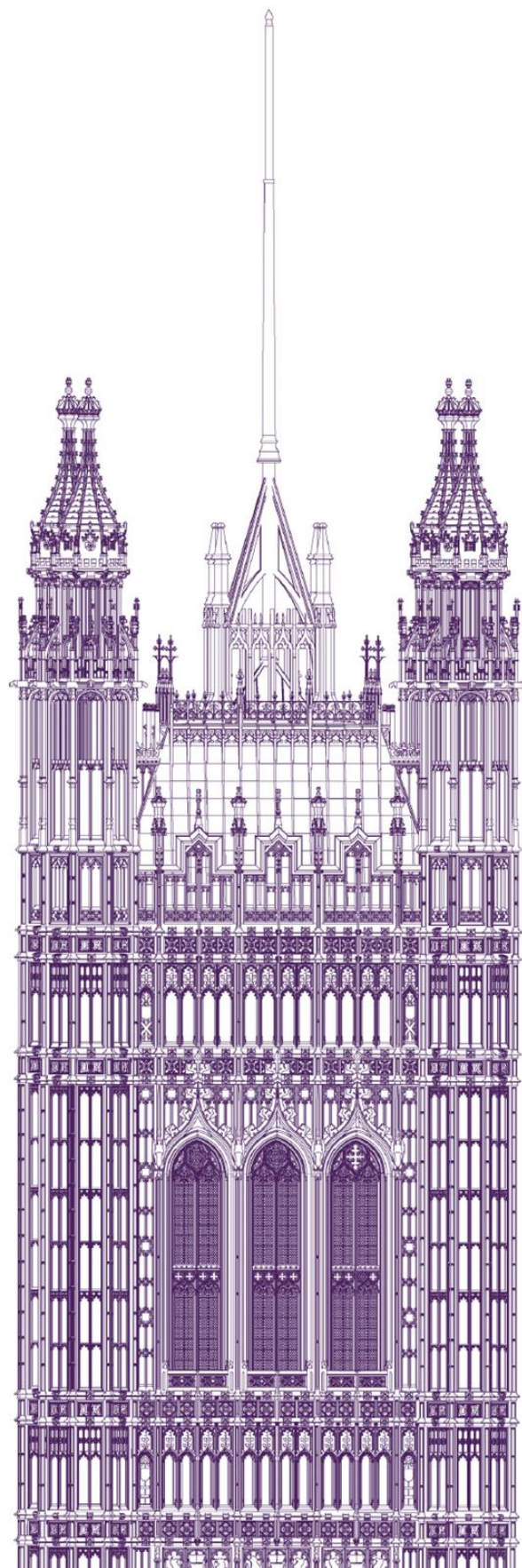




**Main Estimate Memorandum**  
Parliamentary Works Sponsor Body  
2022/23





## Main Estimate memorandum for Parliamentary Works Sponsor Body

### 1 Overview

#### 1.1 Parliamentary Buildings (Restoration and Renewal) Act 2019

The Parliamentary Works Sponsor Body (PWSB) was formally established on 8<sup>th</sup> April 2020 by the Parliamentary Buildings (Restoration and Renewal) Act 2019 (R&R Act 2019).

Due to recent decisions by the House Commissions regarding the future of the Restoration and Renewal Programme, the Main Estimate for 2022/23 has been prepared at considerable speed, and in a period of considerable uncertainty and has necessarily had to be based on a series of assumptions about the work to be carried out during the year. The Estimate is £87m.

The PWSB's Main Supply Estimate for 2021-22 ([HC 1381](#)) was approved on 27<sup>th</sup> April 2021 at £155.6m:

|                         | Estimates   |              |              |
|-------------------------|-------------|--------------|--------------|
| £m                      | 2022-23     | 2021-22      | 2020-21      |
| Resource DEL Equivalent | 84.0        | 149.6        | 120.2        |
| Capital DEL Equivalent  | 3.0         | 6.0          | 6.0          |
| <b>Total</b>            | <b>87.0</b> | <b>155.6</b> | <b>126.2</b> |

|                    | Forecast/Out turn |              |             |
|--------------------|-------------------|--------------|-------------|
| £m                 | 2022-23           | 2021-22      | 2020-21     |
| Sponsor Body       | 7.0               | 12.1         | 12.0        |
| Delivery Authority | 80.0              | 108.1        | 85.0        |
| <b>Total</b>       | <b>87.0</b>       | <b>120.2</b> | <b>97.0</b> |

The Phase 1 Expenditure Limit (P1EL) is for the period April 2020 from when the Sponsor Body was formally established and ends when both Houses have approved the proposed works and funding. Given recent decisions by the House Commissions, there is currently no agreed timescale for the submission of proposals to the two Houses.

To date, the House Commissions have reviewed the programme P1EL plans and approved budgets annually (2020/21 and 2021/22). The current P1EL was approved in February 2021 at £263m - based on the Q2 2020 forecast outturn for 2020/21 (£107.4m) and the approved budget for 2021/22 (£155.6m).

The overall budget for the Sponsor Body and Delivery Authority for 2022/23 is £87m as outlined in the table below. Adding the proposed budget for 2022/23 to the outturn for 2020/21 and the Q2 forecast outturn for 2021/22 (£120m) leads to a revised P1EL of £304m. The House Commissions approved the revised P1EL on 21 March 2022.



## 1.2 Phase 1 objectives

Until the end of January 2022, the Programme was following the objectives agreed with the Commissions following the publication of the Strategic Review in early 2021, and as set out in the Corporate Plan to produce a Programme Business Case (PBC) for submission to the Houses in 2023. Since then, and as a result of the recent decisions by the House Commissions, work on the PBC has paused and for the last 2 months we have been engaged with the Houses on transition activities.

The R&R Act (2019) splits the programme into two phases.

- |         |                                                                                                                                                                          |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Phase 1 | The period during which the Sponsor Body and the Delivery Authority formulate proposals relating to the design, cost and timing of Palace restoration and renewal works. |
| Phase 2 | The period during which the Parliamentary building works are proposed to be carried out.                                                                                 |

The Programme has published the following objectives in its Corporate Plan

### **Sponsor Body**

1. To establish a strong sponsor function within the Sponsor Body.
2. To oversee activities of the Delivery Authority.
3. To ensure that the Parliamentary building works represent good value for money.
4. To undertake effective parliamentary engagement and consultation in a timely manner.
5. To promote understanding of the purpose and importance of the Restoration and Renewal Programme.
6. To obtain approval of the Programme Business Case (PBC).
7. To provide effective Programme governance.

### **Delivery Authority**

1. To ensure all Programme activities are supporting development of the Programme Business Case (PBC).
2. To develop the Delivery Authority's corporate capability ready to deliver Phase 2 of the Programme.
3. To develop the Programme maturity to procure and deliver chosen design options in accordance with the Strategic Objectives.

## 1.3 House Commissions decisions

Following initial advice from the Sponsor Body and Delivery Authority about the potential cost and timescales for delivering the Restoration and Renewal Programme in accordance with the 2018 Resolutions, 2019 Act and Strategic Objectives, the House Commissions have decided to propose major changes to the future direction of the R&R Works, and to the Sponsor Body and the work of the Delivery Authority.

### **Joint Commission**

The Commission members of the two Houses of Parliament have made a united commitment to preserve the Palace of Westminster for future generations.



At a specially convened joint meeting on Thursday 17 March, the Joint Commission members agreed a new approach to the Restoration and Renewal programme that recognises not only their collective duty as custodians of the globally iconic building – part of a UNESCO World Heritage site – but also their responsibility to ensure the safety of all those who work in and visit the Palace.

Following discussions, the Commission members agreed the new approach would be guided by the following parameters:

- a. A primary commitment to health and safety, including fire safety;
- b. Ensuring lessons from previous project activity are embedded in future project activity;
- c. Works to improve mechanical, electrical and other essential systems should be prioritised;
- d. A shorter life expectancy for the completed works should be considered (i.e. the infrastructure might require further renewal or ongoing upgrades in future decades rather than the current underpinning assumption to avoid this);
- e. A wider range of options to decant Members and staff from areas of the building affected by the works needs to be considered;
- f. There must be a more integrated and cohesive approach between R&R works and other critical works on the Parliamentary estate;
- g. Different levels of ambition for programme scope should be considered to ensure maximum value for money;
- h. There should be a broader range and a greater number of options for delivering the works developed prior to down-selection of final options;
- i. An incremental approach to the works and the funding should be considered, in line with standard practice for many major public works.

The Commission members agreed to seek independent advice and assurance on the new approach to the works, as well as on proposals to take forward the Commissions' decisions to replace the Sponsor Body. They also asked the Delivery Authority to place a high priority on continuing with the already planned programme of intrusive surveys, and other necessary work to inform future decisions, as swiftly as possible.

A revised mandate for the works and changes to the sponsorship function will be sought from the two Houses. This is currently planned to take place before the summer recess.

### **HM Treasury's advice**

We have been working closely with HM Treasury colleagues over this period and a joint meeting was held with them and the Finance teams of both Houses.

The advice from HM Treasury officials was that we should continue with our funding plans for 2022-23 at a reasonable level and resolve all other transfer and budget issues at the Supplementary Estimate 2022-23, when the new structure and operating model will be clearer.

## **1.4 Impact on this Estimate**

A high-level review of both organisations' business plans to an 'essential activities' basis was commissioned by the Accounting Officer to align to Parliament's wishes and avoid nugatory spend.

In collaboration with the Delivery Authority, this exercise was performed at pace and with a high level of uncertainty around the future scope of the R&R programme and the future operating model.



In order to provide some structure for both the Sponsor Body and Delivery Authority over the short-term, the Sponsor Body has issued the Delivery Authority with a new short term Task Brief which is aimed at ceasing activities that are no longer required, and focussing on those activities essential to exploring future options for an R&R Programme and supporting the establishment, and transition to, a new operating model. The work on exploring future options for the Programme is aligned to the parameters agreed by the Joint Commissions.

The Sponsor Body has:

- a. Reviewed all commercial commitments and either terminated those arrangements or reduced the scope to those activities that are necessary to complete existing workstreams such that they can be archived and made available for future reference if necessary.
- b. Additional controls have been introduced to review any new financial commitments.
- c. All recruitment has been stopped.
- d. All contractors have been given notice unless their work is critical to current operations.

The new Task Brief asks the Delivery Authority to carry out a range of tasks including:

- a. Stop all activities relating to the development of the Palace of Westminster Essential and Intermediate Schemes other than to finish any activity to a point that enables it to be used to inform future scheme proposals
- b. Continuation of Palace of Westminster investigatory survey work to inform the design and subsequent cost and schedule of future scheme proposals.
- c. Complete activities relating to the development of the current stage of design for the House of Lords Decant. Retain some capability to support the development of options for the QEII if there remains a requirement for areas of the Palace to be vacated whilst works are carried out.
- d. Stop all activities on the development of the Heritage Collections Decant unless required for the development of future options.
- e. Stop all activities that input into the development of the five cases of the Programme Business Case other than to finish any activity to a point that enables it to be used to inform the preparation of any future Programme Business Case.
- f. to provide a proposal, for agreement with the Sponsor Body, on which activities will continue (wholly or in part) and which should pause. For example:
  - Continue (e.g., continue with legally required corporate functions (such as corporate governance, HR & Finance) and Data and Digital business support to the Delivery Authority and Sponsor Body.
  - Continue in part (e.g., development of the Requirements process (but not the setting of requirements); update assumptions register to reflect any 'no regrets' assumptions; light touch reporting, risk assessments and assurance activities and essential corporate procurement.
  - Pause (e.g., Phase 2 planning and procurement; new apprenticeships; review of PRA / PDA; neighbour Engagement / NDAs; planning and consents (except surveys) and the Data & Digital Investment Programme.

In response to the Commission decisions, the Delivery Authority has:

- a. Carried out an Executive review of activities to pause/stop/continue, following which existing budgets were adjusted accordingly. (Where this was not possible, general assumptions were used).



- b. Introduced new controls on expenditure and delegated authorities
- c. Reviewed all resource budgets and implemented a recruitment freeze. All resources (DA Employees and Interims) as well as roles performed by the DA's delivery partner, Jacobs, were reviewed and challenged by the Executive team. This review means that the planned increase in DA resources will not happen, and the DA will retain resources broadly in line with current numbers
- d. A review was held of required design resources in conjunction with the DA's design partner, BDP, to re-align resources to the new activities going forward.

The Delivery Authority has provided a detailed response to the new Task brief, setting out how it proposes to address the Tasks, and this has been accepted by the Sponsor Body.

### Transition activities

The Sponsor Body and Delivery Authority are working closely with officials from the two Houses to carry forward the transition activities needed in the light of the Commissions' decisions. These include designing the new Sponsor function as part of a new operating model and developing proposals for a new approach to the works.

## 1.5 Impact on the Ambit

The Ambit sets out the activities that the Sponsor Body is allowed to spend or receive money on. HM Treasury guidance says:

***The purpose of the ambit is to provide an informative and appropriately detailed description of the functional activities on which expenditure authorised through the Estimate is to be incurred or on which income set out in the Estimate is expected to be generated.***

The current Ambit was written before the Sponsor Body and the Delivery Authority came into existence and says:

***“General administration of the Parliamentary Works Sponsor Body and the activities undertaken to meet its obligations to prepare an Outline Business Case for the Restoration and Renewal Programme for decision by Parliament with a set of options and costs to deliver the full programme of works, including the Palace of Westminster, House of Lords Decant and Heritage Collections Projects.***

***The activities to be undertaken by the Delivery Authority including; concept design and solutions development, a programme of building surveys, provision of assurance and oversight of programme work to support programme delivery including; digital and data information services and corporate services. Set-up of programme and corporate capabilities and processes including risk management, cost management, reporting, health and safety, assurance and governance structures, accommodation costs, general administration and other commercial activities and non-cash costs.***

We propose clarifying the current activities listed and HM Treasury colleagues suggested making specific reference to these activities and so the Ambit will be extended to include transitional activities. We intend to change the Ambit to:



*“General administration of the Parliamentary Works Sponsor Body and the activities undertaken to meet its obligations for the Restoration and Renewal Programme for decision by Parliament with a set of options and costs to deliver the full programme of works, including any expenditure necessarily incurred in transitional activities and any transfer to a new operating model as a result of recent decisions by the House Commissions.*

*The activities to be undertaken by the Delivery Authority including; concept design and solutions development, a programme of building surveys, provision of assurance and oversight of programme work to support programme delivery including; digital and data information services and corporate services. Operation of programme and corporate capabilities and processes including risk management, cost management, reporting, health and safety, assurance and governance structures, accommodation costs, general administration and other commercial activities and non-cash costs*

## 1.6 Main areas of spending

The table below shows the main components of the PWSB’s 2022-23 proposed expenditure.

| Areas (£m)                                            | Forecast<br>Out turn<br>21-22 | Main<br>Estimate<br>22-23 |
|-------------------------------------------------------|-------------------------------|---------------------------|
| Sponsor Body                                          | 12.1                          | 7.0                       |
| Delivery Authority Corporate Functions                | 12.8                          | 11.7                      |
| Programme Management                                  | 22.1                          | 17.8                      |
| Data and Digital                                      | 29.6                          | 20.8                      |
| Palace of Westminster                                 | 39.1                          | 26.3                      |
| House of Lords Decant / QEII Surveys & Optioneering   | 4.5                           | 3.8                       |
| Heritage Collections Decant                           | 1.0                           | 1.6                       |
| Central Adjustments                                   | -1.0                          | -5.0                      |
| <b>Total</b>                                          | <b>120.2</b>                  | <b>84.0</b>               |
| Capital additions                                     | -                             | 3.0                       |
| IFRS 16 lease additions (included in the total above) | 2.0                           | -                         |
| <b>CDEL Total</b>                                     | <b>2.0</b>                    | <b>3.0</b>                |

## 1.7 Comparison of spending totals sought

The table below show how the totals sought for the PWSB compare with this year’s budget

| Heading      | 2022-23 budget | Difference to 2021-22<br>budget |             |
|--------------|----------------|---------------------------------|-------------|
| Resource DEL | £84.0m         | -£66m                           | -44%        |
| Capital DEL  | £3.0m          | -                               | -           |
| <b>Total</b> | <b>£87.0m</b>  | <b>-£66m</b>                    | <b>-44%</b> |



|                             |               |              |             |
|-----------------------------|---------------|--------------|-------------|
| <b>Net Cash Requirement</b> | <b>£87.0m</b> | <b>-£66m</b> | <b>-44%</b> |
|-----------------------------|---------------|--------------|-------------|

## 1.8 Key drivers of spending changes.

The key areas of expenditure are:

### **Sponsor Body £7m**

The majority of the Sponsor Body expenditure is for staff costs.

All current work on the Programme Business Case has been paused and outsourced contractors have been stood down.

Corporate services activities have been pared back to provide the minimum necessary to fulfil statutory obligations.

### **Delivery Authority £80m**

The Delivery Authority Budget of £80m is a reduction of £45m on that approved by the DA Board in December 2021. The expenditure mainly falls in the following areas:

- Palace of Westminster: spend of £26m includes £14m to undertake surveys critical to facilitate Palace design options, with over 50 surveys due to take place in 2022/23 including c.20 intrusive surveys. £11m to develop a wider range of proposals for the Palace works including developing new approaches to priority areas such as M&E, fire safety, conservation, and accessibility.
- Developing future proposals for work also includes Programme Management spend of £20m. This includes work: to explore more efficient approaches to work scheduling that could reduce future cost; develop and agree required technical standards; aligning future proposals with Parliament's emerging Masterplan, asset management planning and security plans; planning potential future pilot projects; supporting a new operating framework and transition to it; and ensuring high standards of Health & Safety and programme assurance.
- House of Lords Decant/QEII Optioneering: spend of £4m completing the current stage of design work (RIBA2) for the House of Lords decant and retaining some capability to support the development of options for the future use of the QEII in the event that there remains a requirement for areas of the Palace to be vacated whilst works are carried out.
- Heritage Collections Decant: spend of £2m to undertake option neutral work on the Heritage Collections decant including planning for future moves and illustrative early room studies. We will continue to work jointly with the Parliamentary Heritage Collections team on object assessment and survey activities as well as supporting Parliamentary colleagues in defining a joint strategy for a database system to record asset information.
- Data & Digital: spend of £21m, which is a reduction of over 30% on current costs following a review of investment spend and savings being driven from re-procurement of key contracts. In particular:
  - Operating spend of £17m, to provide business support to users across the DA, Sponsor Body, and our supply chain. This includes cyber-security and information management, including work with Parliament to develop and align standards and to simplify Requests for Information.



- Investment spend of £4m to deliver the continuation of cyber-security enhancements, a secure platform to manage surveys data, “spend to save” investment for transition to a new digital services supplier to enable future savings delivery, and enhanced collaboration software useful for any programme of activity. All investment spend is subject to future business case approval before being undertaken.
- Corporate areas: spend of £12m. This relatively fixed cost base includes areas such as commercial resource to manage our existing contracts and procure services, financial management of our own and future programme estimates, HR capacity to manage and develop the organisation, and corporate governance and legal support.
- Central adjustments: (–£4.8m); includes a savings target of £3.5m, as well as an allowance for overprogramming. Given the speed at which revisions to the budget have had to be prepared, the DA recognises that further savings can be achieved going forward, which could not be specifically identified in time for this Budget.

**Capital DEL £3m (included above):**

- To cover the generation of any digital assets and
- Any capital research and development that comes from the more intrusive survey activity per the HM Treasury definitions.

As none of the activities of the PWSB are classed as trading, all numbers throughout are presented including irrecoverable VAT at 20%.

**Headcount**

The change in staff and outsourced key delivery partner numbers over the life of the programme is shown in the tables below (to note, this does not include specialist expertise purchased from design partners on a task-by-task basis).

This is a reduction of 90 FTE compared to the previous business plan approved by the Delivery Authority Board in December 2021.

**2020/21**

Actual average full time equivalent for May 2020 to March 2021.

|                                          | <b>SB</b> | <b>DA</b>  | <b>Total</b> |
|------------------------------------------|-----------|------------|--------------|
| Directly employed                        | 18        | 27         | 62           |
| Interims/Secondees                       | 17        | 62         | 66           |
| Outsourced programme management (Jacobs) | -         | 115        | 115          |
| <b>Total</b>                             | <b>35</b> | <b>204</b> | <b>243</b>   |

**2021/22**

Forecast average full time equivalent for April 2021 to March 2022.

|                                          | <b>SB</b> | <b>DA</b>  | <b>Total</b> |
|------------------------------------------|-----------|------------|--------------|
| Directly employed                        | 49        | 112        | 161          |
| Interims/Secondees                       | 6         | 27         | 33           |
| Outsourced programme management (Jacobs) | -         | 113        | 113          |
| <b>Total</b>                             | <b>55</b> | <b>252</b> | <b>307</b>   |



**2022/23 (budget)**

|                                          | <b>SB</b> | <b>DA</b>  | <b>Total</b> |
|------------------------------------------|-----------|------------|--------------|
| Directly employed                        | 35        | 165        | 200          |
| Interims/Secondees                       | 4         | 12         | 16           |
| Outsourced programme management (Jacobs) | -         | 70         | 70           |
| <b>Total</b>                             | <b>39</b> | <b>247</b> | <b>286</b>   |

Staff posts are being maintained during the transition until the new operating model is established. The increase in directly employed staff from 2021-22 to 2022-23 reflects the fact that the majority of staff were recruited part-way through 2021-22, and we have restricted recruitment for 2022-23. Over the years we have reduced our reliance on interims and secondees and on our outsourced programme management resource; we have further re-focused the activities of these resources in response to the new Task Brief.

## 1.9 Transition costs

This funding request is for the continuing operations; it does not include anything for transition to the new operation.

Regardless of the transition work outcomes, there are potential costs for:

- a. Employee outplacement
- b. Employee termination
- c. Changes to commercial contracts

These obligations will either be resolved through a Supplementary Estimate for the Sponsor Body or will need to be dealt with in the Estimate of the new operation.

Similarly, if a new direction is agreed by the Houses during the financial year, and increased capacity and expertise is required following the reductions recently implemented, any increase in resources would be dealt with through a Supplementary Estimate. This particularly applies to design costs which have only been budgeted for the first six months of the year to work up the initial wider range of proposals for the Palace works.

## 1.10 Spending controls

The PWSB's spending is broken down into two different spending totals, for which approval is sought.

The spending totals are:

- Resource Departmental Expenditure Equivalent Limit ("**Resource DEL**"): funding which supports day-to-day operations for the year.
- Capital Departmental Expenditure Equivalent Limit ("**Capital DEL**"): investment in leases and infrastructure, both digital and office fit outs.

In addition, there is a net cash requirement, which is the maximum amount of cash that can be released from the Consolidated Fund to support operations.



### 1.11 Spending Review and budgets.

The Chancellor announced the outcome of the Spending Review 2021 (SR21) on 27<sup>th</sup> October 2021. It was baselined from 2021-22 and covered plans for the years 2022-23 to 2024-25 for all government spending. PWSB was included in aggregate with other Independent Bodies such as the Electoral Commission, House of Commons etc. This was based on the objectives of the programme as above, through to the proposed publication of the PBC and beyond into the first year of Phase 2. This Main Estimate remains inside this envelope.

### 1.12 Vote on Account 2022-23

A Vote on Account for the Sponsor Body was laid in Parliament on 22 February 2022 (HC1155). Following on from HM Treasury's advice, it was made as 45% of the 2021-22 Main Estimate. The budget cover provided was:

- a. RDEL equivalent - £67.3m
- b. CDEL equivalent - £2.7m
- c. Net cash requirement - £70.0m

## 2 Spending detail

### 2.1 Explanations of changes in spending

The explanations for the changes are presented above.

### 2.2 Changes to contingent liabilities

The 2021-22 Annual Report and Accounts included the following contingent liabilities:

A potential liability for discretionary performance-based payments for Delivery Authority staff covering work completed in 2020-21. These payments remain deferred until after the performance reviews for 2021-22 have been completed, so a liability remains.

In addition, there was a potential liability for the incorrect application of the tax rules covering contingent labour under IR 35 in 2020-21. The Group performed a full review of all contracts and then approached HMRC with the results. This liability has now been settled and a new process implemented and reviewed by HMRC to help prevent a recurrence. No penalties were issued for the non-compliance as we had approached HMRC with our concerns and expedited a settlement. This liability is now closed.

There is an emerging potential contingent liability on property recharges from the House of Commons. The offices occupied by the programme are both opted to VAT by the superior landlord. The House is clarifying with HMRC whether this VAT is recoverable by them. If it isn't, we will face a further charge for this irrecoverable VAT of up to £280k.



## 3 Priorities and performance

### 3.1 Programme governance and reporting

Following the recommendations in the Strategic Review, the PWSB has reviewed its governance arrangements with the House Administrations and has restructured to streamline reporting and decision making to the following model:

- 1) An R&R Steering Group whose members consist of senior representatives from both House Administrations, Parliamentary Digital Service (PDS) and the Sponsor Body, with the Delivery Authority in attendance in its role as Delivery Agent, and
- 2) An R&R Parliamentary Alignment Group consisting of representatives from both House Administrations and PDS.

The NAO published a follow-up report in January 2022 which formed the basis of a Public Accounts Committee hearing in March 2022.

The PWSB continues to report quarterly to the Corporate Officers of the Houses and annually through the Annual Report and Accounts presented to Parliament.

Future programme governance and reporting arrangements will be proposed as part of any new operating model.

### 3.2 Performance against priorities

The key delivery highlights in the year are:

- a. Essential Scheme Initial Assessment of Cost and Schedule and Continued Presence Impact Study were published in February 2022
- b. The procurement of the Intrusive Surveys Framework (ISF) was completed. Contracts have been awarded across 8 lots, to a range of contractors from across the country, mainly Small and Medium-sized Enterprises. Call-offs under the frameworks are being progressed for the priority surveys.
- c. Asbestos 'look and report' surveys commenced on-site in the Palace of Westminster in December 2021. The first 'Design Baseline' was completed in January following the endorsement of the Strategic User Requirements by both Commissions.
- d. Developed the Programme Business Case and then, in line with recent decisions, collated the drafts and all of the supporting data so that it could be paused and picked up again at a later stage.

### 3.3 Cost Control

Cost control was maintained throughout the year, ensuring costs are appropriate and provide value for money. Areas of focus include:

- a. Maintaining a focus only on the highest priority activities that strictly align to objectives.
- b. A realistic recruitment profile and better value mix of resource type to match forward work plans.
- c. Targeted savings to ensure that a constant downward pressure on costs is maintained.



- d. Continuous benchmarking of programme costs relevant to size, complexity and phase of the works.

The Sponsor Body will continue to scrutinise costs and plans during the 2022/23 financial year, including the 'deep dives' commissioned by the Sponsor Board on Data and Digital, Programme Management and Corporate Services costs, reviewing the expenditure and challenging the resources required.

### 3.4 Cost Scrutiny

All third-party expenditure is subject to internal governance as documented in the Sponsor and Delivery Authority's Scheme of Authorities, which have been approved by both organisation's Boards. Scrutiny is provided at all levels from the Executive teams, through both Boards and their sub-committees.

In the Delivery Authority, every other week a sub-group of the Executive team review requests for expenditure on third party contracts, confirming if the expenditure is budgeted, validating that the expenditure is still required and testing the level of expenditure with the budget holder requesting it, as well as testing prior to contract that the expenditure delivers value for money. Similarly, in the Sponsor Body all expenditure is reviewed and approved by the Director of Finance and the CEO.

### 3.5 Key contracts

An update on the breakdown of the Delivery Authority external expenditure by a) size of organisation and b) region for the current year to December 2021 is shown in the following table:

a) breakdown by size

| Company size | Suppliers  | %          | Spend £m    | %          |
|--------------|------------|------------|-------------|------------|
| SME          | 74         | 63         | 18.9        | 30         |
| Large        | 43         | 37         | 43.3        | 70         |
| <b>Total</b> | <b>117</b> | <b>100</b> | <b>62.3</b> | <b>100</b> |

b) regional spread of expenditure, including subcontracts but excluding items purchased from the House of Commons or Lords. This figure is calculated from the head office or billing address of the suppliers and so does not necessarily mean that this is where the work is actually being undertaken as we are engaged with many suppliers who have multiple work sites.

| Region        | Spend £m | %    |
|---------------|----------|------|
| North West    | 26.4     | 42.3 |
| London        | 21.8     | 35.0 |
| Scotland      | 5.6      | 9.0  |
| South East    | 4.7      | 7.6  |
| West Midlands | 1.4      | 2.2  |
| South West    | 1.0      | 1.7  |
| Wales         | 0.8      | 1.4  |
| Yorkshire     | 0.4      | 0.6  |
| East Midlands | 0.2      | 0.3  |
| East          | 0        | 0.0  |
| North East    | 0        | 0.0  |



|                  |             |              |
|------------------|-------------|--------------|
| Northern Ireland | 0           | 0.0          |
| <b>Total</b>     | <b>62.3</b> | <b>100.0</b> |

## 4 Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by me as Accounting Officer.

Sarah Johnson

Accounting Officer

Parliamentary Works Sponsor Body

19 April 2022