

PARLIAMENTARY BUILDINGS (RESTORATION AND
RENEWAL) ACT 2019



**THE PARLIAMENTARY
WORKS ESTIMATES
COMMISSION**

**Parliamentary Works Sponsor Body: Main Supply
Estimate for 2022–23: Comments from the
Parliamentary Works Estimates Commission and
the Treasury**

*Presented to Parliament pursuant to paragraph 3(9) of Schedule 4 to
the Parliamentary Buildings (Restoration and Renewal) Act 2019*

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The Parliamentary Works Estimates Commission

The Parliamentary Works Estimates Commission is established under the Parliamentary Buildings (Restoration and Renewal) Act 2019. It examines and lays before the House of Commons the financial Estimates of the Parliamentary Works Sponsor Body.

Membership

[Rt Hon Dame Eleanor Laing MP \(Chair\)](#)

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Comments from the Estimates Commission

Background

1. The Parliamentary Works Estimates Commission met on Tuesday 26 April 2022 to review the Sponsor Body’s Main Estimate for 2022–23 of £87m. As part of this review, we held a public hearing with senior executives from the Sponsor Body and the Delivery Authority, a transcript of which is published on our website.¹
2. In advance of the meeting, we consulted HM Treasury. In reviewing the Estimate, we had regard to the Treasury’s advice. We also took account of the supporting memorandum which the Sponsor Body provided alongside its Estimate, and which has also been published on our website.²
3. Following our review of the Estimate, we agreed to lay it before the House, along with our comments and those from the Treasury, pursuant to paragraph 3 of Schedule 4 to the Parliamentary Buildings (Restoration and Renewal) Act 2019.

Estimates Commission comments

4. We appreciate the challenging context in which the Sponsor Body and Delivery Authority are currently operating, following the recent decisions of the House Commissions.³ We also acknowledge the tight timeframe in which the Sponsor Body has had to produce its Estimate, and that it includes provision for a degree of flexibility. We note the Treasury’s advice that the Estimate is “reasonable and necessary”, and consider that the Sponsor Body and Delivery Authority accounted for the sums requested in their evidence to us. It is on this basis that we agreed to lay the Estimate. We anticipate, however, discussion later in the financial year on a tauter Supplementary Estimate which reflects a more robust approach to financial planning.
5. We recognise that the Programme is rapidly approaching a critical point at which clear political direction will be required from both Houses as to the approach to and scope of the works.
6. Whilst we are content that the funding requested is appropriate at this juncture, it is clear that prolonged uncertainty will inevitably result in nugatory spend and, potentially, constructive losses. We therefore have serious reservations that in the absence of formal and definite political decisions on the Programme’s future being taken soon, value for money may be put at risk. We may not be in a position to conclude that subsequent estimates reflect value for the taxpayer.
7. We are also concerned that further delay will result in the loss of critical design and engineering expertise, and diminished capacity within the Sponsor Body, or its successor, to execute the Programme effectively once a revised approach is agreed. This will ultimately be to the detriment of the Programme, Parliament and taxpayers alike.

1 Oral evidence: Parliamentary Works Sponsor Body Main Estimate 2022–23, Tuesday 26 April 2022, [Qq1–36](#)

2 Parliamentary Works Sponsor Body, [Main Estimate Memorandum 2021/22](#)

3 House of Commons Commission, [Decisions: 1 February 2022](#), House of Lords Commission, [Minutes: 8 February 2022](#), [Joint statement from the House of Lords and House of Commons Commissions](#), 18 March 2022

8. We therefore encourage both Houses to heed these concerns and urgently seek to clarify a way forward for the Programme.

Comments from the Treasury

Letter from Rt Hon Simon Clarke MP, Chief Secretary to the Treasury, to Rt Hon Dame Eleanor Laing MP, Chair of the Estimates Commission, 5 May 2022

Parliamentary Works Sponsor Body: Main Supply Estimate 2022–23

As stated in Schedule 4 to the Parliamentary Buildings (Restoration and Renewal) Act 2019, the Parliamentary Works Estimate Commission is required to consult the Treasury regarding the annual estimates for the Parliamentary Works Sponsor Body ('Sponsor Body'), and to give regard to any advice provided by the Treasury. I am grateful to the Sponsor Body for providing a copy of their Estimate and memorandum in draft to Treasury officials to support this advice.

The Palace of Westminster serves as the meeting place for both the House of Commons and the House of Lords. Not only is it an historic landmark recognised internationally, but its operation is also integral to upholding democracy in the UK and needs to be protected and repaired. To do nothing to restore the building is not an option given the current structural and safety risks that need to be addressed. How the restoration programme will be delivered, including the future of the Sponsor Body, cost and timescale of the Restoration and Renewal programme, are still to be determined following a meeting of the Joint Commission on 17 March. In the meantime, the Sponsor Body has to lay an Estimate to secure approval for funding for essential activity and costs in 2022–23. Ongoing funding is crucial to allow the continuation of the Restoration and Renewal programme activity and planning, regardless of the uncertainty surrounding the future direction of the Sponsor Body and its role. Therefore, I support the proposed Sponsor Body Estimate for 2022–23. Future engagement between the Sponsor Body and the Treasury is welcomed as future delivery and spending plans for the programme continue to develop.

The Estimate presented by the Sponsor Body for 2022–23 seeks funding of £87m TDEL (£84m RDEL and £3m CDEL). This is a considerable reduction from funding in previous financial years, as the Sponsor Body sought £156m TDEL in 2021–22 and £126m TDEL in 2020–21. Only activities essential to exploring future options for the Restoration and Renewal programme will continue in 2022–23 while decisions are taken on the future direction of the programme and the Sponsor Body. Activities such as recruitment have been ceased and works still scheduled to be carried out are those that are critical to current operations. Investigatory survey work will continue to inform the design and subsequent cost of future proposals.

It is important to remember that although the Restoration and Renewal of the Palace of Westminster is a united commitment made by both Houses of Parliament, there is a wider economic and fiscal context that needs to be considered. Although the economy is recovering from the impact of COVID-19, as highlighted in the Spring Statement by the Chancellor of the Exchequer on 23 March, the cost of borrowing is continuing to rise and the full impacts of the war in Ukraine have not been assessed. In the next financial year, it is forecast that £83bn will be spent on debt, a figure nearly four times the amount spent last year in March. As a result, public finances will be constrained. The government is placing a relentless focus on ensuring that every pound of taxpayers' money is directed towards providing the highest-quality services at the best value. It is therefore also vital that this

programme is delivered in a way that is value for money. I still believe the funding sought by the Sponsor Body through the next financial year, and by extension the Restoration and Renewal programme, is reasonable and necessary to the preservation of the Palace.

I would be grateful if this letter could be made available to the members of the Commission as part of their review of the Main Estimate for the coming financial year.

Yours ever,

THE RT HON SIMON CLARKE MP