

EXPLANATORY MEMORANDUM TO
PARLIAMENTARY WORKS SPONSOR BODY (ABOLITION) REGULATIONS
2022

2022 No. 1360

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Cabinet Office and is laid before Parliament by Command of His Majesty.

2. Purpose of the instrument

- 2.1 The purpose of the instrument is to abolish the Parliamentary Works Sponsor Body (“the Sponsor Body”) which has overall responsibility for the works to restore and renew the Palace of Westminster (“the Parliamentary Building Works”). The instrument transfers that responsibility and the other functions of the Sponsor Body (as well as its property, rights and liabilities) to the Corporate Officer of the House of Commons and the Corporate Officer of the House of Lords (“the Corporate Officers”).

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

4. Extent and Territorial Application

- 4.1 The extent of this instrument is the United Kingdom.
4.2 The territorial application of this instrument is the United Kingdom.

5. European Convention on Human Rights

- 5.1 The Rt Hon Penny Mordaunt has made the following statement regarding Human Rights:

“In my view the provisions of the Parliamentary Works Sponsor Body (Abolition Regulations 2022 are compatible with the Convention rights.”

6. Legislative Context

- 6.1 The Parliamentary Buildings (Restoration and Renewal) Act 2019 (“the Restoration and Renewal Act”):
- Created the Sponsor Body as an independent statutory body to oversee delivery of the Parliamentary Building Works.
 - Empowered the Sponsor Body to set up a Delivery Authority as a company limited by guarantee to manage and carry out the work.
 - Set up the arrangements through which the Parliamentary Building Works be funded, with scrutiny of funding by a body called the Estimates Commission.

- 6.2 Section 2 of the Restoration and Renewal Act established the Sponsor Body and conferred on it overall responsibility for the Parliamentary Building Works.
- 6.3 The Regulations:
- abolish the Sponsor Body;
 - transfer to the Corporate Officers overall responsibility for the Parliamentary Building Works and the other functions of the Sponsor Body specified in the Restoration and Renewal Act;
 - transfer to the Corporate Officers the property, rights and liabilities of the Sponsor Body;
 - provide for the Corporate Officers (acting jointly) to become the only member and guarantor of the Delivery Authority.
- 6.4 The functions specified under Sections 2 (2) to (4) including making strategic decisions; oversight of the Delivery Authority; promoting public understanding and seeking the views of others on the strategic approach to the works, will now transfer to the Corporate Officers.
- 6.5 Sections 2 (5) of the Restoration and Renewal Act requires the Sponsor Body to have due regard to a number of considerations. That duty will now apply to the Corporate Officers.
- 6.6 The Corporate Officers of the two Houses of Parliament are corporations sole, created by the Parliamentary Corporate Bodies Act 1992 to hold property, sign contracts and carry out other functions on behalf of the two Houses, which do not have a legal personality. The Clerk of the Parliaments is the Corporate Officer of the House of Lords and the Clerk of the House of Commons is the Corporate Officer of the House of Commons.
- 6.7 Section 10 of the Restoration and Renewal Act contains a power for the Leader of the House of Commons to make Regulations abolishing the Sponsor Body. Prior to making the regulations the Leader of the House of Commons must obtain the consent of the Leader of the House of Lords and must consult the Corporate Officers and the House Commissions (as well as obtaining the consent of the Corporate Officers to the transfer of functions to them).

7. Policy background

What is being done and why?

- 7.1 Following a cost estimate report published by the Sponsor Body in February 2022, the Commissions of the Houses of Parliament expressed concerns about the emerging costs and timescales of the existing approach, and programme governance for the Restoration and Renewal of the Palace of Westminster. In a March 2022 joint meeting, the Commissions agreed a “new approach” to the Parliamentary Building Works whereby the Sponsor Body will be abolished and its functions and staff will be brought within Parliament.
- 7.2 Resolutions were passed in both Houses in July 2022, which endorsed the recommendations in the joint report by the Commissions of the Houses of Parliament calling for a new mandate for the Parliamentary Building Works. These resolutions also approved the establishment of a joint departments of the two Houses, accountable to the Corporate Officers, to which the Sponsor Body staff will transfer.

- 7.3 Joint departments are established by the Corporate Officers. Section 2 of the Parliament (Joint Departments) Act 2007 provides for oversight by the House Commissions of the exercise of the functions of the Corporate Officers in connection with the establishment, division, amalgamation or abolition of joint departments.
- 7.4 The Regulations do not change the mechanism for Parliamentary approval of the Parliamentary Building Works under section 7 of the Restoration and Renewal Act. Under section 7 no restoration works, other than preparatory works, can be carried out until Parliament has approved the Delivery Authority proposals for those works and their funding.

Why is it being changed?

- 7.5 The Regulations give legal effect to the decision to take a new approach to the Parliamentary Building Works by abolishing the Sponsor Body and transferring its functions. This new direction has been informed by the work of an Independent Advice and Assurance Panel (established by the Commissions of both Houses) to make recommendations on the reshaping of the Programme. The recommendations of the Independent Advice and Assurance Panel included changes to the governance structure that would be required to deliver on the new approach, ensuring maximum value for money and prioritising health and safety.
- 7.6 The Restoration and Renewal Act sought to guarantee accountability and transparency, particularly as to funding. This will continue to be achieved through the ongoing requirement for annual reporting and the continued role of the Parliamentary Works Estimates Commission which is not affected by these Regulations.
- 7.7 The Parliamentary Building Works will still be carried out by the Delivery Authority, which has already been established. This will now be overseen by a new joint department of the two Houses. Establishing a joint department is not provided for in the Regulations as no legislation is required to achieve this.

8. European Union Withdrawal and Future Relationship

- 8.1 This instrument does not relate to withdrawal from the European Union.

9. Consolidation

- 9.1 No consolidation is required given that the statutory instrument does not amend another instrument that requires consolidation.

10. Consultation outcome

- 10.1 A public consultation was not conducted because the instrument is giving effect to a political decision that has been debated in both Houses. However, in line with section 10 (8)(a) of the Restoration and Renewal Act, the Leader of the House of Commons has consulted with Corporate Officers, the House of Commons Commission and the House of Lords Commission. The Leader of the House of Commons has also obtained consent of the Leader of the House of Lords in accordance with section 10 (8)(b) of the Restoration and Renewal Act.

11. Guidance

- 11.1 Guidance will not be produced as this statutory instrument does not impact external stakeholders or impose new duties on enforcement agencies. The legislation gives

legal effect to a July 2022 decision of both Houses of Parliament to approve a decision by the Commissions of both Houses to abolish the Sponsor Body and create a new joint department as part of a new mandate for the programme.

12. Impact

- 12.1 There is no, or no significant, impact on business, charities or voluntary bodies.
- 12.2 There is no, or no significant, impact on the public sector.
- 12.3 A full Impact Assessment has not been prepared for this instrument because the legislation does not make regulations which affect the private sector, civil society organisations or public services.

13. Regulating small business

- 13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

- 14.1 There are no plans to monitor or review this legislation which is intended to give legal effect to the decisions taken by both Houses of Parliament to change the governance arrangements associated with the Restoration and Renewal programme.

15. Contact

- 15.1 Jennifer Vallis at the Cabinet Office Telephone: 07739969921 or email: jennifer.vallis@cabinetoffice.gov.uk can be contacted with any queries regarding the instrument.
- 15.2 Rachel Rayner, Deputy Director for Constitution Division, at the Cabinet Office can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 The Leader of the House of Commons, Rt Hon Penny Mordaunt MP can confirm that this Explanatory Memorandum meets the required standard.