

## **BRIEFING PAPER**

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# Restoration and Renewal of the Palace of Westminster

By Richard Kelly

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# Summary

A major refurbishment of the Palace of Westminster is needed to protect and preserve the heritage of the Palace of Westminster and ensure it can continue to serve as home to the UK Parliament in the 21st century and beyond.

#### Legislating for Restoration and Renewal

Early in 2018 both <u>House of Commons</u> and the <u>House of Lords</u> endorsed the recommendation of the <u>Joint Committee on the Palace of Westminster</u> that a full decant would be the best and most cost-effective way of delivering the Restoration and Renewal (R&R) Programme; and that the Programme should be overseen by a statutory Sponsor Board and Delivery Authority.

In July 2018, the composition of the Shadow Sponsor Board was <u>announced</u>. The Board would operate in shadow form until the necessary legislation was passed.

Also in July 2018, Andrea Leadsom the Leader of the House of Commons <u>announced</u> that legislation to establish the Sponsor Board and the Delivery Authority would be published in draft.

The <u>Draft Parliamentary Buildings (Restoration and Renewal) Bill</u> was published on 18 October 2018. In a <u>Written Statement</u>, published on the same day, Andrea Leadsom said that the draft Bill:

... seeks to establish the statutory bodies that will be responsible for the restoration and renewal works within the Parliamentary estate, giving effect to the resolutions passed by Parliament earlier this year. ...

The Bill will establish the governance structure within which those bodies will operate. The bodies will have the capacity and capability to make strategic decisions on the Restoration and Renewal Programme, so that the Palace of Westminster can be secured as the UK Parliament for future generations.

On 23 October 2018, the House of Lords <u>agreed</u> that a joint committee should be appointed to consider the draft Bill. The House of Commons <u>agreed</u> on 26 November and appointed six members to serve on the Joint Committee. The House of Lords <u>agreed</u> its six members on 29 November.

# Recommendations on Restoration and Renewal to the two Houses

The Joint Committee on the Palace of Westminster's report, <u>Restoration and Renewal of the Palace of Westminster</u>, was published on 8 September 2016.

The Committee concluded that "there is a clear and pressing need to tackle the work required to the Palace of Westminster and to do so in a comprehensive and strategic manner to prevent catastrophic failure in the next decade. We have also concluded that, in principle, a full decant of the Palace of Westminster presents the best option under which to deliver this work".

The Committee recommended the text of a motion on which its report should be debated. The motion called for its report to be agreed. It would trigger the next stages in the process of the Restoration and Renewal (R&R) Programme, including the establishment of a Sponsor Board and Delivery Authority by legislation (and shadow bodies, in the meantime); and authorise the development of a fully costed business case for a full decant of the Palace of Westminster. The proposals for R&R made by the Delivery Authority would be subject to approval by both Houses.

#### Debating R&R

The Government scheduled a half-day debate on R&R on 31 January 2018. The Government tabled a general motion for debate and two motions to provide a choice of decisions.

One motion (Restoration and Renewal (No 1)) called for funding to "facilitate essential work to the services in this Parliament" and agreed to review the need for comprehensive works before the end of the Parliament. In line with the Joint Committee report, the other motion (Restoration and Renewal (No 2)) provided for the establishment of a Sponsor Body and Delivery Authority to take forward R&R. However, unlike the Joint Committee's recommendation, the motion provided that first these bodies would have to analyse three options of full decant; partial decant; and retaining a parliamentary foothold in the Palace during a full decant. An amendment, made to the first motion, allowed the House to endorse the Joint Committee's recommendation that there should be a full decant of the Palace of Westminster and that the work should be overseen by a Sponsor Board and Delivery Authority.

Previously, a general debate on R&R was held in Westminster Hall on 25 January 2017.

## Further inquiries

Since the Joint Committee reported, both the Treasury Committee and Public Accounts Committee (PAC) have reported on Restoration and Renewal.

In a <u>preliminary report</u>, published on 17 March 2017, setting out aspects of the project it wished to review, the Treasury Committee concluded by calling for the House to delay committing to an option or timetable until the Treasury Committee had completed its inquiry. The Treasury Committee did not take any evidence on R&R.

In its report – <u>Delivering Restoration and Renewal</u> (10 March 2017) – the PAC concluded that a full decant was the most economic, efficient and effective choice and recommended "without hesitation" that the House should swiftly decide in principle to decant from the Palace. It endorsed the two-tier delivery authority approach and reiterated that much more analysis was required before a final decision was made. (The amendment, agreed on 31 January 2018 was moved by the Committee's Chair, Meg Hillier.)

## How were the options developed? Internal review

In 2012, the Management Boards of both Houses commissioned an internal review of previous documentation on modernising the building service of the Palace of Westminster that also set out a preliminary business case for a general modernisation of the Palace.

The Internal Review, Restoration and Renewal of the Palace of Westminster: Pre-Feasibility Study and Preliminary Strategic Business Case (October 2012), suggested four alternative approaches. One, moving Parliament to a new purpose-built building, was ruled out by the House of Commons Commission and the House Committee of the House of Lords. They agreed to commission an independent cost appraisal of the remaining three options:

Option 1 – continuing repairs and replacement of the fabric and systems of the Palace over an indefinite period of time.

Option 2 – a defined, rolling programme of more substantial repairs and replacement over a long period, but still working around continued use of the Palace.

Option 3 – scheduling the works over a more concentrated period with parliamentary activities moved elsewhere to allow unrestricted access to the Palace for the delivery of the works.

#### **Independent Options Appraisal**

The IOA, <u>Palace of Westminster Restoration and Renewal Programme Independent</u> <u>Options Appraisal</u> (September 2014, published in June 2015), considered these options and mapped them against three outcomes:

- Outcome Level A: the 'do minimum' option of like-for-like replacement of existing systems;
- Outcome Level B: would provide scope to make some improvements to the building;
- Outcome Level C: would provide for more ambitious improvements.

It subjected five of the nine possible scenarios to detailed evaluation, estimating the possible costs of each scenario:

# Total capital expenditure of shortlisted scenarios in the IOA (£bn, based on a P50 confidence level, at Q2 2014 prices as reported in September 2014)

Scenario E1A: A rolling programme of works and local decant, with minimal outcome level (meeting all legislation and building policy)	£5.67bn
Scenario 2A: A partial decant, with minimal outcome level (meeting all legislation and building policy)	£3.94bn
Scenario 2B: A partial decant, with enhanced amenities and functions over and above meeting legislation and building policy	£4.42bn
Scenario 3B: A full decant, with enhanced amenities and functions over and above meeting legislation and building policy	£3.52bn
Scenario 3C: A full decant, with significantly enhanced amenities and functions over and above meeting legislation and building policy	£3.87bn

As well as being the most expensive, the rolling programme was also deemed to be the "least predictable in terms of cost and duration" and to have a "level of risk to the continuous running of the business of Parliament". The full decant option was, conversely, deemed to have "greatly reduced" risks to the continuous running of Parliament.

# 1. Overview of the Restoration and Renewal Programme

On 18 October 2018, the Government published the Draft Parliamentary Buildings (Restoration and Renewal) Bill. 1 In a written statement published on the same day, the Leader of the House of Commons described the draft bill:

[It] seeks to establish the statutory bodies that will be responsible for the restoration and renewal works within the Parliamentary estate, giving effect to the resolutions passed by Parliament earlier this year. In addition to Parliament having expressed its view in those resolutions, it will also be given an opportunity to vote on the proposed design, cost and timing of the substantive building works relating to the Palace of Westminster. In developing the draft Bill, the Government has worked closely with the House Authorities.2

(See section 6 for more detail on the draft bill.)

In January 2018, the House of Commons debated R&R. The House

- accepted the need to repair the services in the Palace of Westminster:
- endorsed the recommendation of the Joint Committee (September 2016) that a full decant was the best and most costeffective delivery option;
- accepted that expenditure should be limited to preparatory work in the current Parliament:
- endorsed the recommendation that a Sponsor Board and Delivery Authority be established "by legislation to develop a business case and costed programme for the work to be approved by both Houses of Parliament, and to commission and oversee the work required, and that immediate steps be taken now to establish a shadow sponsor Board and Delivery Authority";
- set out their roles; and
- affirmed that both Houses were to return to their Chambers as soon as possible.3

An identical motion was considered and agreed to by the House of Lords on 6 February.<sup>4</sup> (See sections 5.1-5.4 the text of the motions, amendments and resolutions).

The debates followed the Joint Committee on the Palace of Westminster's report, Restoration and Renewal of the Palace of Westminster, which was published in September 2016. (See section 4.)

<sup>&</sup>lt;sup>1</sup> Leader of the House of Commons and Leader of the House of Lords, <u>Draft</u> Parliamentary Buildings (Restoration and Renewal) Bill, Cm 9710, 18 October 2018

WS1019 18 October 2018

HC Deb 31 January 2018 cc878-939

<sup>&</sup>lt;sup>4</sup> HL Deb 6 February 2018 cc1916-2000

<sup>&</sup>lt;sup>5</sup> Joint Committee on the Palace of Westminster, *Restoration and Renewal of the* Palace of Westminster, 8 September 2016, HC 659 2016-17

This briefing paper outlines the background to the need for a major refurbishment of the Palace of Westminster and describes the work that has been undertaken by the Restoration and Renewal (R&R) Programme to determine the extent of the work necessary and proposals to oversee and facilitate that work.

#### 1.1 Refurbishment to date

The Palace of Westminster is the home of a working legislature. It was designed specifically to be a Parliament. There are 650 MPs and about 800 members of the House of Lords; their staff; and staff of the two Houses. It receives more than one million visitors a year: coming to participate in or watch parliamentary proceedings; as schoolchildren to learn about Parliament; to attend functions; and as visitors to a world heritage site.

The current Palace of Westminster dates mainly from the 1840s and 1850s, though some parts were rebuilt following bomb damage in the Second World War and there have been partial adaptations and renovations in more recent years. Responsibility for maintaining and conserving the Palace passed from the Crown to Parliament in 1992. Repairs and work has been undertaken on a "make-do-and-mend" basis, as and when required.

Serious concerns about the fabric and services of the building have been expressed over the last 20 years. First attempts to survey and tackle the state of the basement plant rooms were made in 2000.

During 2007-09 a programme board of senior officials from both Houses initiated a plan to deal with the basements and risers over a tenyear period without disrupting the work of Parliament, but the management boards in both Houses were unable to give it their backing. The risks inherent in the approach were too high and the plan took no account of the need to deal also with secondary services throughout the Palace. Instead the two management boards advised the Parliamentary authorities in 2009 to agree to a medium-term programme of risk reduction in order to buy time to plan the fuller modernisation that was by then essential.<sup>6</sup>

In January 2012, the Management Boards of the two Houses appointed a Study Group to review the documentation relating to the modernisation of the Palace and to describe the preliminary strategic business case for a general modernisation of the Palace. This is effectively the start of the R&R Programme.

# 1.2 Timeline of the R&R Programme

After the 2012 review was completed, a detailed independent options appraisal was undertaken on behalf of the House of Commons Commission and the House Committee of the House of Lords. It has

Restoration and Renewal of the Palace of Westminster: Pre-Feasibility Study and Preliminary Strategic Business Case, October 2012, Executive Summary

been reviewed by MPs and peers on the Joint Committee on the Palace of Westminster.

The following timeline shows the when these reports were commissioned and published. Further details on these reports are provided in sections 2, 3 and 4, respectively.

	provided in section	ons 2, 3 and 4, respectively.		
Hou ider		nternal review commissioned: officials from both Houses commissioned to conduct an initial study to dentify options for the long-term upkeep of the Palace of Westminster. <sup>7</sup>		
	October 2012	The internal review, <u>Restoration and Renewal of the</u> <u>Palace of Westminster: Pre-Feasibility Study and</u> <u>Preliminary Strategic Business Case</u> , was published		
	December 2013	Consortium appointed to conduct an independent options appraisal.		
	September 2014	Options appraisal completed: <u>Palace of Westminster</u> <u>Restoration and Renewal Programme Independent</u> <u>Options Appraisal</u> . It was made public in June 2015.		
	July 2015	Joint Committee on the Palace of Westminster appointed to consider the restoration and renewal of the Palace of Westminster.		
	November 2015	Joint Committee issued terms of reference.8		
	September 2016	Joint Committee's report, <u>Restoration and Renewal of</u> <u>the Palace of Westminster</u> , published		
	January 2017	Treasury Committee issued a call for evidence and views on the options as set out in the independent options appraisal (July 2015) and the Joint Committee on the Palace of Westminster report (September 2016).9		
	January 2017	Chris Bryant, a member of the Joint Committee, initiated a Westminster Hall debate on Restoration and Renewal. <sup>10</sup>		
	January 2017	Public Accounts Committee announced an oral evidence session on the Restoration and Renewal of the Palace of Westminster would take place on Tuesday 21 February 2017. <sup>11</sup>		
	March 2017	The Public Accounts Committee's report, <i>Delivering</i>		

Restoration and Renewal, was published on 10 March

House of Commons Commission Press Release, <u>Renovation of the Palace of Westminster</u>, 23 January 2012

Joint Committee on the Palace of Westminster, <u>Call for Evidence</u>, 30 November 2015

Treasury Committee news, <u>Restoration and Renewal of the Palace of Westminster inquiry launched</u>, 16 January 2016

<sup>&</sup>lt;sup>10</sup> HC Deb 25 January 2017 cc97WH-121WH

Public Accounts Committee, <u>Restoration and Renewal inquiry</u>

2017. It recommended a decision in principle for full decant was taken by both Houses as soon as possible.

March 2017 The Treasury Committee's report, Restoration and

> Renewal of the Palace of Westminster: Preliminary *Report*, was published on 17 March 2017. It recommended no decisions were taken until it

completed its inquiry.

January 2018 The House of Commons debated R&R and approved a

> full decant to allow the work to go ahead. The shadow Sponsor Body and Delivery Authority were instructed to report back to Parliament with up to date costings and a realistic timetable for the duration

of the work. 12

February 2018 The House of Lords agreed an identical motion to that

agreed by the House of Commons to allow the work

to go ahead. 13

February 2018 Commissions of the two Houses agreed the

governance arrangements for the R&R Programme

and outlined the next steps. 14

July 2018 Membership of the Shadow Sponsor Body announced

(see Box 1)

#### Box 1: Appointments to the Shadow Sponsor Body

#### Extract from the Minutes of the House of Commons Commission

The Commission agreed to the appointment of Elizabeth Peace as the Chair of the Shadow Sponsor Board and to the appointment of the following parliamentarian members of the Shadow Sponsor Board:

- Lord Carter of Coles (Labour)
- Lord Deighton (Conservative)
- Lord Geidt (Crossbencher)
- Neil Gray MP (SNP)
- Sir Patrick McLoughlin MP (Conservative)
- Baroness Scott of Needham Market (Lib Dem)
- Mark Tami MP (Labour)

The Commission also agreed to the appointment of the remaining four external members of the Shadow Sponsor Board:

- Brigid Janssen
- Marta Phillips
- Simon Thurley CBE
- Simon Wright OBE<sup>15</sup>

<sup>&</sup>lt;sup>12</sup> HC Deb 31 January 2018 cc878-939

<sup>&</sup>lt;sup>13</sup> HL Deb 6 Feb 2018 cc 1916-2000

<sup>&</sup>lt;sup>14</sup> HCWS496, 28 February 2018; House of Lords Commission, *Minutes*, 21 February

<sup>&</sup>lt;sup>15</sup> House of Commons Commission, *Decisions*, 16 July 2018

September 2018 House of Commons Commission noted the terms of

the proposed Draft Parliamentary Buildings

(Restoration and Renewal) Bill. 16

Draft Parliamentary Buildings (Restoration and October 2018

Renewal) Bill published

# 1.3 The scale of the problem

In October 2012, the internal parliamentary pre-feasibility study for a general modernisation of the Palace of Westminster found that:

Considering the age of the Palace of Westminster, the 60+ years that have passed since the partial post-war refurbishment, the long-term under-investment in the fabric and the intensive use to which the Palace is put, it is remarkable that it continues to function. The signs of wear and tear, the number and frequency of relatively minor floods and mechanical breakdowns, the high cost of maintaining obsolescent equipment and the large sums that are now having to be spent on aggressive maintenance and risk reduction all provide tangible evidence of the looming crisis. A growing body of surveys, consultancy reports and risk registers point to the further deterioration that will occur and the severe hazards that could occur if fundamental renovation is delayed indefinitely. 17

Speaking in November 2013, John Thurso, who spoke on behalf of the House of Commons Commission, told the House that:

The Palace of Westminster is a heritage site, an iconic building and a major visitor attraction. Most importantly, it is also a working institution in which we work throughout our time as Members of Parliament. It is also a building in which the fabric is at, or well past, its sell-by date. Some mechanical and electrical elements have been nursed on by brilliant engineers, but in any other building they might well have been replaced quite a long time ago. It is clear that a major project of renewal and restoration is required. 18

The Joint Committee on the Palace of Westminster, which reported in September 2016, reviewed the condition of the Palace. Whilst, "the actual structure of the building is fundamentally stable", it reiterated findings of the Pre-Feasibility Study of 2012 on the condition of the building and its services. The Joint Committee concluded that:

The longer the essential work is left, the greater the risk becomes that the building might suffer a sudden, catastrophic failure, or that small, incremental failures might make the building uninhabitable. The need to tackle the work speedily has greatly influenced our deliberations on the preferred way in which to deliver the work. 19

<sup>&</sup>lt;sup>16</sup> House of Commons Commission, *Decisions*, 10 September 2018

Restoration and Renewal of the Palace of Westminster: Pre-Feasibility Study and Preliminary Strategic Business Case, October 2012, para 72

HC Deb 21 November 2013 cc1394-1395

<sup>&</sup>lt;sup>19</sup> Joint Committee on the Palace of Westminster, Restoration and Renewal of the Palace of Westminster, 8 September 2016, HC 659 2016-17, para 38-76

In the Westminster Hall debate on Restoration and Renewal on 25 January 2017, Chris Bryant identified a number of problems with the condition of the Palace of Westminster:

- The mechanical and electrical engineering systems were "already well past their use-by date" and the risk of catastrophic failure rose "exponentially every five years";
- Some of the high voltage cables in the building were decaying;
   access to many of them was "virtually impossible";
- The building was not well compartmentalised, which could allow fire to spread quickly; and
- There was a "substantial amount of asbestos in the building which simply has to be removed". 20

At the House of Lords Commission meeting on 13 September 2017, the Lord Speaker "described some of the recent incidents, such as leaks and floods, which demonstrated the need to move forward with the Restoration and Renewal Programme".<sup>21</sup>

In October 2017, in response to oral questions on "recent progress" that had been made on the R&R programme, Tom Brake, speaking on behalf of the House of Commons Commission, said that:

Substantial progress has until now been hampered by the lack of a decision in principle by the two Houses on the preferred way forward. The report of the Joint Committee on the Palace of Westminster was published in September last year, and I am pleased that the Leaders of both Houses have indicated that they will make time for a debate before the end of this year.

#### He also noted that:

The expectation is that once the shadow sponsor board and the delivery authority have been established, it might take them something of the order of 12 to 18 months to consider the options for decanting. That would therefore add to the timescales. I welcome the fact that we are going to have the debate by the end of this year. We really need that, because meanwhile the fabric of the building continues to deteriorate and the very high maintenance costs that we incur as a result also continue apace.<sup>22</sup>

On 1 December 2017 a *Guardian* long read article reviewed the state of the Palace of Westminster. It considered the consequences of delaying the start of work on R&R:

The temptation for parliamentarians is to stall. But doing nothing is also a choice. Every year of delay increases the cost of the works by an estimated £100m. Every day that passes makes a catastrophe more likely. Tom Healey, head of restoration and renewal at the palace, told me that the palace's mechanical and engineering services – all those pipes and ducts and cables – are classified according to likelihood of failure. "By 2020, 40% of them will be at critical or high risk. By 2025, the figure will be 52%. By 2025, most of the building services in the palace will be

<sup>&</sup>lt;sup>20</sup> HC Deb 25 January 2017 cc97WH-98WH

House of Lords Commission, *Minutes*, 13 September 2017, Item 5

<sup>&</sup>lt;sup>22</sup> HC Deb 26 October 2017 c435

at a very high risk of failure. It's a bit like driving a car with 40year-old brakes: you can't say when they'll fail. But the risk is pretty high." As time grinds on - the projected date of the start of works has already slipped from 2020 to the mid-2020s – so grows the risk of "either a single, catastrophic event, or a succession of incremental failures in essential systems, which would lead to Parliament no longer being able to sit in the palace", as the 2016 report put it. And if that happens, said Healey, "we have a very big problem".23

## Costs of delay

In July 2017, Chris Bryant asked the House of Commons Commission, "what estimate it has made of the cost of a change in the timetable for a decision on the proposed restoration and renewal programme for the Palace of Westminster?" In response, Tom Brake said that:

The Independent Options Appraisal produced by the Deloitte-led consortium and published in June 2015 provided estimates of the inflationary impact on capital expenditure of a delay to the construction start date. A range of estimates were provided across the options under consideration and at different levels of certainty. Based on the scenario of full decant, as recommended by the Joint Committee, with some defined improvements to the Palace, the range of predicted inflationary impacts was £78m to £167m per annum. [The Independent Options Appraisal analysis was based on an assumed start date of Q2 2020 delayed to Q2 2025]24

# 1.4 Decisions already taken

So far much of the R&R Programme has involved identifying options for tackling the work and then providing greater detail about how the work would be undertaken. However, some decisions have been taken.

#### 1. Westminster to remain the long-term home of Parliament

On 1 November 2012, John Thurso, who answered questions on behalf of the House of Commons Commission, repeated a statement issued by the Commission following the publication of *Restoration and Renewal* of the Palace of Westminster: Pre-Feasibility Study and Preliminary Strategic Business Case. The statement confirmed only that "the Commission has ruled out the option of constructing a brand new building away from Westminster and no further analysis will be undertaken of this option".25

The House Committee (now the House of Lords Commission), which sets the policy framework for the House of Lords, <sup>26</sup> has also agreed that the Palace of Westminster should be retained as the "long-term home of Parliament".27

<sup>&</sup>lt;sup>23</sup> Charlotte Higgins, "'A tale of decay': the Houses of Parliament are falling down", Guardian, 1 December 2017 (The R&R Press Team facilitated this article)

<sup>&</sup>lt;sup>24</sup> PQ<u>3465</u>, 18 July 2017

<sup>&</sup>lt;sup>25</sup> HC Deb 1 November 2012 c330W; House of Commons Commission, *Bulletin*, 29 October 2012

<sup>&</sup>lt;sup>26</sup> House Committee, *Role* 

<sup>&</sup>lt;sup>27</sup> House of Lords, <u>Annual Report of the Administration 2012/13</u>, July 2013, HL Paper 45 2013-14, p6

#### 2. Mandate for developing an outline business case

In July 2014 the Management Boards of both Houses approved a mandate for Phase 2 of the Programme, which aimed to achieve the decision in principle by 2016. It also allowed for work required to develop appropriate programme governance and delivery mechanisms for the medium and longer term, and the initial development of the Outline Business Case to the maximum degree possible pending a decision.<sup>28</sup>

#### 3. Client Advisory Service Contracts let

On 28 June 2017, the House of Lords Commission, "After discussion and subject to the agreement of the House of Commons Commission, the Commission agreed to let the CAS [Client Advisory Service] contracts".<sup>29</sup> On 3 July 2017, the House of Commons Commission "agreed to let the CAS contracts".<sup>30</sup>

Two Client Advisory Service Contracts were let.

Information about the successful companies and the contracts was given on the Restoration and Renewal website:

The work will also include detailed exploration of the condition of the building, a building-wide security strategy, planning for a major programme of asbestos removal, and fire safety improvements. Parliament expects to spend around £12 million under these two contracts over the rest of this financial year.

The successful bidders, both of which submitted the best value for money bids, with highest overall score combining quality and price, are:

- **BDP** for Lot 1 Architectural and building design services.
- **CH2M** for Lot 2 Programme, project and cost management services.

This preliminary work does not affect decisions on which option the two Houses may want to consider in any future debates on a way forward for a Restoration and Renewal Programme for the Palace of Westminster, but will lay the groundwork for a longer-term strategy that will protect the heritage of the building and ensure it can continue to serve as home to the UK Parliament in the 21st century. Work that companies may be asked to carry out at this early stage will be option neutral, that is, will be required whichever delivery option Members of both Houses may choose.<sup>31</sup>

(In November 2016, the House of Commons Commission had agreed to wait until the Decision in Principle was made to award R&R Client Advisory Services (CAS) Contracts.<sup>32</sup>

House of Commons, <u>Palace of Westminster Restoration and Renewal Programme: What happens next?</u>, House of Commons Management Board, <u>Minutes of the Management Board meeting held on 3 July 2014 at 3.30pm</u>, Item 4

<sup>&</sup>lt;sup>29</sup> House of Lords Commission, *Minutes*, 28 June 2017

House of Commons Commission, *Decisions*, 3 July 2017

Houses of Parliament – Restoration and Renewal, <u>Contracts awarded to help ensure safe and secure future of Palace of Westminster</u>, 18 July 2017. The original <u>contract notice</u> for both lots was posted in August 2015

House of Commons Commission, *Decisions*, 21 November 2016, Item 4

#### 4. Response to the decisions of the two Houses

In February 2018, after both Houses had voted for a full decant and the programme to be overseen by a statutory Sponsor Board and Delivery authority, the House of Commons Commission set out the work that would follow, in a written statement:

Both Houses have decided that the next steps of the Restoration & Renewal Programme should be overseen by a Sponsor Board and Delivery Authority. It is expected that the Commission of each House will therefore immediately focus on establishing those bodies in shadow form. Until the shadow Sponsor Board has been appointed, the Programme will continue to be delivered under the governance of the bicameral Programme Board, which consists of officials from both Houses plus two external members, and acts with authority delegated from the Board and Accounting Officer of each House. Establishing both bodies in substantive form will require primary legislation.

The Programme Team, supported by its client advisory services consultants, CH2M and BDP, will continue work in the following areas:

- further investigation and documentation of the current physical condition of the Palace of Westminster and its building services;
- further studies on the feasibility of the Queen Elizabeth II Conference Centre as temporary accommodation for the House of Lords;
- design of Richmond House as temporary accommodation for the House of Commons, which is being taken forward as part of the Commons' Northern Estate Programme;
- development of a client brief for the design of the works to the Palace of Westminster;
- the development of the required Outline Business Cases (OBCs), compliant with HM Treasury's Green Book; and
- a further round of medium-term mechanical and electrical, public health and conservation work to mitigate the operational risks to Parliament presented by the condition of the building between now and the commencement of the construction phase of the R&R Programme.

The design phase will require extensive consultation with Members of both Houses, as well as a wide range of other stakeholders including staff, third-party occupants of the Parliamentary Estate, visitors and other members of society throughout the United Kingdom. It is anticipated that this engagement work will be developed and taken forward by the shadow Sponsor Board once it is established later this year. 33

#### 5. Mandate

In May 2018, the Commissions of both Houses considered the mandate for the R&R Programme. "This mandate provides direction for the

Programme until the shadow Sponsor Board is established, and helps keep the Programme on track for a mid-2020s start date".34

#### R&R Programme Spending

In its annual accounts, the House of Commons reported the amount it had spent on the R&R Programme. In its 2017/18 accounts, it noted the decisions taken by the two Houses of Parliament and then reported that the delay in reaching decisions and slow progress while legislation was awaited meant that spending on the R&R Programme was "less than the estimate". It reported Commons' expenditure on the Programme to date:

Spend this year on the Restoration and Renewal programme was less than the estimate due to the delay in reaching this decision and progress continues to be slow as legislation is now required to establish the delivery body. However, plans continue to progress the programme in terms of setting up the structure of a shadow delivery authority and in delivering the outline business case to support the programme.

The House of Commons' contribution to the Programme in 2017– 18 was £3.9 million in capital expenditure and £1.8 million is resource expenditure. The contribution from the House of Commons in prior years is:

£ million	Pre 2015-16	2015–16	2016–17	2017–18
Resource	0.4	0.8	1.3	1.8
Capital	3.2	3.8	2.7	$3.9^{35}$

In its accounts for 2017/18, the House of Lords reported that:

The House of Lords contribution (representing 40%) from 2014-15 to date for the programme is £12.0m (2016-17: £8.1m). The majority of costs of the programme have been treated as capital (£9.1m capital, £2.9m resource) due to the direct link to the asset.36

#### Other developments

In order to refurbish part of the parliamentary estate and in preparation for a potential decant from the Palace, the House of Commons established the Northern Estates Programme (NEP, see Box 2). In December 2016, the House of Commons Commission noted that the NEP was "now formally a sub-programme of the R&R programme".<sup>37</sup>

Then in September 2017, the Commission endorsed the principle of the construction of a contingency parliamentary chamber on the Northern Estate subject to further investigation of time and cost" and "endorsed the change in direction in the Northern Estate Programme (NEP) and

<sup>&</sup>lt;sup>34</sup> Houses of Parliament, Restoration and Renewal, *What has happened since the* debates in early 2018? [last viewed 16 November 2018]; House of Commons Commission, *Decisions*, 14 May 2018; House of Lords Commission, *Minutes*, 2 May 2018

<sup>&</sup>lt;sup>35</sup> House of Commons, <u>Administration – Annual Report and Accounts 2017-18</u>, 23 July 2018, HC 1381 2017-19, p83

<sup>&</sup>lt;sup>36</sup> House of Lords, <u>Annual Report and Resource Accounts 2017-18</u>, 17 July 2018, HL Paper 175 2017-19, p18

House of Commons Commission, *Decisions*, 19 December 2016, Item 6

Richmond House from a limited refurbishment to a legacy building project inside the secure perimeter".38

#### **Box 2: Northern Estates Programme**

The House of Commons annual accounts for 2016/17 provided the following description of the NEP:

The Northern Estate Programme involves the refurbishment of four currently occupied listed buildings, Norman Shaw North, 1 Derby Gate, Norman Shaw South and 1 Parliament Street, preceded by the acquisition and refurbishment of Richmond House. The House is acquiring Richmond House, currently home to the Department of Health, with a view that this building be used as Members' and Members' staff accommodation for the duration of works to the Northern Estate. Subject to a decision in principle and further feasibility work. Richmond House would also be used to house a temporary Commons Chamber and offices whilst the restoration and renewal works to the Palace of Westminster take place. An agreement has been made that Richmond House will be transferred to the House in November 2017. The House will initially occupy Richmond House under a memorandum of term until 2019–20, when a permanent transfer of the asset will be sought. Current costs to date incurred on the Northern Estate Programme are £12.5 million (£9.4 million capital, £3.1 million resource), with £9.7 million (£6.7 million capital, £3.0 million resource) spent during 2016–17.39

The 2017/18 accounts noted changes to the use of Richmond House and updated the costs of the programme:

The original plans for this building were to use it for Members' and Members' staff accommodation for the duration of works to the Northern Estate. Whilst the medium term plans for Richmond House remain the same, in the short-term, the building is being used to accommodate House staff from 7 Millbank to enable disruptive works to be undertaken on that property.

Costs incurred on the Northern Estate Programme in 2017–18 are £13.9 million (£13.2 million capital, £0.7 million resource). Of this, £5.7 million relates to the development of Richmond House for its future use but does not include the cost of temporary decant of staff from 7 Millbank.40

# 1.5 Next steps for the Restoration and Renewal Programme

# Joint Committee's timeline, September 2016

When the Joint Committee on the Palace of Westminster reported in September 2016, it set out the decisions that the House had to take and a timetable for those decisions (see Figure 1). In its summary, the Joint Committee said that:

It is vital that the Restoration and Renewal Programme should not be delayed at this critical juncture. If the works are to be commenced in the early 2020s then it is essential that Parliament should proceed with the next steps quickly. We believe that both Houses must act now to restore and renew this historic building for the future, and to ensure that the Palace of Westminster is preserved for future generations. 41

<sup>&</sup>lt;sup>38</sup> House of Commons Commission, *Decisions*, 11 September 2017; see also House of Commons Commission, Decisions, 8 January 2018

<sup>&</sup>lt;sup>39</sup> House of Commons, <u>Administration – Annual Report and Accounts 2016-17</u>, 19 July 2017, HC 226 2017-19, p65

<sup>&</sup>lt;sup>40</sup> House of Commons, <u>Administration – Annual Report and Accounts 2017-18</u>, 23 July 2018, HC 1381 2017-19, p83

Joint Committee on the Palace of Westminster, Restoration and Renewal of the Palace of Westminster, 8 September 2016, HC 659 2016-17, Summary

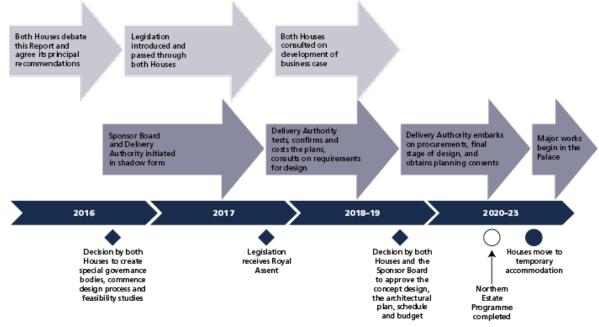


Figure 1: Next steps for the Restoration and Renewal Programme

Source: Joint Committee on the Palace of Westminster, Restoration and Renewal of the Palace of Westminster, 8 September 2016, HC 659 2016-17, Summary

Note: Years shown are not now accurate: the initial "Decision by both Houses" took place in January 2018

## Timeline, January 2018

On 23 January 2018, in response to a guestion asking "what is the estimated earliest date by which both Houses of Parliament could decant the Palace of Westminster in the event of a decision so to do for the purposes of the restoration and renewal of the Palace", Lord McFall of Alcluith, the Senior Deputy Speaker in the House of Lords, wrote that:

The future schedule for the Restoration & Renewal Programme will depend largely on when both Houses take a decision on the preferred delivery option, and on what that decision is. If both Houses accept the Joint Committee's recommendation, then it will be necessary to acquire, design and fit out temporary accommodation, and to complete the refurbishment of the House of Commons Northern Estate, before decant can take place. There will also be several years of design work, including consultation with Members of both Houses and more widely, which will be followed by a procurement phase for the works. The Joint Committee recommended the establishment, by statute, of an independent Sponsor Board and Delivery Authority to deliver the Programme. Assuming that a decision on the future direction of the Programme can be taken soon, we expect that this work could be completed in time for decant to take place in 2025.

He also provided information on the forecast cost of repair and maintenance of the Palace of Westminster from 2017/18 to 2021/22.42

Lord Norton of Louth, who asked the question about the timing of a possible decant, commented on the answer on his blog. 43

## Legislation timetable

The draft bill was published on 18 October 2018.44

Andrea Leadsom appeared before the House of Commons Finance Committee on 10 October 2018. She told the Committee that it would normally take a joint committee about three months to scrutinise a draft bill. But she hoped it might be quicker to allow the Bill itself to be introduced before the end of the current Session:

Ideally, I would like it to take less time if that were possible—if it is not, obviously it is not—so that we could introduce the Bill properly some time before the end of this Session.<sup>45</sup>

<sup>43 &</sup>quot;Restoration and renewal of the Palace of Westminster: the cost of delay", The Norton View, 23 January 2018

Leader of the House of Commons and Leader of the House of Lords, *Draft* Parliamentary Buildings (Restoration and Renewal) Bill, Cm 9710, 18 October 2018

Finance Committee, Oral evidence: Restoration and Renewal of the Palace of Westminster, 10 October 2018, HC 1615 2017-19, Q8

# 2. Pre-feasibility study (2012)

In January 2012, the House of Commons Commission agreed that officials from both Houses should conduct an initial study to identify options for the long-term upkeep of the Palace of Westminster. 46 A study group was appointed by the Management Boards of the two Houses to:

- review previous documentation relating to the modernisation of the building services of the Palace of Westminster; and
- describe the preliminary strategic business case for a general modernisation of the Palace.

The study group's review was published by the House Service in October 2012.<sup>47</sup> It reviewed the economic case for four options:

- a rolling programme of partial interventions to reduce specific risks by means of projects that have only localised impacts on the Palace and minimise disruption to Parliament as a whole. Given the requirement to address essential health and safety requirements, this is as close as is possible to a "do nothing" option.
- moving Parliament out of the Palace of Westminster to a new purpose-built building on a site close enough to retain some of the advantages of proximity to Whitehall.
- returning to the pre-2009 idea of modernising the Palace to a new over-all blueprint over an extended period. This would involve much disruption over a long period, but no period of complete closure.
- plan and implement a staged comprehensive modernisation with full decant when essential.48

It also set out the strategic questions that needed to be addressed to take any of these options forward.

In October 2012, the House of Commons Commission and the House Committee in the Lords ruled out one option outlined by the study group report: the construction of a new Parliamentary building away from Westminster, simply stating:

the Commission has ruled out the option of constructing a brand new building away from Westminster and no further analysis will be undertaken of this option.

They also confirmed that "doing nothing is not an option". 49

<sup>&</sup>lt;sup>46</sup> House of Commons Commission Press Release, *Renovation of the Palace of* Westminster, 23 January 2012

<sup>47</sup> House of Commons, House of Lords, *Restoration and Renewal of the Palace of* Westminster: Pre-Feasibility Study and Preliminary Strategic Business Case, October

<sup>&</sup>lt;sup>48</sup> House of Commons, House of Lords, *Restoration and Renewal of the Palace of* Westminster: Pre-Feasibility Study and Preliminary Strategic Business Case, October 2012, Executive Summary

HC Deb 1 November 2012 c330W

The House of Commons Commission said that it was not persuaded that the case for a decant had been made. It "wished to ensure that all options were rigorously tested by independent analysis, detailed costings and robust technical information, to ensure no suggestion of internal bias".<sup>50</sup>

The House of Commons Commission and the House of Lords House Committee agreed to commission a comprehensive independent cost appraisal of a range of options for the restoration and renewal of the Palace of Westminster.<sup>51</sup> They agreed that further analysis should be carried out on the remaining options:

Option 1 – continuing repairs and replacement of the fabric and systems of the Palace over an indefinite period of time.

Option 2 – a defined, rolling programme of more substantial repairs and replacement over a long period, but still working around continued use of the Palace.

Option 3 – scheduling the works over a more concentrated period with parliamentary activities moved elsewhere to allow unrestricted access to the Palace for the delivery of the works. 52

<sup>&</sup>lt;sup>50</sup> House of Commons Commission, *Bulletin 29 October 2012* 

<sup>&</sup>lt;sup>51</sup> HC Deb 12 September 2013 cc1155-1156

House of Commons Commission, <u>Thirty-sixth report of the Commission, and annual report of the Administration Estimate Audit Committee: Financial Year 2013/14</u>, 30 July 2014, HC 596 2014-15, pp21-22

# 3. Independent Options Appraisal (2014)

On 17 December 2013, written statements were published in both Houses, confirming that the contract for an independent options appraisal (IOA) had been awarded to a consortium led by Deloitte Real Estate and including AECOM and HOK. The terms of the contract for the options appraisal were also confirmed.<sup>53</sup> Three broad approaches to the restoration and renewal work ("delivery options") were considered:

- continuing repairs and replacement of the fabric and systems of the Palace over an indefinite period of time;
- 2. a defined, rolling programme of more substantial repairs and replacement over a long period, but still working around continued use of the Palace; or
- 3. scheduling the works over a more concentrated period, with parliamentary activities moved elsewhere to allow unrestricted access to the Palace for the delivery of the

The appraisal will also explore the range of potential improvements that could be delivered under each of the implementation options, ranging from minimum statutory compliance to a substantial remodelling of the layout and facilities. 54 [The options for the scope of the work were described as outcome levels in the IOA.]

# 3.1 Outcome of the appraisal

The resulting independent options appraisal, *Palace of Westminster* Restoration and Renewal Programme Independent Options Appraisal, was published on 18 June 2015. Announcing its publication in a written statement, Sir Paul Beresford, representing the House of Commons Commission, confirmed that a Joint Committee would now make recommendations to both Houses on how to proceed:

An independent appraisal of options for the restoration and renewal of the Palace of Westminster is published today. It was requested by the House of Commons Commission and the House of Lords House Committee in the last parliament following a prefeasibility study and preliminary strategic business case which was published in October 2012. The new study has been carried out by a consortium consisting of Deloitte Real Estate, AECOM and HOK. The IOA (together with two volumes of detailed supporting materials) is available on the Parliament website at: https://restorationandrenewal.parliament.uk/

The restoration and renewal of the Palace of Westminster will be a major challenge facing Parliament in the coming years and is certain to be a matter of public interest. The process to establish a Joint Committee, which will make recommendations to both Houses on how to proceed, is already under way. It will be for the Joint Committee to decide how best to carry out its task. 55

HCWS43, 18 June 2015

HC Deb 17 December 2013 c89WS; HL Deb 17 December 2013 cWS137

<sup>&</sup>lt;sup>54</sup> Houses of Parliament news, *Options appraisal contract awarded*, 17 December 2013

The Joint Committee on the Palace of Westminster outlined the three options considered by the IOA and the IOA's outcome levels for delivering the three options:

• Option 1 – rolling programme of repairs (25-40 years)

... (described as "Enabled Option 1" in the IOA) is a defined rolling programme of substantial repairs and replacement over a period of several decades, working around the continued occupation of the Palace by Parliament, though with longer Parliamentary recesses. The IOA estimated that this option could take between 25 and 40 years, with 32 years being the most likely. The building would be divided into 12 construction zones (plus the basement) which would be tackled one at a time, with the occupants moved to alternative accommodation, including temporary structures in the courtyards and other open spaces. This would include both Chambers, which would have to be vacated separately for between two and four years each. The Option is described as "enabled" because, as originally defined, it could not meet the Programme objectives, so some constraints (for example, relating to the degree of noise and nuisance which Parliament could tolerate) had to be removed or reduced in order to produce a viable option.

 Option 2 – two phases with one House decanted after the other (9-14 years)

... involves conducting the work in two phases, with first one House, then the other, being moved to an off-site location. One half of the building would remain in operation while the other half became a building site. The IOA estimated that this Option could take between nine and 14 years, with 11 years being the most likely.

Option 3 - Full decant (5-8 years)

... with both Houses moving out of the Palace of Westminster (but not the rest of the Parliamentary Estate) for the duration of the works. For this Option, the IOA estimated a possible duration of between five and eight years, with six years being the most likely.

The three options were mapped against three outcome levels:

#### Outcome Level A

... represents the 'do minimum' option of like-for-like replacement of existing systems, which would secure the long-term future of the building, safeguard its status as a World Heritage Site and ensure compliance with the relevant legislation.

#### Outcome Level B

... would provide scope to make some improvements to the building, such as the upgrading of offices on the upper floor, the provision of comfort cooling in more areas, or the pedestrianisation of the courtyards.

#### Outcome Level C

 $\dots$  would provide for more ambitious improvements, such as glazing over courtyards to create additional indoor space, or establishing a visitors' centre. <sup>56</sup>

The IOA summarised the nine possible scenarios in a matrix (Table 1). Five scenarios, highlighted in the table, were "shortlisted for detailed evaluation as part of the Independent Options Appraisal".<sup>57</sup>

**Table 1: IOA scenarios** 

	Option 1 Rolling decant	Option 2 Partial decant	Option 3 Full decant
Outcome Level A	E1A	2A	3A
Outcome Level B	1B	2B	3B
Outcome Level C	1C	2C	3C

Source: Deloitte LLP, <u>Palace of Westminster Restoration and Renewal Programme</u> <u>Independent Options Appraisal</u>, September 2014, Volume 1, p5

Note: The Joint Committee on the Palace of Westminster noted that "the original Delivery Option 1 was ruled out as not viable during the initial shortlisting process, but reinstated in a modified ("enabled") version to meet the requirement of the House of Commons Commission and the House of Lords House Committee that an option involving a rolling programme of works be included in the appraisal".<sup>58</sup>

The IOA estimated the possible costs of the Restoration and Renewal Programme for each of the five scenarios. The IOA provided a summary of what the Joint Committee on the Palace of Westminster called the "likely capital expenditure of each scenario, broken down into various sub-categories" <sup>59</sup> (see Table 2).

Joint Committee on the Palace of Westminster, <u>Restoration and Renewal of the Palace of Westminster</u>, 8 September 2016, HC 659 2016-17, paras 19-20

Deloitte LLP, <u>Palace of Westminster Restoration and Renewal Programme</u> <u>Independent Options Appraisal</u>, September 2014, Volume 1, p5

Joint Committee on the Palace of Westminster, <u>Restoration and Renewal of the Palace of Westminster</u>, 8 September 2016, HC 659 2016-17, paras 21

Joint Committee on the Palace of Westminster, <u>Restoration and Renewal of the Palace of Westminster</u>, 8 September 2016, HC 659 2016-17, paras 79

Table 2: Total capital expenditure of shortlisted scenarios in the IOA (£bn, based on a P50 confidence level, at Q2 2014 prices as reported in September 2014)

Category	Scenario E1A	Scenario 2A	Scenario 2B	Scenario 3B	Scenario 3C
Construction works	£0.83	£0.73	£0.84	£0.72	£0.81
Construction delivery Programme	£0.42	£0.32	£0.37	£0.24	£0.27
management	£0.34	£0.30	£0.33	£0.27	£0.29
Inflation	£1.60	£0.84	£0.95	£0.67	£0.74
Risk	£1.46	£0.91	£1.02	£0.72	£0.80
Sub-total (excluding					
Decant)	£4.65	£3.10	£3.51	£2.62	£2.91
VAT	£0.93	£0.62	£0.70	£0.52	£0.58
Sub-total (including					
VAT)	£5.58	£3.72	£4.21	£3.14	£3.49
Decant /					
reoccupation	£0.09	£0.22	£0.22	£0.38	£0.38
Total (£bn) (including					
Decant)	£5.67	£3.94	£4.42	£3.52	£3.87

Source: Deloitte LLP, Palace of Westminster Restoration and Renewal Programme Independent Options Appraisal, September 2014, Volume 1, p63

Note: When the Joint Committee reproduced this table, the following definitions of the scenarios were added:

Scenario E1A: A rolling programme of works and local decant, with minimal outcome level (meeting all legislation and building policy)

Scenario 2A: A partial decant, with minimal outcome level (meeting all legislation and building policy)

Scenario 2B: A partial decant, with enhanced amenities and functions over and above meeting legislation and building policy

Scenario 3B: A full decant, with enhanced amenities and functions over and above meeting legislation and building policy

Scenario 3C: A full decant, with significantly enhanced amenities and functions over and above meeting legislation and building policy

As well as being the most expensive, the rolling programme was also deemed to be the "least predictable in terms of cost and duration" and to have a "level of risk to the continuous running of the business of Parliament". The full decant option was, conversely, deemed to have "greatly reduced" risks to the continuous running of Parliament. 60

<sup>60</sup> Houses of Parliament – Restoration and Renewal, *IOA Report* 

# 4. Joint Committee review of the **Options** (2016)

Following the publication of the IOA report, the two Houses of Parliament appointed members to serve on a joint committee. The Joint Committee on the Palace of Westminster was appointed to "consider the restoration and renewal of the Palace of Westminster". When the Committee issued a call for evidence in November 2015, it described its main task:

The Committee's main task is to make a recommendation to both Houses about the best way to approach the Restoration and Renewal Programme, a major programme of repair and conservation which is intended to start during the 2020 Parliament.

The Committee went on to say that it was required to make recommendations in two main areas:

- The broad scope of the work to be carried out; and
- How the work should be delivered.

Under the second, it sought to address the question of whether Parliament should remain on site for the duration of the works "or whether to relocate some or all of the functions of Parliament temporarily to another location in central London and aim to complete the work in a shorter period".61

#### 4.1 A full decant

The Joint Committee's report was published on 8 September 2016.62 The Joint Committee concluded that:

We have concluded that there is a clear and pressing need to tackle the work required to the Palace of Westminster and to do so in a comprehensive and strategic manner to prevent catastrophic failure in the next decade. We have also concluded that, in principle, a full decant of the Palace of Westminster presents the best option under which to deliver this work. In our view, conducting the works in a single phase, involving a full decant, would allow the works to be completed in the shortest possible timeframe, it would minimise the risk of disruption to the day-to-day operation of Parliament, it is likely to involve the lowest capital cost, it would minimise the risk to safety of construction operatives and occupants, it would minimise the risk to the Programme itself, and it would provide the greatest scope for meeting the needs of a 21st Century Parliament building. 63

"a full decant of the Palace of Westminster presents the best option under which to deliver this work" - Joint Committee on the Palace of Westminster

Joint Committee on the Palace of Westminster, *Call for Evidence*, 30 November

<sup>&</sup>lt;sup>62</sup> Joint Committee on the Palace of Westminster, <u>Restoration and Renewal of the</u> Palace of Westminster, 8 September 2016, HC 659 2016-17

<sup>&</sup>lt;sup>63</sup> Joint Committee on the Palace of Westminster, *Restoration and Renewal of the* Palace of Westminster, 8 September 2016, HC 659 2016-17, Summary

The Joint Committee's recommendation for a full decant was "contingent on suitable temporary accommodation being procured for both Houses. 64

# 4.2 Temporary accommodation

In its report, the Joint Committee considered a number of options that had been suggested to it as temporary homes for either or both Chambers and ancillary services. It ruled out using:

- Westminster Hall
- Courtyards and car parks on the Parliamentary Estate
- Victoria Tower Gardens, Abingdon Green and Parliament Square
- Horse Guards Parade
- Other buildings in the Westminster area
- The River Thames
- King Charles Street

These options were generally ruled out on the grounds of noise etc from the Restoration and Renewal Project; distance from the rest of the Parliamentary Estate, and the security risk associated with Members moving from site to site outside the security perimeter; ownership; or the limited space available. 65

The Joint Committee reported that the Restoration and Renewal Programme Team had been working with the Government Property Unit to identify options for a temporary move to the Government Estate. These discussions had taken place on an "exploratory basis". The Joint Committee reported that the proximity of Richmond House, then occupied by the Department of Health, to the Northern Estate "would provide an ideal location for a temporary House of Commons". 66 The House of Commons Annual Report and Accounts 2016-17 reported that the Clerk of the House had "signed a Memorandum of Terms of Occupation enabling Parliament to occupy Richmond House" on 30 January 2017. It also reported that "Subject to a decision in principle and further feasibility work, Richmond House would also be used to house a temporary Commons Chamber and offices whilst the restoration and renewal works to the Palace of Westminster take place".67

During the course of the 2017/18 financial year, the House "agreed a lease to occupy Richmond House". It will be used "as decant

<sup>&</sup>lt;sup>64</sup> Joint Committee on the Palace of Westminster, <u>Restoration and Renewal of the</u> Palace of Westminster, 8 September 2016, HC 659 2016-17, para 188

Joint Committee on the Palace of Westminster, <u>Restoration and Renewal of the</u> Palace of Westminster, 8 September 2016, HC 659 2016-17, paras 148-173

<sup>&</sup>lt;sup>66</sup> Joint Committee on the Palace of Westminster, <u>Restoration and Renewal of the</u> Palace of Westminster, 8 September 2016, HC 659 2016-17, paras 174-181

<sup>&</sup>lt;sup>67</sup> House of Commons, Annual Report and Accounts 2016-17, 19 July 2017, HC 226 2017-19, p44 and p65

accommodation prior to being redeveloped for Restoration and Renewal".68

The Joint Committee also reported that "it appears to us that the Queen Elizabeth II Conference Centre would provide the best possible temporary accommodation for the House of Lords". 69 The Joint Committee acknowledged that:

Over the coming months, the Programme Team will need to continue their work to establish the feasibility of each of the options for temporary accommodation. This work will pass to the Delivery Authority, once it is established, to take forward, and it will be for that body ultimately to make recommendations on the best and most feasible options for temporary accommodation.<sup>70</sup>

It recommended that "the final plans for temporary accommodation be drawn up by the Delivery Authority, for approval by the Sponsor Board and, ultimately, by both Houses".71

## 4.3 Governance arrangements

The Joint Committee concluded that new governance arrangements needed to be put in place to oversee delivery of the R&R Programme:

270. A Programme of the size and complexity of Restoration and Renewal will require strong governance in order to set clear and realistic budgets and timescales, to ensure that the works are conducted in a way which ensures that the needs of both Houses are met, and to avoid changes to the scope of the work part way through the Programme.

It recommended that "a Sponsor Board should be established to oversee the delivery of the R&R Programme and to become a guardian for it". There should be Members of Parliament on the Sponsor Board, as well as people with a heritage or construction background; and it should be required to report to both Houses on a regular basis.

The Sponsor Board would be responsible for oversight, not delivery of the project:

272. We recommend that the Sponsor Board appoint an arm'slength Delivery Authority to manage the delivery of the Programme. The Delivery Authority should be given responsibility for the delivery of the Programme and for ensuring that it is delivered on time, to budget and to specification. The Delivery Authority should also be responsible for validating Parliament's preferred choices on the delivery option and scope of the Programme, as well as the temporary accommodation provided for both Houses.

<sup>&</sup>lt;sup>68</sup> House of Commons, <u>Annual Report and Accounts 2017-18</u>, 23 July 2018, HC 1381 2017-19, p64 and p29

<sup>&</sup>lt;sup>69</sup> Joint Committee on the Palace of Westminster, <u>Restoration and Renewal of the</u> Palace of Westminster, 8 September 2016, HC 659 2016-17, para 184

<sup>&</sup>lt;sup>70</sup> Joint Committee on the Palace of Westminster, <u>Restoration and Renewal of the</u> Palace of Westminster, 8 September 2016, HC 659 2016-17, para 194

Joint Committee on the Palace of Westminster, *Restoration and Renewal of the* Palace of Westminster, 8 September 2016, HC 659 2016-17, para 196

The Joint Committee also recommended that with the approval of both Houses, the Commissions of the two Houses should "establish a Sponsor Board in shadow form":

... This shadow Sponsor Board would be able to make a start on all the essential work required for the Programme, before being formally established. The shadow Sponsor Board should begin the process of appointing a shadow Delivery Authority in order to initiate work on the Programme. The shadow Delivery Authority could also carry out the preparatory work required by the Delivery Authority, before being formally appointed. Enabling legislation should nonetheless still be introduced as soon as possible.

The Joint Committee recommended that "once a concept design, proposed budget and estimated schedule for the Programme have been developed, they must be approved by both Houses".72

But before either the Delivery Authority or the Sponsor Board were established, decisions were required from both Houses of Parliament:

Parliament now needs to face up to the challenge and take the right decisions in order to safeguard the Palace of Westminster for the future. The financial cost of the R&R Programme will be high, and Members of both Houses will have to make sacrifices and tolerate a degree of inconvenience. However, the benefits should be great: a newly-refurbished Palace of Westminster which contains all the services needed by a modern, accessible, accountable Parliament, with better access for the public who wish to visit the building and engage with the work of both Houses, but which also preserves the best of its magnificent Victorian design and medieval heritage. The consequences of continuing to neglect the fundamental problems with the building are unthinkable.

It is vital that the Restoration and Renewal Programme should not be delayed at this critical juncture. If the works are to be commenced in the early 2020s then it is essential that Parliament should proceed with the next steps quickly. We believe that both Houses must act now to restore and renew this historic building for the future, and to ensure that the Palace of Westminster is preserved for future generations. 73

# 4.4 Decisions following the Joint Committee report

The Joint Committee envisaged the two Houses agreeing a motion that it proposed. However, the Government has tabled different motions for debate (see section 5).

Agreement to the motion proposed by the Joint Committee would have triggered the next stages in the process of the Restoration and Renewal Programme. The House would have been agreeing in principle the establishment of a Sponsor Board and Delivery Authority by legislation (the House would subsequently have to consider and agree that legislation).

<sup>&</sup>lt;sup>72</sup> Joint Committee on the Palace of Westminster, <u>Restoration and Renewal of the</u> Palace of Westminster, 8 September 2016, HC 659 2016-17, paras 270-274

<sup>&</sup>lt;sup>73</sup> Joint Committee on the Palace of Westminster, Restoration and Renewal of the Palace of Westminster, 8 September 2016, HC 659 2016-17, Summary

The motion, proposed by the Joint Committee, would also have approved the establishment of a shadow Sponsor Board and a shadow Delivery Authority, and authorised the development of a fully costed business case for a full decant of the Palace of Westminster. The Delivery Authority would test, confirm and cost this case. Once the full business case had been completed, it would need to be approved by both Houses.

# 5. Debate on the Joint Committee's report

The Joint Committee recommended that the two Houses of Parliament debate its report and suggested that the debates take place on the following motion:

That this House takes note of the report of the Joint Committee on the Palace of Westminster; agrees that there is a clear and pressing need to repair the services in the Palace of Westminster in a comprehensive and strategic manner to prevent catastrophic failure in the next decade; endorses the Committee's opinion that a full decant of the Palace of Westminster is the best delivery option in principle; takes note of the case for considering additional work as part of the Programme, subject to its costeffectiveness; endorses the Committee's recommendation that a Sponsor Board and Delivery Authority be established by legislation to take forward work on the preferred delivery option, to develop a business case for the work to enable a costed programme to be approved by both Houses of Parliament, and to commission and oversee the work required; agrees that immediate steps be taken now to establish a shadow Sponsor Board and shadow Delivery Authority; and notes that works in the Palace should commence as early as possible in the next decade.<sup>74</sup>

#### Timing of the debate

Motions for debating R&R were tabled by the Government, and first published on 18 January 2018 (see Boxes 3 and 4).75 On the same day, the Leader of the House, Andrea Leadsom, announced that a threehour debate would be held on 31 January 2018.76 Responding to Valerie Vaz at Business Questions, Andrea Leadsom said that:

The reason for the motions is that we want to be very clear that this is a decision for the House. The House needs to decide whether we can afford to justify the work that undoubtedly needs to take place to restore this Palace—a UNESCO world heritage site, with over 1 million visitors a year—at a time when there are great fiscal constraints. It is a genuinely open decision that the House needs to make, and what the Government have sought to do, taking into account the broad range of views across the House on what should happen, is to put forward, first, an open discussion about whether the House is willing to bear the cost from the taxpayer's purse. Secondly, if the House does believe that now is the time, we need to think about how can we go about doing these things to ensure the very best value for taxpayers' money. That is incredibly important.<sup>77</sup>

At Business Questions on 18 January 2018, Ian Mearns, the Chair of the Backbench Business Committee noted that his Committee had heard an

Joint Committee on the Palace of Westminster, Restoration and Renewal of the Palace of Westminster, 8 September 2016, HC 659 2016-17, Summary

<sup>&</sup>lt;sup>75</sup> House of Commons, *Future Business* – *Section B*, 18 January 2018, Items 65 and 66

<sup>&</sup>lt;sup>76</sup> HC Deb 18 January 2018 c1055

HC Deb 18 January 2018 cc1057-1058

application for a debate on R&R.78 He suspected that "a half-day debate may not be sufficient to assuage Members' thirst". 79

It was initially envisaged that the report would be debated in the autumn of 2016,80 soon after the Joint Committee reported, and then in the spring of 2017.81

Following the general election in June 2017, there were further calls for R&R to be debated and decisions to start the project to be taken.82

On 24 October 2017, the Leaders of the two Houses, Andrea Leadsom and Baroness Evans of Bowes Park, issued a letter to all Members indicating that debates would take place before Christmas.

The Leaders indicated that the debates would not take place on the motion recommended by the Joint Committee but on one in line with it. They said that their motion "if approved, will require the establishment of an arm's-length sponsor board, with parliamentary representation, and a delivery authority to conduct further evaluation of the options for conducting the work". Before legislation establishing these two bodies was passed, they would be set up in shadow form.

Departing from the Joint Committee's recommended motion, their motion would allow these bodies to consider three options for delivering R&R:

- Full decant where both Houses would move out of the Palace for the duration of the works;
- Partial decant where one House would be renovated at a time;
- Retention of a parliamentary foothold during the work.

The Leaders anticipated this work, leading to a single recommendation being brought to Parliament for approval, would take 12 to 18 months.

The proposed motion would also "make clear that the Palace of Westminster is the permanent seat of our democracy".83

When the Commons debate was first announced, Andrea Leadsom informed the House that it would take place on 11 January 2018.84 But following further representations, specifically requesting that the debate not be held on a Thursday, 85 she subsequently announced other

<sup>&</sup>lt;sup>78</sup> Backbench Business Committee, *Representations: Backbench Debates, 9 January* <u>2018</u>, Representations from Sir Edward Leigh, Shailesh Vara and Stephen Pound HC Deb 18 January 2018 c1061

<sup>&</sup>lt;sup>80</sup> House of Commons, <u>Administration – Annual Report and Accounts 2016-17</u>, 19 July 2017, HC 226 2017-19, p25

<sup>&</sup>lt;sup>81</sup> On both 9 February and 9 March 2017, David Lidington, then Leader of the House, told the House that "the Government's intention is that there should be debate in Government time before the Easter recess" - [HC Deb 9 February 2017 c656; HC Deb 9 March 2017 c947

<sup>82</sup> HC Deb 29 June 2017 c739; HC Deb 7 September 2017 c309; HC Deb 12 October 2017 c457

<sup>83</sup> Office of the Leader of the House of Commons, Office of the Leader of the House of Lords, The Restoration and Renewal of the Palace of Westminster [letter], 24 October 2017

<sup>84 &</sup>lt;u>HC Deb 23 November 2017 c1185</u>

HC Deb 14 December 2017 c608

business was taking place on 11 January.86 (The debate in the House of Lords was scheduled to take place on 16 January 2018, 87 but it too was postponed, until 6 February 2018.88)

# 5.1 The Government's motions for debate on 31 January 2018

In addition to the two substantive motions, tabled on 18 January, the Government tabled a motion for a general debate – "That this House has considered the report of the Joint Committee on the Restoration and Renewal of the Palace of Westminster ... ".89 The Speaker announced that all three motions would be debated together. 90

Both the substantive motions took note of the Joint Committee's report and affirmed the House's commitment to the Palace and its status as a UNESCO World Heritage Site.

The first substantive motion (see Box 3) **accepted** the clear and pressing need to repair the services in the Palace but acknowledged the burden this would place on public finances. It then accepted "in principle that action should be taken and funding should be limited to facilitate essential work to the services in this Parliament" and agreed to a review of the need for comprehensive works before the end of the Parliament.

#### **Box 3: RESTORATION AND RENEWAL (NO. 1)**

Andrea Leadsom

That this House-

- 1. affirms its commitment to the historic Palace of Westminster and its unique status as a UNESCO World Heritage Site, Royal Palace and home of our Houses of Parliament;
- 2. takes note of the report of the Joint Committee on the Palace of Westminster 'Restoration and Renewal of the Palace of Westminster', HL Paper 41, HC 659;
- 3. accepts that there is a clear and pressing need to repair the services in the Palace of Westminster in a comprehensive and strategic manner to prevent catastrophic failure in this parliament, whilst acknowledging the demand and burden on public expenditure and fiscal constraints at a time of prudence and restraint;
- 4. accepts in principle that action should be taken and funding should be limited to facilitate essential work to the services in this Parliament;
- 5. agrees to review before the end of the Parliament the need for comprehensive works to take place.

The second substantive motion (see Box 4) agreed that there was a clear and pressing need to repair the services in the House, "in a comprehensive and strategic manner". It provided for works to "commence as early as possible in the next decade"; authorised necessary preliminary work to avoid unnecessary delay; supported the calls for the establishment of a Sponsor Body and Delivery Authority to oversee R&R; and provided for shadow bodies to be set up. It instructed

<sup>86</sup> HC Deb 21 December 2017 c1285

Parliament News, *Restoration and Renewal: Securing Parliament's Future*, 23 November 2017 [intranet only]

<sup>&</sup>lt;sup>88</sup> Government Whips' Office, House of Lords, *Speakers' Lists*, 6 February 2018

<sup>&</sup>lt;sup>89</sup> House of Commons, *Order Paper*, 31 January 2018, Item 5

<sup>&</sup>lt;sup>90</sup> HC Deb 31 January 2018 c878

them to analyse "the three options of full decant, partial decant and retaining a parliamentary foothold in the Palace during a full decant" and to prepare a business case for the preferred option for parliamentary approval. It required high standards of cost-effectiveness; the improvement of visitor access; and required that security was ensured. The motion "affirms that in any event the delivery option must ensure that both Houses will return to their historic Chambers after any essential period of temporary absence".91

#### Box 4: RESTORATION AND RENEWAL (NO.2)

Andrea Leadsom

That this House -

- 1. affirms its commitment to the historic Palace of Westminster as the permanent home of both Houses of Parliament:
- 2. takes note of the report of the Joint Committee on the Palace of Westminster 'Restoration and Renewal of the Palace of Westminster', HL Paper 41, HC 659;
- 3. agrees that there is a clear and pressing need to repair the services in the Palace of Westminster in a comprehensive and strategic manner to prevent catastrophic failure; including steps to safeguard the safety of visitors, schoolchildren, staff and members;
- 4. notes that works in the Palace should commence as early as possible in the next decade;
- 5. authorises necessary preliminary work required to avoid unnecessary delay, without prejudice to a parliamentary decision on the preferred option;
- 6. endorses the Joint Committee's recommendation that a Sponsor Board and Delivery Authority be established by legislation to commission and oversee the work required, and the establishment of a joint Commission to lay estimates;
- 7. agrees that steps be taken now to establish a shadow Sponsor Board and shadow Delivery Authority, and to ensure that its members have a range of relevant expertise;
- 8. instructs the shadow Sponsor Board and Delivery Authority to undertake a sufficiently thorough and detailed analysis of the three options of full decant, partial decant and retaining a parliamentary foothold in the Palace during a full decant; to decide whether each option properly balances costs and benefits, and whether or not the identified risks can be satisfactorily mitigated; to prepare a business case for the preferred option for the approval of both Houses of Parliament; and thereafter to proceed to the design phase;
- 9. instructs the shadow Sponsor Board and Delivery Authority to apply high standards of costeffectiveness and demonstrate value for money, and to include measures to ensure: the repair and replacement of mechanical and electrical services, fire safety improvement works, the removal of asbestos, repairs to the external and internal fabric of the Palace, the removal of unnecessary and unsightly accretions to the Palace, the improvement of visitor access including the provision of new educational and other facilities for visitors and full access for people with disabilities;
- 10. instructs the shadow Sponsor Board and Delivery Authority to ensure the security of Members, Peers, staff, and visitors both during and after the work;
- 11. affirms that in any event the delivery option must ensure that both Houses will return to their historic Chambers after any essential period of temporary absence.

An explanatory memorandum on the two substantive motions was published.<sup>92</sup> And, in accordance with Standing Order No 22C(2), the

<sup>&</sup>lt;sup>91</sup> House of Commons, *Future Business* – *Section B*, 18 January 2018, Items 65 and 66

House of Commons, Motions on Restoration and Renewal of the Palace of Westminster Explanatory Memorandum, 29 January 2018

Accounting Officer prepared a memorandum on the financial consequences of this motion.93

At Business Questions on 18 January 2018, Andrea Leadsom indicated that both motions would be debated before decisions were taken:

Because of the seriousness of the decision before the House, the two motions will not be amendable; it will be a case of either the first motion or, if that falls, the second motion. 94

At Business Questions on 25 January, Valerie Vaz said that she hoped that the Leader of the House was not trying to bind Parliament and commented that it should be possible to amend the motions. Andrea Leadsom replied that:

The hon. Lady asks about the motions concerning the restoration and renewal of the Palace. As I said last week—I think she agrees—we want the House to be able to take a decision. I wanted to see what sort of amendments were tabled. I think that I made it clear last week that we needed some sensible alternatives for the House to discuss, and some very sensible amendments have been tabled. I commit to undertaking to ensure that they are included in the options available to the House. Nevertheless, the important point is that the House can make an informed decision next week.95

#### 5.2 Amendments to the Government motion

Amendments were tabled to both the substantive motions. The Speaker announced that he had selected all of the amendments on the Order Paper. In total there were five – two amendments to the motion entitled Restoration and Renewal (No.1) and three to the motion entitled Restoration and Renewal (No.2). Only the amendments to the first of these two motions are reported here. 96 Because the House agreed to Restoration and Renewal (No.1), as amended, questions relating to the Restoration and Renewal (No.2) motion could not be put.97

# Amendments to Restoration and Renewal (No 1)

Pete Wishart tabled Amendment (c):

...at end of paragraph (2), insert:

'(2A) regrets that no detailed assessment has been carried out of the cost-effectiveness of relocating Parliament away from the Palace of Westminster, and calls for any future review to include such an assessment.'

Meg Hillier tabled Amendment (b):

Delete paragraphs (4) and (5) and at end add:

<sup>&</sup>lt;sup>93</sup> Government Motions relating to the Restoration and Renewal of the Palace of <u>Westminster</u>, Memorandum by the Accounting Officer on financial consequences, undated

<sup>94</sup> HC Deb 18 January 2018 c1062

<sup>&</sup>lt;sup>95</sup> *Business Questions*, 25 January 2018

<sup>&</sup>lt;sup>96</sup> All the amendments are available on House of Commons, *Order Paper*, 31 January 2018, Item 6 and Item 7

HC Deb 31 January 2018 cc876-877

- '(4) accordingly endorses the unanimous conclusion of the Joint Committee that a full and timely decant of the Palace is the best and the most cost-effective delivery option, as endorsed by the Public Accounts Committee and the Infrastructure and Projects Authority;
- (5) accepts that expenditure on the Palace during this Parliament will be limited to preparatory work for the comprehensive programme of works envisaged, together with works essential to ensure the continuing functioning of the Palace;
- (6) endorses the Joint Committee's recommendation that a Sponsor Board and Delivery Authority be established by legislation to develop a business case and costed programme for the work to be approved by both Houses of Parliament, and to commission and oversee the work required, and that immediate steps be taken now to establish a shadow sponsor Board and Delivery Authority;
- (7) instructs the shadow Sponsor Board and Delivery Authority and their statutory successors to apply high standards of costeffectiveness and demonstrate value for money in the business case, to report back to Parliament with up to date costings and a realistic timetable for the duration of the work, and to include measures to ensure: the repair and replacement of mechanical and electrical services, fire safety improvement works, the removal of asbestos, repairs to the external and internal fabric of the Palace, the removal of unnecessary and unsightly accretions to the Palace, the improvement of visitor access including the provision of new educational and other facilities for visitors and full access for people with disabilities;
- (8) affirms that the guarantee that both Houses will return to their historic Chambers as soon as possible should be incorporated in primary legislation.'.

# 5.3 Debate and decision in the House of Commons

Pete Wishart's amendment was defeated (by 410 votes to 47). 98 Meg Hillier's amendment was agreed to (by 236 votes to 220). 99 The Restoration and Renewal (No.1) motion, as amended, was then agreed to by 234 votes to 185.100

Because this was agreed to, guestions on Restoration and Renewal (No.2) could not be put. The House's resolution, R&R No.1 as amended, is set out in Box 5.

A summary of the debate was prepared by the House of Lords Library, to inform the debate in the House of Lords on 6 February 2018. 101

<sup>98</sup> HC Deb 31 January 2018 cc929-931

<sup>99</sup> HC Deb 31 January 2018 cc933-935

<sup>100</sup> HC Deb 31 January 2018 cc936-938

<sup>&</sup>lt;sup>101</sup> House of Lords Library, *Restoration and Renewal of the Palace of Westminster:* Summary of Commons Debate, LLN 2018-0018, 2 February 2018

#### Box 5: Restoration and Renewal – Resolution of the House of Commons, 31 January 2018

Resolved,

That this House-

- (1) affirms its commitment to the historic Palace of Westminster and its unique status as a UNESCO World Heritage Site, Royal Palace and home of our Houses of Parliament;
- (2) takes note of the report of the Joint Committee on the Palace of Westminster 'Restoration and Renewal of the Palace of Westminster', HL Paper 41, HC 659;
- (3) accepts that there is a clear and pressing need to repair the services in the Palace of Westminster in a comprehensive and strategic manner to prevent catastrophic failure in this Parliament, whilst acknowledging the demand and burden on public expenditure and fiscal constraints at a time of prudence and restraint;
- (4) accordingly endorses the unanimous conclusion of the Joint Committee that a full and timely decant of the Palace is the best and the most cost-effective delivery option, as endorsed by the Public Accounts Committee and the Infrastructure and Projects Authority;
- (5) accepts that expenditure on the Palace during this Parliament will be limited to preparatory work for the comprehensive programme of works envisaged, together with works essential to ensure the continuing functioning of the Palace;
- (6) endorses the Joint Committee's recommendation that a Sponsor Board and Delivery Authority be established by legislation to develop a business case and costed programme for the work to be approved by both Houses of Parliament, and to commission and oversee the work required, and that immediate steps be taken now to establish a shadow sponsor Board and Delivery Authority;
- (7) instructs the shadow Sponsor Board and Delivery Authority and their statutory successors to apply high standards of cost-effectiveness and demonstrate value for money in the business case, to report back to Parliament with up to date costings and a realistic timetable for the duration of the work, and to include measures to ensure: the repair and replacement of mechanical and electrical services, fire safety improvement works, the removal of asbestos, repairs to the external and internal fabric of the Palace, the removal of unnecessary and unsightly accretions to the Palace, the improvement of visitor access including the provision of new educational and other facilities for visitors and full access for people with disabilities;
- (8) affirms that the guarantee that both Houses will return to their historic Chambers as soon as possible should be incorporated in primary legislation. 102

#### 5.4 Decision in the House of Lords

On 6 February 2018, the House of Lords debate took place on a motion that was identical to that agreed in the House of Commons on 31 January 2018 (Box 5).

Lord Naseby moved an amendment to the motion:

Leave out paragraph (4) and insert "calls for a more thorough evaluation of the options available for a phased programme of renewal;" 103

He concluded his speech by stating, "I think that Parliament should think again". 104 At the end of the debate, Lord Naseby withdraw his amendment and the House of Lords approved the motion without a division. 105

<sup>&</sup>lt;sup>102</sup> HC Deb 31 January 2018 c939

<sup>103</sup> HL Deb 6 February 2018 c1920

<sup>&</sup>lt;sup>104</sup> HL Deb 6 February 2018 c1923

<sup>105</sup> HL Deb 6 February 2018 c2000

## 5.5 Next steps – Business Case

The resolutions of the two Houses said that the Sponsor Board and the Delivery Authority were to be established by legislation "to develop a business case and costed programme for the work to be approved by both Houses of Parliament" (Box 5).

Clause 6 of the draft Parliamentary Buildings (Restoration and Renewal) Bill requires parliamentary approval for both Delivery Authority proposals for the work and "funding, up to an amount specified in the approval resolution, in respect of phase two works". 106

In evidence to the Finance Committee, Andrea Leadsom envisaged that it was "likely to take about three years for that full business case to be set out". Tom Healey, Programme Director, shadow Sponsor Body, said that "We started that work as soon as we got the decision in principle, so we think three years from roughly speaking the middle of this year, so mid-2020-21". 107

Phase 2 "is the period running from Parliamentary approval until completion of the Parliamentary Building works" CM 9710, Explanatory Notes, para 21]

<sup>&</sup>lt;sup>106</sup> <u>Draft Parliamentary Buildings (Restoration and Renewal) Bill.</u> Cm 9710, 18 October 2018

<sup>&</sup>lt;sup>107</sup> Finance Committee, Oral Evidence: Restoration and Renewal of the Palace of Westminster, 10 October 2018, HC 1615 2017-19, Q9 and Q10

# 6. Draft Parliamentary Buildings (Restoration and Renewal) Bill

#### 6.1 Introduction

In July 2018, Andrea Leadsom the Leader of the House of Commons announced that legislation to establish the Sponsor Board and the Delivery Authority would be published in draft.

The Draft Parliamentary Buildings (Restoration and Renewal) Bill was published on 18 October 2018. 108 In a Written Statement, published on the same day, Andrea Leadsom outlined the provisions of the draft Bill:

Today, the Government publishes the Parliamentary Buildings (Restoration and Renewal) Bill in draft, which seeks to establish the statutory bodies that will be responsible for the restoration and renewal works within the Parliamentary estate, giving effect to the resolutions passed by Parliament earlier this year. In addition to Parliament having expressed its view in those resolutions, it will also be given an opportunity to vote on the proposed design, cost and timing of the substantive building works relating to the Palace of Westminster. In developing the draft Bill, the Government has worked closely with the House Authorities.

The Bill will establish the governance structure within which those bodies will operate. The bodies will have the capacity and capability to make strategic decisions on the Restoration and Renewal Programme, so that the Palace of Westminster can be secured as the UK Parliament for future generations.

The Bill establishes a Parliamentary Works Sponsor Body which will have overall responsibility for the Programme and act as a single client on behalf of both Houses. It will also form a Delivery Authority as a company limited by guarantee. The Delivery Authority will formulate proposals in relation to the restoration works, and ensure their operational delivery. The bodies will be independent and able to operate effectively in the commercial sphere, bringing the expertise and capability needed for a project of this scale. This two-tier approach was used to successfully deliver the London Olympics.

The Bill also establishes a Parliamentary Works Estimates Commission which will lay the Sponsor Body's estimates before Parliament, and play a role in reviewing the Sponsor Body's expenditure.

The Government agrees with Parliament that there can be no blank cheque for this work and it must represent good value for taxpayers' money. The Bill provides that the Sponsor Body and the Delivery Authority must have regard to value for money when exercising their functions throughout the Programme. The Treasury will be able to review and comment on the annual estimates for the funding of the Programme, and the National Audit Office will be able to undertake audits and value-for-money reviews. Furthermore, the Estimates Commission will have the

<sup>&</sup>lt;sup>108</sup> Leader of the House of Commons and Leader of the House of Lords, Draft Parliamentary Buildings (Restoration and Renewal) Bill, Cm 9710, 18 October 2018

power to review, comment on, and in certain circumstances reject those annual estimates.

It is important that the views of Parliamentarians on the Programme are taken into account. The Sponsor Body will have a majority of Parliamentarians on its Board, alongside external expertise. Parliamentarians will be fully consulted on the strategic direction of the Programme. The Sponsor Body will be required to return to Parliament for approval to make any significant changes to the approved proposals in respect of the Palace. Parliament will also be given an opportunity to vote on the annual expenditure of the Sponsor Body and the Delivery Authority through the estimates process.

We welcome the forthcoming scrutiny of the draft Bill, to ensure that it achieves its aims of a Restoration and Renewal Programme that is sufficiently independent, and that is transparent and accountable to Parliament. 109

#### 6.2 Evidence to the Finance Committee

On 10 October 2018, Andrea Leadsom, the Leader of the House of Commons, and Tom Healey, Programme Director, shadow Sponsor Body, gave evidence to the Finance Committee on Restoration and Renewal.

They appeared before the draft bill was published but they did provide the Committee with an indication of its contents:

What we are seeking to do is to have a relatively tight Bill that just seeks to establish the sponsor body, the delivery authority and the estimates commission, and to make clear the make-up of the boards for each of those bodies, the interrelationships between them and, for example, the way in which the relationship between the estimates commission and the Treasury would work. We are trying to keep the scope relatively narrow. 110

The draft bill does not confer any planning powers on the Delivery Authority. 111

The draft bill "provides for a single one-off decision by both Houses in about three years' time, with a design and a budget, and thereafter the estimate comes in annually". 112

The annual Estimates in Phase 2 have to be "within the overall envelope" that both Houses have signed up to" (that is the approval process in clause 6 of the draft bill).

# 6.3 Bodies to be established by legislation Sponsor Body

The Sponsor Body has overall responsibility for the Parliamentary building works. It has to:

<sup>&</sup>lt;sup>109</sup> HCWS 1019, 18 October 2018

<sup>&</sup>lt;sup>110</sup> Finance Committee, *Oral Evidence: Restoration and Renewal of the Palace of* Westminster, 10 October 2018, HC 1615 2017-19, Q6

<sup>&</sup>lt;sup>111</sup> *Ibid*, Q15

<sup>&</sup>lt;sup>112</sup> *Ibid*, Q42

- determine the strategic objectives of the Parliamentary building works;
- make strategic decisions relating to the carrying out of those works; and
- consult with members of both Houses when performing these duties.<sup>113</sup>

The Sponsor Body is to comprise a chair (who is an external member) and between two and four additional external members, and between four and eight Parliamentary members. There must be more Parliamentary members than external members. It has the power to appoint staff. At present the shadow Sponsor Body has 12 staff. Tom Healey thought that in its final form it would have "30 or 40" staff. 115

#### **Delivery Authority**

The Delivery Authority is to be a "company limited by guarantee to exercise the functions conferred on the company by [the Parliamentary Buildings (Restoration and Renewal)] Act". Its duties are:

- (a) to formulate proposals relating to Palace restoration works, as required by the Sponsor Body under section 2(2)(e), and
- (b) to carry out the Parliamentary building works in line with the requirements of the Sponsor Body. 116

It is to have a Board of Directors.

### Parliamentary Works Estimate Commission

The Parliamentary Works Estimate Commission will comprise two members of each House.

It is required to review Estimates proposed by the Sponsor Body and lay them before the House of Commons. In Phase 1, Estimates are subject to a "phase one expenditure limits" set by the Commissions of the two Houses.<sup>117</sup>

In Phase 2, Estimates are subject to the amount of funding for Phase 2 set by Parliament. 118

Leader of the House of Commons and Leader of the House of Lords, <u>Draft Parliamentary Buildings (Restoration and Renewal) Bill</u>, Cm 9710, 18 October 2018, Explanatory Notes, para 11

Leader of the House of Commons and Leader of the House of Lords, <u>Draft Parliamentary Buildings (Restoration and Renewal) Bill</u>, Cm 9710, 18 October 2018, Draft Bill, Schedule 1

Finance Committee, *Oral Evidence: Restoration and Renewal of the Palace of Westminster*, 10 October 2018, HC 1615 2017-19, Qq46-47

Leader of the House of Commons and Leader of the House of Lords, <u>Draft Parliamentary Buildings (Restoration and Renewal) Bill</u>, Cm 9710, 18 October 2018, Draft Bill, clause 4

Leader of the House of Commons and Leader of the House of Lords, <u>Draft Parliamentary Buildings (Restoration and Renewal) Bill</u>, Cm 9710, 18 October 2018, Draft Bill, Schedule 4, paras 4 and 5

Leader of the House of Commons and Leader of the House of Lords, <u>Draft Parliamentary Buildings (Restoration and Renewal) Bill</u>, Cm 9710, 18 October 2018, Draft Bill, Schedule 4, para 9

## 6.4 Joint Committee to scrutinise the draft bill

Andrea Leadsom told the Finance Committee that the membership and chairmanship of the Joint Committee were "a matter for the usual channels". 119 Chris Bryant (Chair of the Finance Committee) suggested that the Finance Committees in the two Houses should scrutinise the draft Bill. In response, Andrea Leadsom said that:

The view was taken that it needed to be a both-House strategy and that a separate new Joint Select Committee would be best placed to provide the input from both Houses. That is already done, so we are not looking to revisit that decision. The Liaison Committees both agree that they could have proposed an alternative solution, but did not. I think we will now go ahead with the Joint Select Committee arrangement. 120

On 23 October 2018, the House of Lords agreed that a joint committee should be appointed to consider the draft Bill. 121 A motion to agree with the Lords and to appoint the Commons members of the joint committee was put before the Commons on 12 November and 19 November 2018. 122 On both occasions, objections were made to the motion being agreed 'on the nod'. On 20 November, the motion and an amendment to it, changing the date the Committee had to complete its work from 28 February 2019 to 28 March 2019, appeared on the Order Paper. 123

On 26 November 2018, the House of Commons approved a motion to agree with the House of Lords and providing for the appointment of the Commons members to a joint committee charged with scrutinising the draft bill by 28 March 2019. Neil Gray, Meg Hillier, David Jones, Sir Edward Leigh, Dame Caroline Spelman and Mark Tami were appointed. When she introduced the motion on 26 November, Andrea Leadsom expressed her gratitude to the Members who had agreed to serve on the Joint Committee and noted that Dame Caroline Spelman had agreed to chair the Committee. 124

On 29 November 2018, the House of Lords agreed the Lords members of the Joint Committee: Lord Blunkett, Lord Brabazon of Tara, Baroness Byford, Baroness Prashar, Lord Stunell and Baroness Warwick of Undercliffe. 125

Andrea Leadsom told the Finance Committee that it was intended to introduce the Bill, itself, before the end of the current session. 126

<sup>&</sup>lt;sup>119</sup> Finance Committee, *Oral Evidence: Restoration and Renewal of the Palace of* Westminster, 10 October 2018, HC 1615 2017-19, Q13

<sup>120</sup> *Ibid*, Q14

<sup>121</sup> HL Deb 18 October 2018 c772

<sup>122</sup> HC Deb 12 December 2018 c149; HC Deb 19 November 2018 cc690-691

House of Commons, Order Paper, 20 November 2018, Item 10

<sup>124</sup> HC Deb 26 November 2018 cc123-124

<sup>125</sup> HL Deb 29 November 2018 c733

<sup>&</sup>lt;sup>126</sup> Finance Committee, Oral Evidence: Restoration and Renewal of the Palace of Westminster, 10 October 2018, HC 1615 2017-19, Q8

# 7. Earlier debate on and other proposals for R&R

# 7.1 Westminster Hall debate on Restoration and Renewal, 25 January 2017

On 25 January 2017, Chris Bryant, who had served on the Joint Committee on the Palace of Westminster, initiated a Westminster Hall debate on Restoration and Renewal. He argued that the Government should have tabled a motion so that the issue could have been considered properly. He noted that it was 19 and a half weeks since the Joint Committee had reported. 127

After outlining the problems with the building that necessitate the Restoration and Renewal Project (see section 1.3), Chris Bryant stressed the importance of controlling the costs of the project.

He then considered alternatives to decanting the entire Palace and returning to it after the Restoration and Renewal Project that had been suggested. He disagreed with leaving the Palace and not returning. He said that "This is the home of Parliament and should remain the home of Parliament". He also noted that whether or not Parliament returned, the work would need to be done to protect the building. Moving elsewhere would necessitate not only finding space to replace the Palace but also the rest of the Parliamentary Estate and could require moving the whole of Government.

He dismissed the argument that if MPs left they would never return. He continued that proposals to ensure MPs continued to occupy the Palace throughout the works would add to the costs of the project and prolong it. He also noted the security and health and safety implications of Members continuing to sit in the Palace whilst the building works went on around them. He noted that a sitting in the House of Lords had been suspended because of the noise of works going on outside the Chamber. 128

He said it would not be possible to sit in Westminster Hall, it "simply could not take the weight the large construction necessary" for MPs, press and the public to sit there. 129

Sir Alan Haselhurst also addressed some of the concerns that had been raised about the consequences of a total decant. He said that he had been told that a decant would "deprive some Members of ever serving in this building". He said that the work bridging two Parliaments would overcome this. He countered arguments that leaving the Palace would send an appalling message by saying that a catastrophic failure whilst the House occupied that Palace would be worse. 130

<sup>&</sup>lt;sup>127</sup> HC Deb 25 January 2017 c97WH

<sup>&</sup>lt;sup>128</sup> See, <u>HL Deb 9 November 2017 c1147</u>

<sup>&</sup>lt;sup>129</sup> HC Deb 25 January 2017 cc99WH-101WH

<sup>&</sup>lt;sup>130</sup> HC Deb 25 January 2017 cc104WH-106WH

David Winnick said that the work was essential. He acknowledged that there would be debate over how the work was done. He wanted to urge that a decision "be reached as quickly as possible". 131 Both Geoffrey Clifton Brown and Ian Paisley, who supported a full decant, also called for decisions to be taken as quickly as possible. 132

In an intervention, when David Winnick was speaking, Simon Hoare observed that "No one doubts ... the scale of the work that needs to be done, the need for it, or the underlying urgency. We question the means of delivery of the works". 133

Sir Edward Leigh, who said that he would table an amendment to the motion proposed by the Joint Committee, also urged that the debate take place as soon as possible. He called for the work to start now; for Members to retain control; and that "the House of Commons debating Chamber should, at all times, retain a presence in the old Palace of Westminster". He argued that it would be possible to have a total shutdown of the mechanical and electrical systems and provide temporary services to the House of Lords Chamber and the Royal Gallery so that debate could continue in the Palace. He also believed that his proposal would "at least keep Westminster Hall open to the public". 134

Details of the proposal put forward by Sir Edward Leigh, drawn up by Anthony Delarue Associates, were published along with a high level review of the proposal by the Palace of Westminster Restoration and Renewal Programme, before the debate in Westminster Hall took place (see section 7.2).

Shailesh Vara took issue with the costings and the Joint Committee's argument that decant would be the cheaper option. He pointed to the Joint Committee's acknowledgement that more work needed to be done on the costing. He also argued that other costs had not been taken into account: expenditure before the full decant took place; the costs of additional space that would be required following decant; and additional security costs. He also pointed to the costs to the local economy as tourist and conference business would be lost. <sup>135</sup>

For the Scottish National Party, after reflecting on the Westminster Hall debate, Neil Gray said that he did not understand why the debate on the Joint Committee report had been delayed. He encouraged the Government to "get on with the debate and get on with the vote". 136

For the Labour Party, Valerie Vaz, the Shadow Leader of the House of Commons, noted that Members were concerned about costs and the urgent need for the work to be carried out. She felt that a debate would help to clarify these issues, saying that it was important that

<sup>&</sup>lt;sup>131</sup> HC Deb 25 January 2017 cc106WH-107WH

<sup>&</sup>lt;sup>132</sup> HC Deb 25 January 2017 cc109WH-110WH

<sup>&</sup>lt;sup>133</sup> HC Deb 25 January 2017 c106WH

<sup>&</sup>lt;sup>134</sup> HC Deb 25 January 2017 c111WH

<sup>135</sup> HC Deb 25 January 2017 cc112WH-113WH

<sup>&</sup>lt;sup>136</sup> HC Deb 25 January 2017 c114WH

Members had a say. She also pointed out that a decant did not mean that Members would have to leave the Parliamentary Estate. 137

For the Government, the Deputy Leader of the House of Commons, Michael Ellis confirmed that "We have reached a point where make-doand-mend is simply not an option" and that "Decades of underinvestment mean that the risk of a major fire, flood or other catastrophic failures increase every year". He reviewed the Joint Committee's recommendations and confirmed that the Government had undertaken to provide time for a full debate and vote "in due course" on the Committee's report. After being pressed, he said that the debate would take place "as soon as is reasonably practicable". He outlined the way in which the Government had been considering the Joint Committee's conclusions:

We have to take the time—and have taken the time—to consider very carefully the details of the proposed recommendations and their implications. It is not simply a question of reading a report that has taken a year to prepare. We want to consider those recommendations and their implications carefully. We have taken advice on a range of technical and governance issues made by the Joint Committee report by, for example, consulting with the Infrastructure and Projects Authority.

When questioned about the costs of the scenarios considered by the Independent Options Appraisal, the Joint Committee and of alternative proposals, Mr Ellis said that the Joint Committee "was clear that it could not provide detailed budgets" but he confirmed that MPs and members of the House of Lords would have a final say after the shadow delivery authority had produced a "true picture of the costs". 138

In closing Chris Bryant again urged "Let us get on with it so that we can make a decision". 139

# 7.2 Proposed alternatives to full decant

### The Anthony Delarue Associates' Proposal and high level review of the Proposal

Anthony Delarue Associates (ADA) proposed that "both Houses remain on site within the Palace in those areas which by their constructional nature ... are significantly devoid of services". ADA identified Westminster Hall, St Stephen's Hall, the Central Lobby, the Lords Corridor, the Lords Chamber and the Royal Gallery.

ADA said that "These areas may readily be securely separated from the rest of the building, allowing linear safe access for members from Portcullis House via the cloister of New Palace Yard. The contractors would retain unimpeded access to all other areas."

ADA suggested that the House of Commons would sit in the House of Lords Chamber and that the House of Lords would sit in the Royal Gallery. Temporary facilities, including, if necessary office or committee

<sup>&</sup>lt;sup>137</sup> HC Deb 25 January 2017 cc115WH-116WH

<sup>&</sup>lt;sup>138</sup> HC Deb 25 January 2017 cc116WH-120WH

<sup>&</sup>lt;sup>139</sup> HC Deb 25 January 2017 c121WH

space, "could be erected in temporary buildings in Old Palace Yard and possibly even Abingdon Street Gardens".

The high level review of these proposals made a number of assumptions and a degree of interpretation because of the limited technical detail within the ADA proposal. The high level review expected the duration of the ADA works to be in excess of 15 years; and expected costs to exceed the costs of a partial decant (scenario 2B) considered in the Independent Options Appraisal. It considered that the proposals "may impact the business of Parliament"; may restrict access by members of the public; could create significant fire and security implications because of the proximity of Members and staff to a construction site; and the "location of a temporary and then permanent Chamber may prevent some scope items within Outcome Level B and C being completed", such as covering courtyards. 140

Sir Edward Leigh has subsequently posted Comments, from ADA, on the high level review of the ADA proposal. 141

#### A temporary Chamber in Portcullis House

On 10 December 2017, the *Sunday Times* reported that Sir Michael Hopkins, the architect who designed Portcullis House, suggested that a temporary House of Commons Chamber could be housed in Portcullis House. Sir Michael told the newspaper that:

"The House of Commons chamber is very small and it would fit very easily — almost exactly — into half the space of the atrium in Portcullis House and it would continue operating exactly as it has done, but very conveniently you would have the chamber right in the middle.

"It's an absolute no-brainer. The only danger is that it would be so convenient they would never want to go back to the old chamber." 142

On 12 January 2018, John Mann was told that the House of Commons Commission had no record of any discussions having taken place with the architect Ian Ward about the use of Portcullis House as a possible temporary Chamber. 143

<sup>&</sup>lt;sup>140</sup> Palace of Westminster Restoration and Renewal (R&R) Programme, *Delivering the* R&R Programme whilst maintaining permanent use of the Lord's Chamber and a Temporary Chamber located in the Royal Gallery: A high level review of the proposal suggested by Anthony Delarue Associates in their letter to Sir Edward Leigh MP of 3rd November 2016, 13 January 2017 [intranet link] (this document includes the ADA

<sup>&</sup>lt;sup>141</sup> Anthony Delarue Associates, <u>Comments upon High Level Review of our Letter to Sir</u> Edward Leigh of 3 November 2016, dated 13 January 2017, 25 January 2017

<sup>&</sup>lt;sup>142</sup> Caroline Wheeler, "Architect draws up cut-price plan to rehouse MPs", Sunday Times, 10 December 2017

<sup>&</sup>lt;sup>143</sup> PQ <u>121284</u>, 12 January 2018

# 8. Reviewing the Joint Committee's proposals

The Joint Committee on the Palace of Westminster set out its preferred options for the delivery and scope of the R&R Programme, and recognised that further work would be necessary in order to validate its conclusions in these areas, as well as test their feasibility. 144 It expected this work would be done by the delivery authority.

Since the Joint Committee reported and some Members began raising concerns that the costings provided to the Joint Committee were not detailed enough, two select committees initiated inquiries into the Restoration and Renewal Programme, in the 2015 Parliament: the Treasury Committee and the Public Accounts Committee.

## 8.1 Treasury Committee

In December 2016, Andrew Tyrie, Chair of the Treasury Committee, wrote to David Lidington, then Leader of the House of Commons, to ask for greater clarity on the value for money of the Restoration and Renewal of the Palace of Westminster. 145

The Treasury Committee published the exchange of letters between Mr Tyrie and Mr Lidington, in which the request was made, information provided, and the Committee confirmed that an inquiry was to be held:

- Treasury Committee, [letter to David Lidington on] Restoration and Renewal of the Houses of Parliament, 15 December 2016
  - asked for information on net present costs of the delivery options; information on operating costs for each delivery option once the R&R Programme was completed; comparative information on technical problems in undertaking the work with partial and full decant; elaboration on what was meant by the "disturbance effect".
- Treasury Committee, Letter from David Lidington in reply to the letter of 15 December, 22 December 2016
  - pointed to costing information in the IOA and highlighted comments made by the Joint Committee on the problems associated with a partial decant compared to a full decant.
- Treasury Committee, [letter to David Lidington on] Restoration and Renewal of the Houses of Parliament, 12 January 2017
  - asked whether "everything in the proposal for a 'no enhancement' refurbishment is necessary"; and for information on "how urgent it is for the work to be

Joint Committee on the Palace of Westminster, Restoration and Renewal of the Palace of Westminster, 8 September 2016, HC 659 2016-17, para 31

Treasury Committee news, <u>Restoration and Renewal of the Palace of Westminster</u>, 18 December 2016

completed". It also confirmed that the Committee would launch its inquiry.

- Treasury Committee, <u>Letter from David Lidington in reply to the</u> letter of 12 January, 17 January 2017
  - thanked the Committee for confirmation of its inquiry and said that the R&R Programme team would provide support and information to the Committee.

On 16 January 2017, the Treasury Committee issued a call for evidence and views on the options as set out in the independent options appraisal (July 2015) and the Joint Committee on the Palace of Westminster report (September 2016). The Committee asked for views on the following questions:

- What are the comparative costs of the various options described by the consultants? What is the effect on the costs of restating this on a constant price basis and discounted at an appropriate discount rate? Would the Treasury's Green Book discount rate be the appropriate rate? Is the scope of the work proposed entirely necessary or could it be scaled back?
- 2 What are the advantages and disadvantages of full decant, whereby both Houses vacate Parliament for the duration of the work, or partial decant, whereby one House vacates at a time?
- 3 How reasonable are the cost estimates for the capital works as described in the consultant's report? How reasonable are the estimates for operating costs for the refurbished Palace of Westminster when the works are completed?
- Would it be possible to carry out full restoration over shorter 4 periods than 11 and 32 years respectively with a partial decant or with no decant? What, if any, options might be considered over periods of greater than 11 or less than 32 years?
- How urgent is it to complete work on the restoration? Is it as soon 5 as feasibly possible? Could the start of work be delayed beyond 2020 or would this involve unacceptable risks for health and safety and for the satisfactory working of Parliament? Would a later start result in much higher costs later?
- 6 How important is the independent management of large-scale Government projects? How, and by whom, should he project be managed?
- 7 How comprehensive does the restoration need to be? Are the options put forward by the consultants unnecessarily ambitious? Is there a less costly option than the "no enhancement" option described the consultants? 146

## Preliminary report

On 17 March 2017, the Treasury Committee published a preliminary report. It explained that the purpose of its inquiry was:

... first, to assist the House by offering constructive challenge to the case for proceeding urgently with Option 3 [full decant], and,

<sup>&</sup>lt;sup>146</sup> Treasury Committee news, Restoration and Renewal of the Palace of Westminster inquiry launched, 16 January 2016

second, to assess the merits of pursuing other options instead or in addition.

It then set out how its inquiry would proceed. The Committee said that it would review the brief given to Deloitte; consider how Parliament could be involved in scrutinising the restoration and renewal programme; consider the impact of other works; examine the implications of reducing the scope of the work; reconsider Option 2 (separate decants for the Lords and Commons parts of the building, with one chamber always in use).

The Committee concluded by calling for the House to delay committing to an option or timetable until it had completed its work:

We will attempt to assist the House by challenging and testing the work and the conclusions of Deloitte and the Joint Committee. Because of the extensive investigations already carried out, our inquiry is likely to be relatively short and specific. Until this work has been carried out it, it is our view that it would be imprudent for the House to commit to a specific option or timetable. 147

The Committee did not take evidence on this inquiry before the 2017 general election, and its successor has not pursued the subject.

## 8.2 Public Accounts Committee report

On 30 January 2017, the Public Accounts Committee (PAC) announced that it would hold an oral evidence session on the Restoration and Renewal of the Palace of Westminster. The PAC did not set out specific terms of reference. The session took place on 21 February 2017, when the PAC heard evidence from:

Tony Meggs, Chief Executive, Infrastructure and Projects Authority Andrew Wolstenholme, Chief Executive, Crossrail Ltd.

and

David Natzler, Clerk of the House of Commons Martin Buck, External Consultant for House of Commons Jennifer Wood, External Member of the Restoration and Renewal Programme Board.

The PAC subsequently published a brief report, *Delivering Restoration* and Renewal, on 10 March 2017.

The Committee highlighted responses from David Natzler, Accounting Officer and Clerk of the House of Commons, who argued that:

- Option 1 (rolling programme) without any kind of decant was technically impossible;
- Option 2 (partial decant) would be high-cost and high-risk as parts of the Palace would continue to be occupied;
- Option 3 (full decant), the Committee reported, "represented the best value for money, was the most technically feasible, offered the minimum disruption to business, the quickest protection against the risk of fire or other catastrophic events and would

<sup>&</sup>lt;sup>147</sup> Treasury Committee, Restoration and Renewal of the Palace of Westminster: Preliminary Report, 17 March 2017, HC 1097 2016-17

allow the removal of asbestos as safely and sensibly as possible". 148

The Committee agreed, concluding that a full decant was "the most economic choice ... the most efficient choice [and] the most effective choice" as it would be the fastest and least disruptive option. The Committee recommended "without hesitation" that "the House swiftly proceeds to a decision-in-principle and that the decision is to pursue a full decant from the Palace whilst it is restored, renewed and made ready for at least another 150 years as the home of Parliament". 149

The PAC endorsed the two-tier delivery authority approach, with a sponsoring organisation (client) and a delivery authority.

It reiterated the Joint Committee's conclusion that "the feasibility of a full decant must be demonstrated clearly, and beyond reasonable doubt, with a comprehensive risk analysis before a final decision is made".150

<sup>&</sup>lt;sup>148</sup> Public Accounts Committee, *Delivering Restoration and Renewal*, 10 March 2017, HC 1005 2016-17, paras 13-15

<sup>&</sup>lt;sup>149</sup> Public Accounts Committee, *Delivering Restoration and Renewal*, 10 March 2017, HC 1007 2016-17, para 18

<sup>&</sup>lt;sup>150</sup> Public Accounts Committee, *Delivering Restoration and Renewal*, 10 March 2017, HC 1007 2016-17, para 23

# 9. Opportunities arising from R&R

This section was last updated on 25 January 2018

## 9.1 Public engagement

In April 2016, the University of Sheffield's Crick Centre launched an inter-disciplinary research and public engagement project, entitled Designing for Democracy: The Restoration and Renewal of the Palace of Westminster.

The project will examine how the design of our parliamentary buildings affects the way our politicians act and how we view politics. It will consider international examples of rebuilt or new parliaments, and the history of parliamentary design. We will explore how a new Palace of Westminster could enable effective parliamentary scrutiny and inclusive democracy. 151

The Hansard Society has established a project entitled *Future Parliament:* Restoration and Reform of the Palace of Westminster. 152 The Hansard Society argued that "there has been little consideration of the wider legacy opportunities that the restoration programme might deliver". Its project aims to address that:

Our new 'Future Parliament' project will help fill that gap. As well as augmenting our existing body of work about reform of the scrutiny and legislative processes, and the role and work of MPs, we will be exploring new ideas in the physical, cultural and digital spheres to help Parliament build a rich legacy of democratic reform.

It has identified three key themes:

- Democratic space
- Future-proofing
- Digital democracy

## 9.2 Developing skills

The Joint Committee on the Palace of Westminster heard evidence from the Chartered Institution of Building Services Engineers (CIBSE), Institution of Civil Engineers, Royal Institute of British Architects (RIBA) & Royal Institution of Chartered Surveyors on 6 March 2016. They discussed the skills needed in order to deliver R&R. 153 In its written evidence RIBA had noted that:

The IOA identified a potential shortage of requisite specialist labour in the market as a risk to the programme delivery. By leveraging the iconic status of the Palace to attract more people

<sup>&</sup>lt;sup>151</sup> Crick Centre, *Designing for Democracy: The Restoration and Renewal of the Palace* of Westminster

Hansard Society, <u>Future Parliament: restoration and Reform of the Palace of</u> **Westminster** 

<sup>&</sup>lt;sup>153</sup> Joint Committee on the Palace of Westminster, Written and oral evidence, Q69, Q77, Q81

into the heritage workforce, the programme could go some way towards closing this potential skills gap. 154

#### 9.3 The Good Parliament

In July 2016, after a period of time in the House of Commons, Professor Sarah Childs, then Professor of Politics and Gender at the University of Bristol, published *The Good Parliament*. She described it as a "blueprint for a more representative and inclusive House of Commons". She made four recommendations for the new Restoration and Renewal Body – when she published her report, the Joint Committee's report had not been published.

#### Her recommendations were:

- 36. Trial new layouts in any decant Chamber, and review provision of a new Chamber for the return to the Palace of Westminster
- 37. Provide for flexible committee and other meeting rooms in a restored Palace
- 38. Provide for inclusionary social spaces for MPs in a restored
- 39. Provide sufficient toilet capacity across the Parliamentary Estate<sup>155</sup>

<sup>&</sup>lt;sup>154</sup> Joint Committee on the Palace of Westminster, Written and oral evidence, p213

<sup>&</sup>lt;sup>155</sup> Sarah Childs, *The Good Parliament*, July 2016, p5 and pp37-38

# 10. Restorations of other public buildings

This section was last updated on 25 January 2018

The UK Parliament is not alone in having to consider a major refurbishment to an iconic building of national importance. Some examples of ongoing programmes to renovate national parliaments' buildings, in Canada, Austria and Finland are reported below.

Some brief details of the plans to "reservice" Buckingham Palace and of the gutting and refurbishment of the White House in 1948-52 are also given.

## 10.1 Examples of major restorations of other **Parliaments**

#### Canada

A Long Term Vision and Plan (LTVP) for the Parliamentary Precinct in Ottawa was developed in 2001. It set out a vision and set of guiding principles for the future of the Precinct. The LTVP sets out a strategy for preserving and enhancing the Parliamentary Precinct, and for restoring and modernising the heritage buildings and grounds "to provide Parliament with the accommodations and facilities it needs to function openly and effectively in the 21st century". 156

The LTVP annual report for 2015-2016 described the way in which the work was organised:

Implementation of the LTVP is based on rolling five-year programs of work. These shorter cycles establish a structured framework for systematically working towards the longer-term priority and provide flexibility to respond to changing circumstances (e.g. government and parliamentary priorities, deteriorating building conditions). The five-year cycles also allow greater accuracy in defining functional requirements and establishing project costs and scheduling. This facilitates stronger project management and supports greater fiscal responsibility.

It also reviewed the progress that had been made since 2007. 157

#### Austria

Since the Austrian Parliament was built at the end of the 19th century, the building has never been renovated. The Austrian Parliament's website states that "The roofs are leaking, the ventilation and the electrical systems are extremely antiquated and the whole building is poorly insulated".

<sup>&</sup>lt;sup>156</sup> Public Services and Procurement Canada, *The Long Term Vision and Plan Annual* Report 2015 to 2016, Overview

<sup>157</sup> Public Services and Procurement Canada, *The Long Term Vision and Plan Annual* Report 2015 to 2016, Overview; (Public Service and Procurement Canada, The Long *Terms Visions and Plan Annual Report 2016-17* is now available)

All six parties in the Austrian Parliament agreed on a renovation programme and passed legislation to implement it:

The core decision about the extent of the renovation and the concerning costs of 352 m. € was passed in a law, which was supported by both Austrian legislative chambers in unison.

In addition to repairing damage, the programme aims to improve the functionality of the building and to make "the Parliament more accessible and transparent to the public".

During the construction work beginning in 2017, the Austrian Parliament will relocate to the grounds of the Austrian Hofburg in Vienna. 158

#### Finland

A "fully renovated Parliament House" opened in September 2017. Whilst the Finnish Parliament's Chamber was closed in 2015–2017 to allow renovations to take place, plenary sessions were held in the Sibelius Academy building. The building is in the same block as Parliament House and its concert hall was altered to make it suitable for plenary session work. The entire building was leased by Parliament and the majority of the committees, among others, met there.

The renovation of the debating Chamber was the culmination of a programme that has seen each of the Parliament's buildings being renovated in turn:

The renovation has progressed in phases with only one building or building part being worked on at a time. This has enabled Parliament to continue working at Arkadianmäki throughout the renovation project. In an effort to minimise rental expenses, civil servants and MPs' personal assistants have worked in less spacious premises in different stages of the renovation by, for example, temporarily sharing offices.

Each phase of the renovation has been budgeted and put to tender separately. All of Parliament's buildings, with the exception of Little Parliament, are protected under architectural heritage conservation rules.

Parliament's renovation project has progressed in phases:

•	Building A (MPs' offices and the south housing wing)	2010-2011
•	Building B (MPs' offices and the new public entrance)	2009-2010
•	Building C (library and administration building)	2012-2013
•	Building D (former Association of Finnish Cities building	g) _2014-2015
•	Underground facilities	2010-2014
•	Parliament House	2015-2017 159

<sup>&</sup>lt;sup>158</sup> Republic of Austria Parliament, *Renovation of the Austrian Parliament* 

<sup>&</sup>lt;sup>159</sup> Finnish Parliament, <u>Renovation of Parliament's properties</u>

#### Ireland

In October 2017, restoration of Leinster House, the home of the Irish Parliament began:

Historic Leinster House is closed for renovations from Monday, 16 October. The Dáil Chamber remains open and the Seanad has been relocated to the ceramics room of the National Museum. Visitor registration is relocated to a temporary facility which is located outside the Markievicz entrance.

As well as essential structural strengthening of the 270 year old building, the works include rewiring Leinster House to modern standards and upgrading fire resistance measures. The historic windows, shutters, joinery and stone work will also be repaired. The original entrance door to Leinster lawn will be reinstated and the existing portico demolished. 160

## 10.2 Buckingham Palace

Under the Sovereign Grant Act 2011, the Royal Trustees (the Prime Minister, the Chancellor and the Keeper of the Privy Purse 161) had to review the Sovereign Grant in 2016 (and every five years thereafter). In their review, which was published in November 2016, the Trustees noted that Buckingham Palace's "infrastructure is now in urgent need of a major overhaul to avoid the very real danger of catastrophic failure leading to fire or flood". The condition of the Palace has been reviewed and options have been considered by a Programme Board (which includes representatives the Palace of Westminster Restoration and Renewal Programme among others). The Board has recommended that:

the most cost-effective way to replace the services, and ensure that the Palace is fit for purpose for the next 50 years and the next three generations of the Monarchy, would be to undertake a phased programme of works, over 10 years starting in April 2017.

The Sovereign Grant – funding for the expenses of the Monarchy – is currently calculated each year. The Sovereign Grant is determined on the basis of a calculation that starts with a percentage, the Act originally set this at 15%, of the Crown Estate's profits in the financial year that began two years before. 162 However, the amount based on this percentage would not be sufficient to carry out the "reservicing" of Buckingham Palace in addition to the other costs covered by the Sovereign Grant. The Royal Trustees have concluded that:

<sup>&</sup>lt;sup>160</sup> Houses of the Oireachtas, *Historic Leinster House closed for renovations*, 13 October

<sup>&</sup>lt;sup>161</sup> Civil List Act 1952, s10

<sup>162</sup> The first step is to calculate 15% of the Crown Estate's profits in the financial year that began two years before. This figure is then rounded to the nearest £100,000. The higher of this amount or the amount of the Sovereign Grant in the previous financial year is called the "Step 3 amount". This is generally the value of the Sovereign Grant but it can be reduced if reserves amount to more than 50% of expenditure in the financial year that began two years before [Sovereign Grant Act 2011 (chapter 15) section 6]

the percentage used to calculate the Sovereign Grant should be increased temporarily to 25% and expect this to be reduced once the reservicing works are completed. 163

The Sovereign Grant Act 2011 (Change of Percentage) Order 2017 was made on 16 March 2017. The Order provides for the percentage used to calculate the Sovereign Grant to be increased from 15% to 25%. 164

#### 10.3 The White House

Between 1948 and 1952, the White House, the official residence of the President of the United States, underwent major refurbishment. The White House Museum recorded that:

Plans were discussed to demolish the building and rebuild it to the same design, but in the end, Truman went to Congress and requested the funding to rebuild the White House from the inside out, leaving only the stout brick outer walls and the rebuild the interior largely on the same plan as the existing house.

The Atlantic reported some of President Truman's comments:

"It perhaps would be more economical from a purely financial standpoint to raze the building and to rebuild completely," he testified to Congress in February 1949. "In doing so, however, there would be destroyed a building of tremendous historical significance in the growth of the nation." 165

While the White House was being dismantled and rebuilt, Harry and Bess Truman moved to Blair House across the street at 1651-1653 Pennsylvania Ave. Since 1942 it had been the official guest residence for visiting dignitaries and remains so today. 166

Sovereign Grant Act 2011: Report of the Royal Trustees on the Sovereign Grant Review 2016, November 2016, chapters 6 and 7

Sovereign Grant Act 2011 (Change of Percentage) Order 2017, SI 2017/438

<sup>&</sup>lt;sup>165</sup> Brian Resnick, "What the White House Looks Like Completely Gutted", The Atlantic, 26 February 2013

<sup>&</sup>lt;sup>166</sup> White House Museum, *Truman Reconstruction: 1948-52* 

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