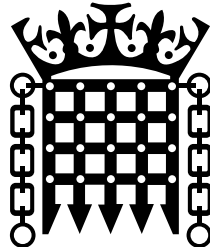


PARLIAMENTARY BUILDINGS (RESTORATION AND
RENEWAL) ACT 2019



**THE PARLIAMENTARY
WORKS ESTIMATES
COMMISSION**

**Parliamentary Works Grant: Main Estimate for
2023–24: Comments from the Parliamentary
Works Estimates Commission and the Treasury**

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

*Ordered by the House of Commons
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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. Pursuant to the Act, as amended by the Parliamentary Works Sponsor Body (Abolition) Regulations 2022, the Estimates Commission examines and lays before the House of Commons the Parliamentary Works Grant Estimates.

Membership

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Background

The Parliamentary Works Estimates Commission met on Tuesday 9 and Monday 15 May 2023 to consider the Parliamentary Works Grant Main Estimate for 2023–24. As part of this review, we held a public hearing with Sir John Benger and Simon Burton (the Corporate Officers), Dr Patsy Richards (Interim Managing Director of the R&R Client Team), and David Goldstone (Chief Executive of the Delivery Authority). The transcript of this hearing has been published on our website.¹

In advance of these meetings, we consulted the Treasury. The Chief Secretary to the Treasury provided comments on the Estimate in a letter dated 5 May. When initially reviewing the Estimate on 9 May, we had regard to this letter. We concluded, however, that we required further advice from the Treasury before we could consider whether to lay or reject the Estimate at that point. The Chair wrote to the Chief Secretary on 10 May, to request further advice. The Chief Secretary provided further comments in a letter dated 11 May.

At our meeting on 15 May, we took account of the two letters from the Treasury, as well as the supporting memorandum the Corporate Officers provided alongside the Estimate, which has also been published on our website.² At this meeting we agreed to lay the Estimate before the House, along with the comments from the Treasury, pursuant to paragraph 3 of Schedule 4 to the Parliamentary Buildings (Restoration and Renewal) Act 2019, as amended by the Parliamentary Works Sponsor Body (Abolition) Regulations 2022. We also agreed to make comments on the Estimate, which follow in the next section.

1 Oral evidence: Parliamentary Works Grant Main Estimate 2023–24, Tuesday 9 May 2023, [Qq1–26](#)

2 [Parliamentary Works Grant, Main Estimate 2023–24 Memorandum](#)

Comments from the Estimates Commission

We are pleased the Programme appears to have made considerable progress since this time last year. We are reassured that the Programme is on-track and developing momentum. The new governance arrangements are bedding-in well, and the Programme and Client Boards appear to be well-prepared by the Client Team and Delivery Authority to shortlist design options and develop a strategic case for approval by both Houses by the end of 2023, as planned.

We are also reassured that the Delivery Authority has undertaken considerable preparatory work to ready itself for works to begin in earnest, and has been doing so in the context of a raft of ongoing or soon-to-begin strategic estates projects managed by the House. The Delivery Authority is considering carefully how to integrate Programme works within this wider portfolio of projects. As we have highlighted in previous comments, doing this effectively will be key to mitigating wasteful duplication, and ensuring the Programme achieves value for money.

Nevertheless, whilst progress has been made laying the groundwork for determining the future direction of the Programme, substantial risks remain. Indeed, all of the most consequential and politically difficult decisions about the scope, design and cost of the works are yet to be made. In this sense, the effectiveness of the new governance arrangements has not yet been truly tested, in so far as the Programme and Client Boards have not yet progressed to the challenging matter of reaching agreement on a shortlist of viable and cost-effective design options which can realistically secure political consensus.

Failure to take these decisions by the end of 2023 as planned – or, indeed, at all – remains the most significant risk to the Programme. During any prolonged period of delay, the building will continue to deteriorate. This will contribute to a higher overall cost for the works, while the risk of catastrophic building failure – and potential serious injury to those who work in and visit the Palace – will continue to grow exponentially.

The pace of the Delivery Authority's preparations for Phase Two also means that, if the requisite decisions are not taken by the Programme Board, Client Board and Houses sufficiently quickly, the Delivery Authority will soon reach a point of 'marking time'. This would be costly and put at risk the specialist expertise and contractor relationships the Delivery Authority has built up in preparation for Phase Two, as well as the Programme's political momentum.

We therefore expect to see the Programme Board, Client Board and both Houses take the necessary decisions with clarity, and in a timely manner, so that the Programme can progress to Phase Two at the earliest opportunity. Failure to do so would jeopardise the ultimate objective of preserving the Palace of Westminster for future generations.

Comments from the Treasury

Letter from Rt Hon John Glen MP, Chief Secretary to the Treasury, to the Secretary of the Estimates Commission, 5 May 2023

Parliamentary Works Grant: Main Estimate 2023–24

I am writing regarding the Main Estimate for the Parliamentary Works Grant (PWG) for 2023–24. As set out in Schedule 4 of the Parliamentary Buildings (Restoration and Renewal) Act 2019, the Parliamentary Works Estimate Commission is required to consult the Treasury regarding the annual estimates for PWG, and to have regard to any advice provided by the Treasury. I am grateful to PWG for providing a copy of the Estimate in draft to Treasury officials to support this advice.

For clarity, I note that in the previous financial year a statutory instrument was laid, changing the name of the body from Parliamentary Works Sponsor Body (PWSB) to the Parliamentary Works Grant (PWG). This reflects changes in the approach and organisation of the Restoration and Renewal Programme.

This Estimate is to provide funding for the operations of the Delivery Authority for 2023/24. The Delivery Authority is responsible for delivering the restoration and renewal of Parliament and other related works.

The vision of the Restoration and Renewal Programme is “Preserving the Palace of Westminster for future generations and ensuring the safety of all those who work in and visit the Palace, now and in the future”.

This is an agreed shared vision. 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 as a priority. The funding PWG receives is in support of delivering the Restoration and Renewal Programme and achieving that shared vision.

The Main Estimate presented by PWG for 23–24 seeks a total of £85.6m. This reflects a combined £85.5m RDEL and £0.1m CDEL. Their Net Cash Requirement is £85.6m.

Compared to the final budget for 22–23 last year, there is an overall £3.6m (+4.4%) increase for the total Estimate. Regarding RDEL, there is an £8.5m increase (+11%) and a -£4.9m (-98%) reduction for CDEL.

I understand the main areas of spending reflect a wide range of activity to support the objectives of the Delivery Authority. This includes £29.1m as part of the evaluation of R&R outcomes and delivery options, £17.5m for the continuation of a programme of surveys, and £12.5m for other ongoing corporate activities. Additionally, I understand there are other various costs regarding digital tools, planning for Phase 2 and supporting the Heritage Collections Decant.

Looking forwards, I understand the increase in this year’s Estimate reflects the continuation of activity to progress the Restoration and Renewal Programme.

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

Yours ever,

JOHN GLEN MP

Further letter from Rt Hon John Glen MP, Chief Secretary to the Treasury, to the Chair of the Estimates Commission, 11 May 2023

Parliamentary Works Grant: Main Estimate 2023–24

Thank you for your letter of 10 May. You noted that the language used in my recent letter providing commentary on the Parliamentary Works Grant Main Estimate varied to that I used for the recent Supplementary Estimates, and from my predecessor's for the Sponsor Body's Main Estimate in 2022–23. I want to be clear that no deeper meaning should be inferred, and that I supported the proposed Estimate – which I consider to be taut and realistic.

I hope this reassures you and the Parliamentary Works Estimates Commission, and that you can complete your considerations of the Estimates.

With very best regards,

JOHN GLEN MP