



11 July 2019

My Lords,

Parliamentary Buildings (Restoration and Renewal) Bill

I am writing regarding a number of issues raised by peers during the Second Reading debate on the Parliamentary Buildings (Restoration and Renewal) Bill on 8 July.

I would first like to thank all Noble Lords for their contributions during the debate, which was another important milestone in the progress of this Bill. I promised Noble Lords that I would write on a number of points as I did not get the opportunity to respond to them fully. These are detailed below.

The relocation of Parliament outside London

A number of Peers raised the issue of the cost of Parliament being permanently relocated outside London.

A pre-feasibility study¹ considered by the House of Commons Commission and the House Committee in the Lords in October 2012 evaluated the option of moving Parliament outside of Westminster. This found that this would incur “substantial additional costs” to enable the necessary interactions between Parliament to Government. These additional costs would include new buildings to replace the satellite buildings near the Palace of Westminster, such as Portcullis House, which would still be required if Parliament were to move to another location. Instead, the pre-feasibility study considered what the costs would be to permanently relocate Parliament within London.

In this scenario, the pre-feasibility study noted that as the Palace is a Grade I listed building, and part of a UNESCO World Heritage site, the restoration and renewal works would still need to take place whether Parliament was to return to the Palace or relocate to a new purpose-built building elsewhere.

¹ Restoration and Renewal of the Palace of Westminster: Pre-feasibility study and preliminary strategic business case (October 2012)

For these reasons, and without accounting for inflation, in 2012, the pre-feasibility study estimated that permanently relocating Parliament out of the Palace but elsewhere in London was the most expensive of the options considered. In the light of this evidence, the Commission ruled out the option of constructing a brand new building away from Westminster, and no further analysis was undertaken on this option.

At this same meeting, the Commons Commission and the Lords' House Committee also decided to commission a second opinion on the case for Restoration and Renewal, the Independent Options Appraisal (IOA). This found that a full decant of the Palace of Westminster would represent the quickest and best value option for delivering the programme. This opinion was subsequently endorsed by the Joint Committee on the Palace of Westminster in 2016. Alternative options were considered to hold an unacceptably high level of risk, cost significantly more, and take much longer to complete.

The decision to move back into the Palace of Westminster was made by both Houses by passing the resolution in early 2018. Both Houses endorsed the motion stating the Palace is "home of our Houses of Parliament" and for a full decant as the "best and most cost effective way" of carrying out the works. This decision set the parameters within which the shadow Sponsor Body is taking forward its work.

This Bill facilitates the will of Parliament in this respect by requiring that those exercising functions under the Bill do so with a view to enabling both Houses to return to the Palace as soon as is reasonably practicable.

Preliminary work and cost benefit analysis

A number of Noble Lords emphasised the need for detailed preliminary work to be undertaken before work commences on the project, and for a full cost benefit analysis.

Clause 2(2)(e) of the Bill places a duty on the Sponsor Body to require the Delivery Authority to formulate proposals relating to the design, cost and timing of the works. This will form the Outline Business Case (OBC) which the Sponsor Body must bring back to Parliament for approval under clause 7 of the Bill. Clause 7 is also clear that only once the OBC has been approved, will the Sponsor Body and Delivery Authority be able to commence substantial works on the Palace. Clearly, the Sponsor Body will need to undertake detailed preliminary work, including detailed cost benefit analysis of various options, before it can bring the OBC before Parliament for

approval. This will include consulting Noble Lords and MPs, as is required under clause 2(3) of the Bill.

In addition, clause 2(4)(a) requires the Sponsor Body to have regard to the need to ensure the parliamentary buildings works represent good value for money. This has been a guiding principle of the Bill, and is central to the shadow Sponsor Body's vision for the Programme.

HMT Minister

I was also asked by Lord Stunell why the Government chose to reject the recommendation made by the Joint Committee for an HM Treasury Minister to be appointed to the Sponsor Body.

The R&R Programme is, and will continue to be, a Parliamentary project. The role of HM Treasury in this project is to be an external party looking inwards, with the ability to scrutinise the annual funding through the estimates process. If an HM Treasury Minister was a member of the Sponsor Body it would compromise this role and might restrict them being able to objectively assess Sponsor Body estimates.

As well as blurring the lines of accountability, an HM Treasury Minister on the Sponsor Body would create wider issues with the Bill. For instance, the HM Treasury Minister would have collective responsibility for the decisions made by the Sponsor Body, but may publish conflicting comments on the programme Estimate.

Under Schedule 4 of the Bill, the Treasury will have the ability to review and comment on the annual estimates for the funding of the programme. Their comments will be laid alongside the annual estimate, with the comments from the Estimates Commission, when it is laid before Parliament for approval. This is even more thorough than the current estimates process for parliamentary expenditure. In line with the scale of the project, the Bill ensures that there will be greater transparency and a greater role for Treasury in R&R than for other parliamentary estimates. These additional safeguards ensure the accountability and transparency of the programme.

Engaging Parliamentarians

Noble Lords raised the need to engage parliamentarians in the Sponsor Body proposals.

Under Schedule 1 of the Bill, a majority of the Sponsor Body will be parliamentarians, as is the case on the shadow Sponsor Body. This will ensure that the views of members of both Houses are fed into the work of the Sponsor Body.

The Bill provides for further engagement with parliamentarians. Clause 2(3) of the Bill provides a statutory obligation on the Sponsor Body to consult Parliamentarians on the strategic objectives of the R&R Programme, and the strategic decisions it makes. In anticipation of this requirement, the shadow Sponsor Body has already commenced member engagement with Parliamentarians as it develops the scope of the R&R programme. This is being progressed through a number of channels, including a Noble Lords questionnaire, face-to-face interviews with Noble Lords, events and workshop style meetings, and engagement through the Committees in both Houses. Interested members should contact the Restoration and Renewal team on restorationandrenewal@parliament.uk for more information.

As I have previously mentioned, under clause 7 the Sponsor Body must bring back to Parliament the OBC for approval. Substantial works can only proceed once Parliament has given that approval.

Timely progress of the works

Several Noble Lords spoke of the need for the timely progress of these works. I am pleased that Noble Lords appreciate the urgency of these works, and am happy to elaborate on this point.

As I have previously mentioned, the Bill requires that those undertaking the work must do so with a view to enabling both Houses to return to the Palace of Westminster as soon as reasonably practicable.

The project is contingent on the Northern Estates Programme which means that the full decant and restoration and renewal of the Palace of Westminster cannot begin until that project is complete. Given this and the scale of the project, R&R is scheduled to take place from mid-2020s until mid-2030s. Passing this Bill will allow the Sponsor Body and Delivery Authority to be established, so the substantive works can begin. That is why it is imperative that this Bill is passed without further delay.

I hope that I have been able to address the particular points raised by Noble Lords at second reading.

I will deposit a copy of this letter in the House library.

Yours sincerely,
Richard Howe

Earl Howe