



**20 April 2022**

Dame Eleanor Laing MP  
Chair, Parliamentary Works Estimates Commission  
House of Commons

Dear Dame Eleanor,

SB/C/22/10

**Phase One Cost Assessment (Main Estimate 2022-23)**

In advance of the Parliamentary Works Estimates Commission hearing to consider the Parliamentary Works Sponsor Body Main Estimate for 2022-23, I am writing to provide an update on the Phase One Cost Assessment.

As you are aware, in light of recent decisions by the House Commissions, the Sponsor Body and Delivery Authority have stopped all work on the R&R Programme Business Case (PBC) which was due to be presented to both Houses in 2023. The approval of that Business Case would have signalled the end of the Phase 1 period as defined in the Parliamentary Buildings (Restoration and Renewal) Act 2019 ("the R&R Act").

We have set out in the Main Estimate Memorandum for 2022-23 the basis on which that Estimate has been prepared and that the House Commissions have formally approved a revised Phase 1 Expenditure Limit (£304m) for the Parliamentary Works Sponsor Body which incorporates the 2022-23 Estimate.

The R&R Act requires the Parliamentary Works Sponsor Body to provide the Estimates Commission with the Estimate for the year and the Delivery Authority's most recent Phase One Cost Assessment. Prior to the decisions of the House Commissions, the Sponsor Body and Delivery Authority had undertaken a detailed business planning process in order to prepare an Estimate for 2022-23 and to provide an update on the forecast cost to complete the Phase One period. The outcome of that process was a forecast total Phase 1 Cost Assessment of £402m, that being £73m less than the equivalent forecast a year ago. The Delivery Authority's Business Plan had been approved by its Board in December 2021, and the Sponsor Body was due to seek approval from its Board in January 2022.

Given the uncertainties arising from the decisions of the House Commissions, it is not currently possible for the Sponsor Body or Delivery Authority to provide a revised forecast for the Phase 1 period. In order to do so, a revised mandate for R&R needs to be approved in both Houses against which new proposals can be prepared and a revised timetable and cost assessment for Phase 1 established. The House Commissions have stated that a revised mandate will be sought from the two Houses prior to the summer recess although no date has yet been confirmed for this to take place in either House.

We will no doubt discuss these matters when we meet on 26 April.

Yours sincerely

**Sarah Johnson, Chief Executive Officer**  
**Houses of Parliament, Restoration and Renewal, Sponsor Body**