

Management Board

Parliamentary Estates Matters

A paper by the Serjeant at Arms

Purpose

1. This paper is to update the Management Board on the present situation regarding both the development of a 25 Year Estate Strategy and the pivotal project in this strategy, namely the Mechanical and Engineering (M&E) Services Modernisation programme.

Background

2. Members of the Board may recall that at the meeting on 21 June the Board discussed the M&E project and asked for a further update at its October meeting. At its meeting in May the Board of Management received the report from the Parliamentary Estates Board (PEB) and [s.40], the Estate Strategy Advisor, came to the Board and gave an update on how he is developing the nine work streams that he and the Estates Board had identified as being necessary to deliver a 25 Year Strategy. Both [s.40], and the Serjeant are attending their last Parliamentary Estates Board meeting on 20 November and therefore it seems a sensible moment on which to update the Management Board both on the current status of the Estate Strategy and the M&E project, which is the major project in this strategy.

Estate Strategy Work Streams

3. In his final report to the Parliamentary Estates Board Mike Grant summarised the status of each of the original work streams:

- Work stream 1 – 25 Year Estate Strategy
- Work stream 2 – Governance
- Work stream 3 – Financial Probity
- Work stream 4 – Risk Mitigation
- Work stream 5 – Accommodation Strategies
- Work stream 6 – Information Systems, Asset Register and Condition Surveys
- Work stream 7 – Rolling 5 year Works plan
- Work stream 8 – Security, Health & Safety, Fire and Environment
- Work stream 9 – Conservation Plan

In this report he sought to outline the current status, the work that needed to be undertaken going forward, and a suggestion as to who might be the most suitable person to take it forward - mindful that it was still under the overall control of the PEB and the incoming Parliamentary Director of Estates (PDE).

4. 25 Year Estate Strategy/Rolling 5 Year Works Plan

A first attempt at the 25 year plan has been addressed over the past 10 weeks by consultants, KMCS working with both [s.40], and [s.40],. As this exercise concludes, the Estates Board are clear that this work will need to be taken forward as part of the work of the proposed Planning Group in the new combined Directorate. However as the new structure is not in place, this work needs to be given a sponsor and [s.40], will fulfil this role whilst at the same time continuing as Acting Director of Works.

5. Governance

This issue was discussed at the last meeting of the Board of Management. However given the ongoing uncertainty surrounding the Serjeant's Department it was agreed by the PEB that any detailed implementation of new governance should be deferred until the new structure was confirmed. When the new structure below the Management Board and the Director General of Facilities is agreed, this work stream will need to be reviewed by the PEB and probably returned to the Management Board. In the interim Philip Collins will be the point of contact.

6. Financial Probity and Value for Money Initiatives

The PEB considered this at its meeting in June but here again the paper needs to be reviewed by the PEB once the work commissioned by the Finance Directors in both Houses covering the financial framework and business planning process is published. The recommendations from this work are important to the PEB because any implementation of these will have a direct impact on the planning and delivery of all works. Again this is work to be taken forward by Philip Collins.

7. Risk Mitigation

This is a work stream that the PEB have not given as much time to as some of the others but the PEB did review the way in which risk was managed in both Houses and more recently there has been an update and a paper from the Director of Works addressing how we address the corporate risks in this area. It has been recognised that project risk registers should be maintained by the project owner within the proposed Delivery Team. However the way in which the overall corporate risk is managed must be something teased out with the Management Board as it will be a key piece of work for the Planning Group. In the meantime [s.40], will be responsible for this work.

8. Accommodation Strategies

As everybody will recognise this is a complicated work stream and almost certainly the key driver when considering the 25 Year Strategy. The first part of this is office needs and allocation of office space. The second part is the overall accommodation strategy for decant and a possible expansion of the Parliamentary Estate. Office allocation is currently carried out by the Serjeant's Department and over the past five years there has been some very detailed work completed with HOK which has provided a detailed knowledge of the House of Commons accommodation. The House of Lords have still to carry out this exercise. The longer term need for accommodation has until now been considered piecemeal and is probably the piece of work that needs the 25 Year

Strategy most of all. In the short term there is a clear need to make plans for our current requirements and the work that [s.40], is doing on the 'windowless offices' is an example of this. As far as the longer term is concerned, KMCS used our accommodation needs as a pilot study and this needs to be taken forward within PDE by the Planning Group. In the short term however accommodation needs will need to be taken forward by both James Robertson in the Serjeant's Department and [s.40], in Estates whilst the longer term strategy will probably have to wait for the direction from [s.40].

9. Information Systems, Asset Register and Condition Surveys

Now that [s.40], has been selected as the Asset Manager, he has been progressing this work stream with the help of [s.40], and HOK. There is much work to be done in this area; there is a vast quantity of data, much of which is very detailed. However the information is not well coordinated nor is it all in the same Archibus format. The aim is to have a further paper for the PEB by the year end which will not only set out the terms of reference for asset management but will also indicate the role it plays within the Planning Group. This work will need to continue under [s.40], direction. The ultimate aim is to produce a road map of what needs to be done so as to achieve best practice for managing this very necessary work. HOK sponsored a visit to Washington DC for [s.40], so that he could see what they have achieved on Capitol Hill. However the road map is unlikely to be completed until at least February 2008 and the hope is that it will show not only a detailed timetable for work in this area but also the costing and manpower requirements. This work will have to be taken forward by the new leader of the Planning Group.

10. Security, Health & Safety, Fire and Environment

This is another of the work streams that is not being given the same priority as some of the others. [s.40], has ensured that the correct priority has been given to the fire issues in the Palace and a great deal of work is being done at a low level on sustainability and meeting both Members' and the Houses' expectations in making the Parliamentary Estate more environmentally conscious. However there is no doubt that there needs to be more work in strengthening the area so that all staff dealing with safety issues report directly to the PDE. There has been discussion within the PEB to ensure that any enhancement to the safety group within Estates and Works was in liaison with Occupational Health and Safety staff in DFA.

11. Conservation Plan

The PEB agreed that this was a second order issue and one that will have to be taken up by the Head of the Heritage & Standards Group when an appointment is made.

M&E Board

12. Since the Board last addressed this issue at their June meeting, given its importance to the overall strategy, the Project Board and the entire membership of the Estates Board, have had further updates on the options for this work. In particular BDP,

our specialist consultants who have been working on this issue for the past year, gave a project summary covering:

- a condition report of the existing services
- a SWOT analysis of the proposed scope of work
- a summary of the scope of work within each phase of a suggested implementation plan
- the existing and proposed capacities of these building services
- a summary of sustainability measures
- a summary of strategic options for each individual service.

We now have, for the first time, a digestible series of options from BDP and are able to look at those issues which are critical rather than those that are merely recommended or desirable. Against the backdrop that the project estimate remains in the order of some £250million the current Works and Estates view is that some £178million (71%) of the works are critical.

13. The M&E Board has sought to give recommendations to Estates and Works as to how they might best shape the business case that will clearly be required. The latter now are currently looking at the following options: continued maintenance, priority one (critical) works only, priority one and two (recommended) works, priority one, two and three (desirable) works, and finally doing priorities one, two and three and the sustainability improvements which are those that have already been leaked recently in the Guardian, as a result of an FOI request.

14. The M&E Board were clear that we still needed further specialist advice from BDP on a number of technical issues concerning the ring main and steam, the overall utility capacities against our long term needs, and what are the critical points and priorities in the various options. There is a further briefing planned for 26 November. Looking to the future, the business case for this work needs to be presented to the M&E Board by June 2008. Moreover there is a clear need for a communication plan to go with all of this since there is already considerable Members' interest in the delivery plan for this modernisation to the Palace of Westminster.

Reunification Board

15. The decision has been taken to continue with the re-unification of Works and Estates under the new Parliamentary Director of Estates with effect from 1 January 2008, but to defer final agreement of, and recruitment to, the senior management structure until after that date. This will enable the views of the newly appointed Director ([s.40],) to be taken into account in shaping the new structure in early 2008.

Issues for the Management Board

16. The issues for this Board include:
- the proper resourcing of the future Directorate

- the backlog in the preparation of business cases and the impact that this may have on the Works programme for 08/09 and beyond
- the composition of and the date on which the Reunification Board should resume its work
- the next steps for the M&E work
- the timetable for presenting the Estate Strategy options to a wider audience
- the accommodation implications of Members' aspirations
- the relationship between the PEB and the Management Board

Action Required

17. The Management Board is asked to **take note** of this update.

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