HOUSE OF COMMONS HOUSE OF LORDS

Palace of Westminster
London SW1A 0AA

Dame Meg Hillier
Chair of the Public Accounts Committee
House of Commons

20 May 2022

Dear Dame Meg,

Further information following the oral evidence session, Restoration and Renewal: Progress Update, held on Wednesday 11 May 2022.

At Q43-44, we undertook to write to the Committee regarding contingent liabilities for staffing costs of the Sponsor function.

The information we provide in this letter would be the position if the two Houses voted to replace the Sponsor Body with a sponsor function within one or both Houses. As we set out in our oral evidence, if the Sponsor Body is replaced then, under the Restoration Renewal Act 2019, TUPE-style arrangements would be put in place for the transfer of Sponsor Body staff to any successor body.

Employees of the Sponsor Body in scope for a transfer would formally transfer to become employees of one or both of the Houses as at the date of the statutory instrument coming into effect. If the statutory instrument were passed within this financial year (1 Apr 2022- 31 March 2023), the salaries would appear in one or both Houses' accounts from the date of transfer, or in an alternative estimate, depending on where the Sponsor function is transferred to, for the remainder of this financial year but not the statutory accounts we are currently producing (for the 2021/22 financial year) as the decision will be made after 31 March 2022.

It is likely that the change in Governance for R&R would be referenced in one or both of the Houses' Annual Report and Accounts for the 2021/22 financial year but as the end point is unknown, and the decision has yet to be taken, we would not put something in the contingent liabilities.

Yours sincerely,

HOUSE OF COMMONS

HOUSE OF LORDS

Simon Burton

Clerk of the Parliaments

John Benger

Clerk of the House