined the meeting at 3.50pm.
- 1.4 The Chair noted that the Delivery Authority's CEO and Programme Director would, in future attend Board meetings for relevant items only. This would include the Delivery Authority's (DA) Programme Report and any other items deemed relevant.
- 1.5 The Board NOTED the agenda (SB/21/085). The Chair noted that the agenda had been restructured to ensure that the Board focussed its time on the important issues; routine governance items would be taken as noted, with discussion only as required. She requested that the Survey Briefing Note (SB/21/092) be discussed immediately after the Sponsor Body Progress Report (SB/21/089).
- 1.6 Declarations of interest (SB/21/086). The Board NOTED the declarations of interest; there were no further declarations of interest made relevant to the items on the agenda, except where previously disclosed.

2. Minutes of the previous meeting and matters arising

- 2.1 **DECISION:** The Board APPROVED the minutes of the meeting held on 5 July 2021 (SB/21/087) as an accurate record of the meeting subject to Kirsty Blackman MP's attendance being recorded. Once amended the minutes would be signed electronically and published on the Programme website.
- 2.2 **DECISION:** The Board reviewed the action log (SB/21/088) and NOTED progress against the actions since the last meeting. It was asked that Board meeting dates were used as due dates for actions.

3. Sponsor Body Progress Report

(SB/21/089)

Period: July & August 2021

Official: Sarah Johnson, CEO, Sponsor Body

- 3.1 The Chief Executive of the Sponsor Body introduced the Sponsor Body Progress Report, noting that activity had been lower than in previous months as much of the team had taken annual



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leave. However, 11 intrusive surveys had taken place over the summer recess, and she had recently had the opportunity to show the Leader of the House of Commons the work that was being done. Work on the House of Lords and House of Commons decant was progressing and the House of Lords Accommodation Steering Group would be updated on decant options the following week. There had been no significant changes to the format of the report since the previous meeting.

3.2 The following points were raised and noted:

- 3.2.1 The Chief Executive clarified that she was not a member of the DA's finance Committee and attended the meeting as an observer only. The Finance & Corporate Services Director deputised for the CEO when necessary.
- 3.2.2 The October report from the DA would have a greater focus on critical activities and provide clear and appropriately granular milestones.
- 3.2.3 Members expressed significant concern about the potential cost of the QEII refurbishment for the House of Lords decant. It was said that it might be more appropriate for Parliament to acquire the building from MHCLG to ensure that there was a suitable legacy for the space after the Lords had returned to the Palace such as an emergency chamber, visitor, or education centre. This was however a matter for Parliament and the current planning assumption was that the building would be leased for just the period of the decant.
- 3.2.4 It was acknowledged that many value engineering opportunities for the building had already been considered by the Lords Management Board, but none taken forward. The mechanical & electrical (M&E) and security requirements would make up most of the refurbishment costs as minimum standards had to be met.
- 3.2.5 Engagement with senior staff in the House of Lords was ongoing.
- 3.2.6 It was suggested that a total sum of money could be allocated to the whole project, if members chose to spend more on decant then less would be available to the restoration and renewal of the Palace.

3.3 DECISION: The Board NOTED the Sponsor Body Progress Report for August 2021

Surveys Briefing Note

(SB/21/092)

3.4 The Chair led the discussion, expressing her disappointment that the Programme had not delivered as planned and her concern as to any potential impact on the business case and programme reputation.

3.5 The following points were also raised and noted:

- 3.5.1 Members expressed frustration that neither they nor the Delivery Authority Board had received forewarning of the delays to the programme of work. They were not satisfied with the explanations provided by the DA in the report. It was said that the Houses had made their position on the use of parliamentary contractors very clear

from the start, and the Clerks had been helpful in laying out the rules and requirements for work in the Palace.

- 3.5.2 Concerns were raised that the report stated only three of the eleven surveys provided business critical information. This was at odds with information provided to the Board 12 months previously. The programme schedule should indicate what work had a material impact on the successful delivery of the business case.
- 3.5.3 Members' experience indicated that heritage projects often ran into difficulties or failed due to insufficient survey work being conducted in the early phases. For example, the absence of intrusive survey data had impacted on the Elizabeth Tower project. The risk of lack of intrusive survey data was that contingency funding would be consumed quickly. They did not agree that the outcomes of not having the information should be classified as 'low probability but high risk'.
- 3.5.4 Further concern was expressed that the DA's procurement processes had become unnecessarily bureaucratic causing delays in awarding contracts and starting work.
- 3.5.5 The CEO of the Sponsor Body said that the asbestos surveys could not be carried out whilst the Houses were sitting due to the associated health and safety risks. The earliest this work could now be carried out was over the Christmas break.
- 3.5.6 The Board expected to see a comprehensive lessons' learnt paper later in the year.

4. DA Update

Programme Report: July 2021

(SB/21/091)

Surveys Briefing Note

(SB/21/092)

Officials: David Goldstone, CEO, Delivery Authority

Matt White, Programme Director, Delivery Authority

- 4.1 The CEO of the DA said that the progressive improvements to the content and format of reporting had continued, and the current report provided enhanced financial information. The Programme Director highlighted some key points from the report:

- The QEII workshops with the House of Lords had been delayed by three months due to summer recess. This would impact the schedule for option down-selection. These workshops were on the critical path and mitigations were being sought to lessen the impact of this delay.
- Approval of the Phase 2 Delivery Strategy was delayed by four weeks, but the substance of the work was on track. The delivery of the strategy would now align with DA Board meeting dates; there was no impact to the schedule for this delay.
- Palace survey work had been delayed due to issues with the procurement process, scope clarity and the inability to use parliamentary incumbent contractors. The output from these surveys would inform and influence the design decisions for the Business Case. The delay could have an influence on the levels of risk contained in the



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estimates. However, contracts were due to go out later in the week following legal review, and the asbestos contract would be finalised later in September.

4.2 The Board raised the following points in response to the report:

- 4.2.1 The Board had reflected on the Surveys Briefing Note (SB/21/092) earlier in the agenda and were concerned that what should have been a straightforward activity had been delayed which raised further concerns about the rest of the schedule, and the impact on the business case. Questions were raised as to whether the right reporting mechanisms were in place and if procurement processes had become too complex. There also appeared to be a gap in understanding about how the Programme should work with the Parliamentary Authorities and what frameworks could be used.
- 4.2.2 The CEO of the DA said that the issues had been reported as soon as he had become aware of the delays. These had first been reported in March 2021 and then highlighted each period subsequently. The team had found working with the Parliamentary Authorities more complex than first anticipated and the letter received from the Parliamentary Authorities in July had resulted in a significant impact on the schedule. He had commissioned a lessons' learnt report. This would be run by the DA's Head of Internal Audit, and the findings shared with the Sponsor Board's Audit & Assurance Committee and the Sponsor Board.
- 4.2.3 The Programme Director reassured the Board that information from other sources could be used to support the Business Case work. A lot more survey information was available to the team than previously identified. The priority survey work for the Programme had been identified as M&E, groundworks, and asbestos.
- 4.2.4 The CEO of the DA said that there was still time to refine the information available to the Business Case team ahead of Outline Business Case (OBC) completion in 2023. However, the Board remained concerned that the issue was more significant than reported, as the survey outcomes could influence both design and cost.
- 4.2.5 It was acknowledged that this was a risk, however the team were confident that the pre-existing survey information provided sufficient detail to inform the necessary design decisions ahead of baselining the design for the business case in January 2022.
- 4.2.6 It was noted that the intrusive survey work covering ground, soil capacity, archaeology, and many other areas was part of an extensive package of investigations that would be undertaken over the next three to four years and went beyond the completion of the OBC. The first intrusive surveys for the QEII were on target to start in September.
- 4.2.7 A question was raised about the overspend showing against the PMO budget. The Programme Director assured the Board that this was as a result of bringing resourcing forward. The full forecast remained on budget.
- 4.2.8 The Chair reiterated that Parliament was a challenging place to work and that the DA needed to acknowledge this and revise their working practices accordingly. It would

be fundamental to both the effectiveness of the organisation and the success of the Programme.

4.3 DECISION: The Board NOTED the DA report (executive summary) for July 2021 and the separate briefing paper on R&R surveys.

5. Business Case: Intermediate Scheme Decision

(SB/21/093)

Officials: Amanda Colledge, Business Case Director, Sponsor Body

Ainsley Moore, Business Case Consultant, PwC

Nicholas Lane, Business Case Consultant, PwC

5.1 The Business Case Director introduced the Intermediate Scheme Decision paper, highlighting that whilst Scheme 3 recommended that construction was contained within the Palace boundary, due to spatial and operational constraints some new construction might be required outside. This would be considered further as the design work progressed.

5.2 The following points were raised and noted:

5.2.1 It was said that archaeological concerns should not be a reason to discount the use of Abingdon Green, as there would be nothing of significant interest at 18 metres depth. However, it was explained that the strategic sewer did present concern.

5.2.2 The Board noted the potential development opportunities provided by the underground carpark in New Palace Yard, which offered a space that was potentially less contentious from a planning perspective. BDP had provided some interesting proposals for how the space might be used. It was noted that the summer engagement with members had thrown up conflicting views about car parking space within the Estate. It was suggested that the House Commissions could provide a steer on the need for future car parking space on the Estate.

5.2.3 The Estate Masterplan and QEII Masterplan would help inform the final design.

5.3 DECISION: The Board:

- ENDORSED scheme 3 as the intermediate scheme that is taken forward to the end of the current design phase (RIBA2), for consideration in the Business Case, with scheme 2 being discounted at shortlisting stage.
- NOTED that as design progresses, given space constraints within the Palace, moving some elements of the design outside of the Palace boundary may need to be considered.
- NOTED that the Intermediate Scheme assumes land acquisition which will be subject to the agreement of the two Houses.

6. Business Case: Assessment Approach

(SB/21/094)

Officials: Amanda Colledge, Business Case Director, Sponsor Body

Ainsley Moore, Business Case Consultant, PwC

Nicholas Lane, Business Case Consultant, PwC

6.1 The Business Case Director introduced the Business Case: Assessment Approach paper, highlighting a set of principles put forward by the Management Board as a framework for evaluating the scheme options that had not been included in the paper. The two House Commissions wanted to ensure that value for money (VfM) and whole life costs were being taken into account. The Business Case Teams (BCT) were assessing schemes against Parliament's requirements and to ensure that schemes were aligned with the necessary strategies and standards.

6.2 The following points were noted:

- 6.2.1 The new governance arrangements, in particular the new Steering Group, would establish a feedback loop between the Programme and Parliament and help ensure that the relevant strategies and standards were considered as the assessment criteria were developed.
- 6.2.2 The delivery of the restoration and renewal of Parliament is not driven by an economic need, but as with other heritage projects an obligation, responsibility, and desire to keep the structure standing for future generations. This should be reflected within the assessment approach.
- 6.2.3 The House of Commons 'continued presence' option would come to the Board for consideration in 2022. If the Commissions required the Programme to take this option forward then the assessment criteria would be applied looking at the requirements, risks, and costs of the proposals against the costs and timeline of decant. The Programme would need to explain the impact of these choices clearly and carefully.
- 6.2.4 A strategy for delivering benefits would be developed in line with best practice.

6.3 DECISION: The Board:

- ENDORSED the assessment approach that will be used to select the scheme option that will be recommended in the Programme Business Case.
- ENDORSED the Benefit Principles that will be used to guide the development of the Programme Benefits Strategy.

7. Papers for Noting

7.1 Sponsor Board Committees Revised Membership & Updated Terms of Reference. (SB/21/095)

DECISION: The Board:

- APPROVED the changes to the Sponsor Board's Audit & Assurance Committee Membership
- APPROVED the change to the Sponsor Board's Nominations & Remuneration Committee's membership
- APPROVED the Nominations & Remuneration Committee's revised terms of reference.

7.2 Appointment of New Temporary Sponsor Body Commons Spokesperson (SB/21/096)

DECISION: The Board AGREED to the temporary appointment of the Rt. Hon Mark Tami as Sponsor Body Spokesperson for the House of Commons

7.3 R&R Quarterly Commissions Update (Q1 2021/22) (SB/21/097)

DECISION: The Board NOTED the R&R Quarterly Commissions Update for Q1 2021/22.

8. Comments, announcements, and other business

8.1 Future agenda (SB/21/098). The Board NOTED the future agenda for the Board.

8.2 The Board decided to aim for holding its November meeting in person.

8.3 The date of the next meeting would be Monday 4 October 2021.

8.4 The Chair brought the meeting to a close at 6.05pm.

9. Papers enclosed for information

9.1 DA Programme Report: June (SB/21/089)

9.2 Communications Evaluation: August 2021 (SB/21/099)

NB/ Small sections of these minutes have been redacted for reasons of commercial sensitivity.

Signed by:



Date: 4 October 2021