

RESTORATION AND RENEWAL OF THE PALACE OF WESTMINSTER MOTION

FINANCIAL CONSEQUENCES

Memorandum by the Accounting Officer

1. A motion has been tabled by the Leader of the House regarding the Restoration and Renewal (R&R) of the Palace of Westminster. The motion welcomes the report from the House of Commons and House of Lords Commissions proposing a new mandate for R&R and a new governance structure, endorses the recommendations of the report, and approves the establishment of a joint department of the two Houses to which any staff of the current Sponsor Body who are in scope should be transferred. The [full text](#) of the motion is published in Future Business B.
2. Under Standing Order No 22C, a motion which if agreed would have a direct consequence of additional expenditure under the House of Commons: Administration Estimate, estimated to be £50,000 or more shall not be considered by the House unless a memorandum setting out its expected financial consequences has been made available to the House by the Accounting Officer. This memorandum therefore seeks to set out the expected financial consequences were the House to agree this motion.
3. The Estimate of the Sponsor Body (including costs for the Delivery Authority) for the current financial year is £87m. If the two Houses approve the relevant recommendation from the Commissions, the element of the current budget which relates to staff of the Sponsor Body would be transferred to the Estimates of the two Houses. The element relating to the costs of the Delivery Authority, including the budget for the works themselves, would be retained on the existing separate Estimate established under the 2019 Act. The current annual budget for the Sponsor Body alone is £7m, of which £3.98m are staff costs. At the point of transfer, the balance of this budget would move to the House of Commons: Administration Estimate and the House of Lords Estimate. It is anticipated that the existing ratio which applies to the division of Estates-related expenditure between the two Houses of 60:40 Commons/Lords would apply. This would mean that the annual cost would be in the region of £4.2m.

The exact impact on the House of Commons: Administration Estimate in the current financial year would depend on the precise date the transfer takes effect. The financial consequences for the Estimate in future years will depend on staffing levels within the new in-house client function.

Dr John Benger
Accounting Officer
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