

PARLIAMENTARY BUILDINGS (RESTORATION AND RENEWAL) ACT 2019

EXPLANATORY NOTES

What these notes do

These Explanatory Notes relate to the Parliamentary Buildings (Restoration and Renewal) Act 2019 which received Royal Assent on 8 October 2019 (c. 27).

- These Explanatory Notes have been prepared by the Cabinet Office in order to assist the reader of the Act. They do not form part of the Act and have not been endorsed by Parliament.
- These Explanatory Notes explain what each part of the Act will mean in practice; provide background information on the development of policy; and provide additional information on how the Act will affect existing legislation in this area.
- These Explanatory Notes might best be read alongside the Act. They are not, and are not intended to be, a comprehensive description of the Act.

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These Explanatory Notes relate to the Parliamentary Buildings (Restoration and Renewal) Act 2019 which received Royal Assent on 8 October 2019 (c. 27)

Overview of the Act

- 1 The Act establishes the statutory bodies that will be responsible for the works for (or in connection with) the restoration and renewal of the Palace of Westminster. It also establishes the governance structure within which those bodies will operate.

Policy background

- 2 On 31 January 2018, the House of Commons approved a resolution that work should commence on the restoration and renewal of the Palace of Westminster (“the R&R Programme”).¹ In particular, the motion required that ‘immediate steps be taken now’ to establish a shadow Sponsor Body and Delivery Authority, and that their ‘statutory successors’ be established ‘by legislation’ in due course. That resolution was approved by the House of Lords on 6 February 2018.
- 3 The resolutions were passed following a report of the Joint Committee on the Palace of Westminster, published on 8 September 2016. The Joint Committee’s recommendation was endorsed by a report of the Public Accounts Committee published on 10 March 2017.
- 4 The Act gives effect to Parliament’s resolutions by providing for the establishment of the requisite statutory bodies and processes to take forward the works (including substantive design works) in relation to the R&R Programme. The Act also enables those bodies to take on responsibility for such other Parliamentary building works as are designated from time to time by the House Commissions, in agreement with the relevant bodies. Two bodies will be established by the Act: the Parliamentary Works Sponsor Body (the “Sponsor Body”), which will be empowered to form the Delivery Authority (being a company limited by guarantee); and the Parliamentary Works Estimates Commission (the “Estimates Commission”), which will lay the Sponsor Body’s estimates before Parliament, and will play a role in assessing the Sponsor Body’s proposed expenditure. This structure will ensure:
 - Accountability and transparency, particularly as to funding;
 - That the relevant bodies are independent and the Delivery Authority, in particular, is able to operate effectively in the commercial sphere;
 - That Parliament has a clear role in approving the design, cost and timing of the R&R Programme.

¹ HC Deb (31 January 2018) vol. 635, col. 378. Available at: [https://hansard.parliament.uk/commons/2018-01-31/debates/12231195-A66F-4D6B-A901-340BD27BD5F4/RestorationAndRenewal\(ReportOfTheJointCommittee\)](https://hansard.parliament.uk/commons/2018-01-31/debates/12231195-A66F-4D6B-A901-340BD27BD5F4/RestorationAndRenewal(ReportOfTheJointCommittee))

Legal background

- 5 The Act does not rely or build on any existing legal provisions. Rather, it is a free-standing Act which seeks to give effect to the will of Parliament, as expressed in the identical resolutions agreed by the House of Commons on 31 January 2018 and the House of Lords on 6 February 2018.

Territorial extent and application

- 6 *Section 13* sets out the territorial extent of the Act. The extent of an Act can be different from its application. Application is about where an Act produces a practical effect. The Act will extend and apply to the whole of the United Kingdom, including Northern Ireland, other than *paragraph 28(1) and (2)* of schedule 1 which does not extend to Scotland.
- 7 There is a convention that Westminster will not normally legislate with regard to matters that are within the legislative competence of the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly without the consent of the legislature concerned. The matters to which the provisions of the Act relate are not within the legislative competence of the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly, and no legislative consent motion is being sought in relation to any provision of the Act. If there are amendments relating to matters within the legislative competence of the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly, the consent of the relevant devolved legislature(s) will be sought for the amendments.
- 8 See the table in Annex A for a summary of the position regarding territorial extent and application in the United Kingdom. The table also summarises the position regarding legislative consent motions and matters relevant to Standing Orders Nos. 83J to 83X of the Standing Orders of the House of Commons relating to Public Business.

Commentary on provisions of the Act

Section 1: “The Parliamentary building works”

- 9 *Subsection (1)* defines the Parliamentary building works to which the Act relates:
- *Subsection (a)* is concerned with the works to restore the Palace of Westminster.
 - *Subsection (b)* provides that the House Commissions (the supervisory bodies of the administrations of both Houses of Parliament), with the agreement of the Sponsor Body and the Delivery Authority, can designate other works relating to the Parliamentary Estate to fall within the Parliamentary building works for the purposes of this paragraph.
 - *Subsection (c)* includes works which are connected to the works at *paragraph (a)*, which relate to land not forming part of the Parliamentary Estate when *Section 1* comes into force and do not come within *subsection (b)*. However, works that would otherwise fall within *subsection (c)* will not be treated as such if they are excluded from this paragraph by the House Commissions
- 10 The works described under *subsection 1(a)* and *1(c)* are defined as the “Palace restoration works”.
- 11 As suggested above, either or both Houses of Parliament may have to re-locate from the Palace of Westminster whilst the Parliamentary building works are carried out. *Subsection (3)* requires those exercising functions under the Act to do so with a view to enabling both Houses of Parliament to return to the Palace of Westminster as soon as is reasonably practicable. This is in line with the resolutions agreed by both Houses on 31 January and 6 February 2018 respectively.

Section 2: The Parliamentary Works Sponsor Body

- 12 *Section 2* establishes the Sponsor Body. *Subsection (1)* provides that the Sponsor Body will have overall responsibility for the Parliamentary building works. *Subsection (2)* makes provision concerning the Sponsor Body’s duties. In particular, *subsection (2)(a)* requires the Sponsor Body to determine the strategic objectives of the Parliamentary building works, and *subsection (2)(b)* requires the Sponsor Body to make strategic decisions relating to the carrying out of those works. *Subsection (2)(i)* requires the Sponsor Body to promote public understanding of the purposes of the R&R Programme. The vision and strategic themes of the R&R Programme can be found on the Programme’s website [here](#). *Subsection (3)* requires the Sponsor Body to consult with members of both Houses when performing its duties under *subsection 2(a)* and *(b)* in relation to the Palace restoration works. Further information as to this requirement is set out in *Section 5* of the Act. *Subsection (4)* requires the Sponsor Body, when performing its duties under *subsection 2(a)* and *(b)*, to make arrangements to seek the views of people employed in or for the purposes of either House of Parliament, people working for members of either House of Parliament (whether or not for payment), and members of the public.
- 13 In exercising its functions, the Sponsor Body must have regard to certain matters. These are set out in *Subsection (5)*.
- 14 Further provision about the Sponsor Body is made in *Schedule 1*.

Section 3: The Delivery Authority

- 15 *Section 3* requires the Sponsor Body to form a Delivery Authority. The Delivery Authority will be a company limited by guarantee, and the Sponsor Body will be its sole member and guarantor. Pursuant to *subsection (4)*, the Delivery Authority's duties are to formulate proposals relating to the Palace restoration works and to ensure the operational delivery of the Parliamentary building works, both in line with the Sponsor Body's requirements. The Delivery Authority may do whatever it considers necessary in order to carry out its duties, provided it acts in accordance with Sponsor Body's requirements, with the agreement that it enters into with the Sponsor Body under *Section 4*, and with its memorandum and articles of association. For example, it is expected that the Delivery Authority will be free to decide on what it considers to be the most appropriate procurement strategy, and what form of commercial contracts it will use. Further provision is made about the Delivery Authority in *Schedule 2*.
- 16 *Subsection (6)* requires the Delivery Authority to have regard to the same matters as the Sponsor Body does under *Section 2(5)* when performing its duties.

Section 4: Relationship between the Sponsor Body and the Delivery Authority

- 17 *Section 4* makes provision concerning the relationship between the Sponsor Body and the Delivery Authority. *Subsection (1)* provides that the Sponsor Body and the Delivery Authority must enter into an agreement called "the programme delivery agreement". That agreement will include a statement of the strategic objectives of the Parliamentary building works as determined by the Sponsor Body under *Section 2(2)(a)*. It will also set out how the Sponsor Body will review the Delivery Authority's activities, and include provision about when and how the Sponsor Body may intervene in relation to the Delivery Authority's performance of its duties.
- 18 *Subsection (2)* is self-explanatory.
- 19 *Subsection (3)* allows the programme delivery agreement to contain other provisions about the Parliamentary building works, not specified under *subsection (1)*, if the Sponsor Body and the Delivery Authority consider it appropriate.
- 20 *Subsection (4)* provides that if the Sponsor Body and Delivery Authority cannot agree on the matters to be included in the programme delivery agreement they may refer their differences to the House Commissions.
- 21 *Subsection (6)* provides that the House Commissions' decision in relation to any such disagreement will be binding on the Sponsor Body and the Delivery Authority, and the programme delivery agreement will be treated as reflecting that decision.
- 22 *Subsection (7)* makes provision for variation of the programme delivery agreement, by agreement between the Sponsor Body and the Delivery Authority.

Section 5: Consultation strategy

- 23 *Section 5* provides that the Sponsor Body is required to develop a strategy for consulting members of both Houses for the purposes of *Section 2(3)* (see paragraph 12). *Subsection (2)* provides that the strategy must be published within 8 weeks of the commencement of these provisions. *Subsections (3) and (4)* require the Sponsor Body to keep the strategy under review, revise as appropriate, and publish any revised version.

Section 6: Relationship between the Sponsor Body and Parliament

- 24 *Section 6* makes provision regarding the relationship between the Sponsor Body and Parliament. *Subsection (1)* provides that the Sponsor Body, the Corporate Officer of the House of Commons and the Corporate Officer of the House of Lords (“the Corporate Officers”) must enter into an agreement containing provision relating to the relationship between the Sponsor Body and Parliament. Such an agreement will be known as the Parliamentary relationship agreement.
- 25 *Subsection (2)* sets out the kind of matters that the Parliamentary relationship agreement may contain. These include provisions about the buildings to which the Parliamentary building works relate, and consultation and co-operation between the Sponsor Body and the Corporate Officers. *Subsection (3)* provides that the agreement may be varied by agreement between the Sponsor Body and the Corporate Officers.

Section 7: Parliamentary approval for works and funding

- 26 *Section 7* provides that the Sponsor Body must seek approval by resolution of each House of Parliament, firstly, for the Delivery Authority’s proposals under *Section 3(4)(a)* in respect of the design, cost and timing of the Palace restoration works; and, secondly, for the phase two cost of the Parliamentary building works from the time Parliamentary approval is obtained.
- 27 Other than preparatory works, no substantive Palace restoration works may be carried out before such Parliamentary approval has been obtained. Preparatory works are likely to include matters such as preliminary design work.
- 28 If Parliamentary approval is given, “phase two” will begin. The approval resolution will specify the overall funding limit in respect of all of the phase two Parliamentary building works. “Phase one” is defined in *Schedule 4* (see paragraph 87) as the period from when any provision of section 1 comes into force until the approval resolution. “Phase two” is the period running from Parliamentary approval until completion of the Parliamentary building works.
- 29 *Subsection (4)* provides that the Sponsor Body must seek further Parliamentary approval in two instances. First, before the Sponsor Body proceeds with proposals (formulated by the Delivery Authority) in relation to the Palace restoration works which it considers would significantly affect the design or timing of those already approved. Second, where the Sponsor Body considers that the amount of funding Parliament has already approved in relation to phase two is insufficient.

Section 8: The Parliamentary Works Estimates Commission

- 30 *Section 8* establishes the Parliamentary Works Estimates Commission. Further provision in respect of the Estimates Commission is contained in *Schedule 3* of the Act.

Section 9: Funding

- 31 *Section 9* provides that the Sponsor Body will be funded out of money provided by Parliament. *Schedule 4* contains further provision about the mechanisms by which such funding is provided, including review of the Sponsor Body’s annual estimates both by the Estimates Commission and by Parliament.
- 32 *Subsection (3)* provides that the Sponsor Body may pay grants or any other form of financial assistance to the Delivery Authority for the purposes of enabling the Delivery Authority to exercise its functions. This means that, effectively, the Delivery Authority is also funded out of money provided by Parliament. *Subsection (4)* enables the Sponsor Body to attach conditions to such financial assistance.

Section 10: Abolition of the Sponsor Body and the Estimates Commission

- 33 *Section 10* makes provision for the abolition of the Sponsor Body and Estimates Commission. The power to abolish the Sponsor Body and Estimates Commission lies with the Leader of the House of Commons and must be exercised by regulations made under the affirmative procedure. The Leader of the House of Commons is required to consult the Corporate Officers and Commissions of both Houses, and obtain the consent of the Leader of the House of Lords before making such regulations.
- 34 *Subsections (2) to (5)* provide that Regulations made to abolish the Sponsor Body can also provide for the transfer of functions, property, rights or liabilities. Regulations made to abolish the Estimates Commission cannot include such provision. This is because the Estimates Commission will not have any assets or liabilities and, when it is abolished, will not need to transfer its functions to another party.
- 35 *Subsections (5) and (6)* provide that the power to make regulations under this Section may include consequential, supplementary, incidental or transitional provision (including consequential provision, such as amending or repealing any provision of the Act). This is necessary because the abolition of the Sponsor Body and the Estimates Commission may require the Act to be changed – for example, to transfer the Sponsor Body’s powers and duties in relation to the Delivery Authority to another body or person.

Section 11: Dissolution of the Delivery Authority

- 36 *Section 11* provides that the Sponsor Body may dissolve the Delivery Authority after completion of the Parliamentary building works, subject to the consent of the House Commissions and Corporate Officers of both Houses.

Section 12: Interpretation

- 37 *Subsection (1)* defines certain terms used throughout the Act.
- 38 *Subsection (2)* provides that the various references in the Act to things being done by the House Commissions mean by those bodies *acting jointly*. Thus, where such a reference is made, the House of Commons Commission would not be able to undertake duties or functions on its own. Rather, the House Commissions of both the House of Commons and the House of Lords would be required to act together.
- 39 *Subsection (3)* provides that any question arising in relation to the definition of the “House of Lords Commission” in *subsection (1)* is to be determined by the Speaker of the House of Lords.

Section 13: Extent

- 40 *Section 13* provides that the Act extends to the jurisdictions of England and Wales, Scotland and Northern Ireland, apart from *paragraph 28(1) and (2) of Schedule 1* which does not extend to the jurisdiction of Scotland.

Section 14: Commencement

- 41 *Section 14* sets out that the provisions of the Act (with the exception of *Section 13, Section 14* and *Section 15*) will come into force six months after it is passed, or on an earlier day or days appointed by regulations made by the Leader of the House of Commons. The Leader of the House of Lords must consent to any such regulations before they are laid. Different days may be appointed for different purposes.

Section 15: Short title

- 42 *Section 15* establishes that the short title of the Act is the Parliamentary Buildings (Restoration and Renewal) Act 2019.

Schedule 1: The Parliamentary Works Sponsor Body

Part 1: Members of the Sponsor Body

Membership

- 43 *Paragraph 1* makes provision relating to the membership of the Sponsor Body. It sets out the minimum and maximum number of parliamentarians and external members who can be appointed to the Sponsor Body. It provides that the number of Parliamentary members must always be greater than the number of external members.

External members: appointment

- 44 *Paragraph 2* makes provision concerning the process for selecting and appointing the chair of the Sponsor Body. The chair must be an external member. He or she must be appointed by the House Commissions on merit, on the basis of fair and open competition. An appointment does not take effect until it is confirmed by a resolution of both Houses.
- 45 *Paragraph 3* makes provision concerning the process for selecting and appointing external members of the Sponsor Body other than the chair. They will be appointed by the Sponsor Body on merit, on the basis of fair and open competition. An appointment will not take effect until it is confirmed by a resolution of each House.
- 46 A member of either House of Parliament, a member of either of the House Commissions, a Government Minister, or a director of the Delivery Authority (other than a non-executive director) may not be appointed as an external member of the Sponsor Body. This includes the chair.

Parliamentary members: appointment

- 47 *Paragraph 4* makes provision for appointing Parliamentary members. *Sub-paragraph (1)* provides that a member of either of the House Commissions, a Government Minister, a director of the Delivery Authority (other than a non-executive director), or a member of the Estimates Commission may not be appointed as a Parliamentary member. The appointment of a Parliamentary member will not take effect until it is confirmed by a resolution of the House from which that member is drawn.

Terms of appointment: general

- 48 *Paragraphs 5, 6 and 7* make general provision as to the terms on which members of the Sponsor Body will be appointed and hold office. *Paragraph 6* provides that a member of the Sponsor Body must be appointed for a fixed term of no more than three years. There is therefore some flexibility to make appointments of different lengths. Further, those responsible for making such appointments must be mindful not to make appointments which all end at the same time.

Appointment of initial external members

- 49 *Paragraph 8* provides that persons who are external members of the shadow Sponsor Body, including the Chair, immediately before *Section 2(1)* comes into force are to be automatically appointed as the first Chair and external members of the Sponsor Body. Appointments under *paragraph 8* are to be treated as if they had been made under *paragraph 2* (in respect of the Chair) and *paragraph 3* (in respect of all other external members). Appointments made under *paragraph 8* must be confirmed by a resolution of each House of Parliament within one month of *section 2(1)* of the Act coming into force.
- 50 A Chair appointed under *paragraph 8* will have fixed term of 3 years. All other external members appointed under *paragraph 8* will have a fixed term of 3 years beginning on the day that the shadow Sponsor Body was established. The shadow Sponsor Body was established in July 2018.

Remuneration for external members

- 51 *Paragraph 9* provides that the Sponsor Body may pay remuneration to external members of the Sponsor Body. However, no similar provision is made in relation to Parliamentary members. Members of the House of Commons will not receive any remuneration additional to that received as MPs. Members of the House of Lords will receive the usual attendance allowance, but no more.

Code of conduct

- 52 *Paragraph 10* requires the Sponsor Body to issue a code of conduct for its members. The code must incorporate the ‘seven general principles of public life’ set out in the First Report of the Committee on Standards in Public Life (Cm 2850) (or such other similar principles as the Sponsor Body chooses to adopt) and must require members to disclose their interests.

Resignation, suspension and removal

- 53 *Paragraphs 11, 12 and 13* make self-explanatory provision for the circumstances in which members of the Sponsor Body, including the chair, may resign or be suspended or removed, and the procedures to give effect to their resignation, suspension or removal.

Interim chair

- 54 *Paragraph 14* makes provision for the appointment of an interim chair of the Sponsor Body by the House Commissions in certain circumstances. Only an external member can be appointed as interim chair.

Part 2: Powers, procedure, reporting etc.

Status

- 55 *Paragraph 15* makes clear that the Sponsor Body and its members and staff are not Crown servants, and that the Sponsor Body does not enjoy the immunities and privileges of the Crown.

Powers

- 56 *Paragraph 16* provides that the Sponsor Body may do anything that it wishes to do in order to carry out its functions, or that is incidental or conducive to the carrying out of those functions. This may include (for example) entering into contracts, outsourcing some of its support functions, employing staff, or setting up advisory panels.

Staff

- 57 *Paragraph 17* requires the Sponsor Body to appoint a Chief Executive Officer, who will be part of the Sponsor Body's staff. The Sponsor Body may determine the Chief Executive Officer's terms of appointment, but must do so with regard to the desirability of keeping those terms and conditions broadly in line with those applying to staff in the House of Commons Departments.
- 58 The Sponsor Body may appoint and dismiss staff and set their terms of engagement. Again, the Sponsor Body is required to have regard to the desirability of keeping the terms and conditions broadly in line with those applying to staff in the House of Commons Departments.
- 59 *Paragraph 18* provides that the Sponsor Body's staff will be entitled to participate in civil service pension schemes.

Transfer of property etc. to the Sponsor Body

- 60 *Paragraph 19* creates a power for one or more transfer schemes to be made, allowing parliamentary staff (who will staff the shadow Sponsor Body), and other property and rights and associated liabilities, to be transferred to the Sponsor Body for the purposes of the Parliamentary building works. In respect of transferring staff, the transfer schemes must make equivalent provisions where the Transfer of Undertakings (Protection of Employment) Regulations 2006 (S.I 2006 / 246) do not apply. Before making a transfer scheme, the Leader of the House of Commons or the Leader of the House of Lords or both Leaders acting jointly (depending on which House(s) the property, rights or liabilities are being transferred from) must consult the Corporate Officer of the House of Commons and/or the Corporate Officer of the House of Lords (depending on which House(s) the property, rights or liabilities are being transferred from). The property, rights and liabilities which can be transferred are those that the Sponsor Body considers are necessary in connection with the Parliamentary building works.

Committees

- 61 *Paragraph 20* provides that the Sponsor Body may establish committees, and that those committees may establish sub-committees. The Sponsor Body's committees and sub-committees may include people who are neither members nor staff of the Sponsor Body.

Delegation

- 62 *Paragraph 21* allows the Sponsor Body to delegate its functions to any of its members, committees, sub-committees, or staff. In practice, the Sponsor Body is likely to reserve certain matters to itself for collective decision, such as approving the Delivery Authority's proposals relating to the Palace restoration works, the approval of budgets, and any decision to exercise intervention rights under the programme delivery agreement.

Delegation and contracting out of pension functions

- 63 *Paragraph 22* provides that the Minister for the Civil Service can delegate pension functions to the Chief Executive Officer of the Sponsor Body, and sets out the limits in relation to sub-delegation.

Procedure

- 64 *Paragraph 23* allows the Sponsor Body to regulate its own procedures, and those of its committees and sub-committees. *Sub-paragraph (2)* makes it clear that proceedings of the Sponsor Body will not be invalidated by member vacancies or defective appointments.

65 *Paragraph 24* makes provision for the quorum for a meeting of the Sponsor Body. The quorum is five members, including at least two external members and two Parliamentary members. The Clerk of the Parliaments and the Clerk of the House of Commons, or their representatives, may attend and participate in such meetings. A temporary chair may be appointed in respect of a particular meeting, in the absence of any appointed chair. (For the avoidance of doubt, such a temporary chair is not an 'interim chair', for which separate provision is made at *paragraph 14*).

Accounts and audit

66 *Paragraph 25* requires that the Sponsor Body keep proper accounts and records, and makes provision relating to the Sponsor Body's accounts, the procedure for the audit of those accounts and the appointment of the Sponsor Body's Chief Executive Officer as its accounting officer. The Sponsor Body must prepare a statement of accounts for each financial year in accordance with directions given to it by the Treasury. The Sponsor Body must then send a copy of its statement of accounts for a financial year to the Comptroller and Auditor General as soon as practicable after the end of that year. The Comptroller and Auditor General must examine and certify the statement of accounts, and send a copy of the certified statement together with a report to the Sponsor Body. Finally, the Sponsor Body must lay before Parliament a copy of the certified statement and of the Comptroller and Auditor General's report.

67 *Paragraph 26* provides that the Sponsor Body must nominate a member of its staff to be accounting officer in the event that the Chief Executive Officer cannot perform this function, or the position of Chief Executive Officer is vacant.

Report

68 *Paragraph 27* requires the Sponsor Body to publish and lay before Parliament a report at least once a year on the carrying out of the Parliamentary building works and the progress that has been made towards their completion. Such a report must include information about persons awarded contracts in respect of those works, in particular information about their size and the areas in which they operate.

Documentary evidence

69 *Paragraph 28* provides that the application of the seal of the Sponsor Body must be authenticated by the signature of any member of the Sponsor Body, or another person who has been authorised for that purpose. A document which has been duly executed in this way can be received in evidence and is taken to be validly executed or signed, unless the contrary is shown. This will enable third parties to have certainty as to the provenance and legality of documents issued and sealed by the Sponsor Body, and to ensure that the Sponsor Body's seal is not applied without proper authority. These provisions do not extend to Scotland.

Freedom of information

70 *Paragraph 29* provides that the Sponsor Body is to be treated as a public authority for the purposes of the Freedom of Information Act 2000. This means that the Sponsor Body will have to introduce a publication scheme explaining how it intends to handle information in its possession, as well as being obliged to consider requests for information in accordance with the provisions of that Act.

Schedule 2: The Delivery Authority

Board of directors

- 71 *Paragraph 1* makes provision concerning the Board of the Delivery Authority (the “DA Board”), its constitution, the appointment of its members, and the status of the Delivery Authority’s executive directors. There must always be a majority of non-executive directors on the DA Board.

The chair and non-executive directors: term of office

- 72 *Paragraph 2* provides that the chair and non-executive directors of the DA Board must be appointed for fixed terms of not more than three years.

Removal

- 73 *Paragraph 3* provides that the Sponsor Body may remove the chair of the DA Board by notice in writing, with the House Commissions’ prior agreement. The Delivery Authority may remove any other director of the DA Board by notice in writing, with the Sponsor Body’s prior agreement.
- 74 *Paragraph 4* provides for the circumstances in which a person would cease to be a director of the Delivery Authority.

Validity of acts

- 75 *Paragraph 5* makes it clear that any act of the Delivery Authority is not invalidated by vacancies on the DA board or a defective appointment.

Staff

- 76 *Paragraph 6* provides that the Delivery Authority may employ staff on such terms as it may determine, including as to remuneration and allowances.

Statement of required resources

- 77 *Paragraph 7* requires the Delivery Authority to prepare and submit to the Sponsor Body a statement of the resources it needs to carry out its functions for each financial year. *Paragraph 8* allows the Delivery Authority to prepare a supplementary statement of resources for a financial year where there is a change in the resources it requires (whether that be additional resources or reduced resources). The Sponsor Body may approve or reject the Delivery Authority’s statement of resources or supplementary statement of resources. If the Delivery Authority’s statement of resources or supplementary statement of resources is rejected by the Sponsor Body, the Delivery Authority must prepare a fresh statement. If and when such a statement is approved, the Sponsor Body must include it in its estimate or supplementary estimate for the relevant financial year.

Accounts and audit

- 78 *Paragraph 9* requires that the Delivery Authority must keep proper accounts and records. The Sponsor Body will appoint one of the Delivery Authority’s executive directors as the Delivery Authority’s accounting officer, in consultation with the Delivery Authority. For each financial year, the Delivery Authority must prepare a statement of accounts, a copy of which must be sent to the Comptroller and Auditor General, who will examine, certify and report on them. The Sponsor Body must lay a copy of the certified statement and report before Parliament. The Delivery Authority is exempt from the requirements of Part 16 of the Companies Act 2006.

79 *Paragraph 10* provides that in the event that its appointed accounting officer cannot perform this function, the Delivery Authority must nominate a member of its staff to be its accounting officer. If there is no accounting officer, the Delivery Authority must nominate one of its executive directors to be its accounting officer.

Freedom of information

80 *Paragraph 11* provides that the Delivery Authority is to be treated as a public authority for the purposes of the Freedom of Information Act 2000. This means that the Delivery Authority will have to introduce a publication scheme explaining how it intends to handle information in its possession, as well as being obliged to consider requests for information in accordance with the provisions of that Act.

Schedule 3: The Parliamentary Works Estimates Commission

Membership

81 *Paragraph 1* provides that the Estimates Commission will consist of four members: two members from the House of Commons (“Commons members”), and two members from the House of Lords (“Lords members”). The appointment of a member to the Estimates Commission will not have effect until it is confirmed by a resolution of the House from which the relevant member is drawn. A Government Minister, a Parliamentary member of the Sponsor Body, or a director of the Delivery Authority cannot be a member of the Estimates Commission.

Removal from office

82 *Paragraph 2* provides for the circumstances in which a person would cease to be a member of the Estimates Commission.

Procedure etc.

83 *Paragraph 3* provides that the quorum for meetings of the Estimates Commission is one Commons member and one Lords member. Subject to that, *sub-paragraph (2)* allows the Estimates Commission to regulate its own procedures.

84 *Paragraph 4* provides that the Estimates Commission cannot make payments or incur expenditure.

Freedom of information

85 *Paragraph 5* provides that the Estimates Commission is to be treated as a public authority for the purposes of the Freedom of Information Act 2000. This means that the Estimates Commission will have to introduce a publication scheme explaining how it intends to handle the information in its possession, as well as being obliged to consider requests for information in accordance with the provisions of that Act.

Schedule 4: Funding: Sponsor Body's Estimates

Part 1: Introduction

Interpretation

- 86 *Paragraph 1* defines the terms used in *Schedule 4*. In particular, it defines the two phases of the Parliamentary building works. "Phase one" is the period beginning on the first day on which any provision of *Section 1* of the Act comes into force and ending when Parliamentary approval of the Delivery Authority's proposals in relation to the Palace restoration works is obtained for the purposes of *Section 7(2)(a)* and *(b)*. "Phase two" is the period beginning when that Parliamentary approval is obtained and ending when the Parliamentary building works are completed.
- 87 "Phase one works" means Parliamentary building works that are not phase two works and "phase one expenditure" means expenditure in connection with those works.
- 88 "Phase two works" means the Parliamentary building works that are to be carried out during phase two and "phase two expenditure" means expenditure in connection with those works.

Assessment of expenditure

- 89 *Paragraph 2* provides that, every six months, the Delivery Authority is required to make an assessment as to its likely total expenditure in the current phase. These assessments are defined as a "phase one cost assessment" or a "phase two cost assessment" (as the case may be). When reviewing the annual estimate, the Estimates Commission will compare these cost assessments against the expenditure limit for the relevant phase – as to which, see further below.

Part 2: Phase one

Annual estimates during phase one

- 90 *Paragraph 3* provides that, during a financial year that begins in phase one, (other than the Sponsor Body's first financial year or a transition year), the Sponsor Body will submit two items to the Estimates Commission for review: an estimate for the financial year (which must reflect the Delivery Authority's statement of required resources for that year – see paragraph 77 above) and the Delivery Authority's most recent phase one cost assessment. In reviewing these items the Estimates Commission must consult the Treasury and have regard to any advice it gives. If the phase one cost assessment does not exceed the budget for phase one expenditure set by the House Commissions, the Estimates Commission will lay the estimate before the House of Commons together with any comments it has on the estimate and any comments made by the Treasury. If the phase one cost assessment exceeds the budget for phase one expenditure set by the House Commissions, the Estimates Commission can either lay the estimate before the House of Commons or reject it. If the Estimates Commission rejects the estimate, the Sponsor Body must prepare a fresh estimate for the financial year.
- 91 *Paragraph 4* provides that the House Commissions set the budget for the phase one expenditure, and can revise that budget from time to time, following consultation with the Sponsor Body and Delivery Authority.

Supplementary estimates

- 92 *Paragraph 5* requires the Sponsor Body to prepare a supplementary estimate in relation to any change in expenditure where it approves a supplementary statement of resources prepared by the Delivery Authority for a financial year during phase one.

- 93 The procedure described in paragraphs 91 and 92 above applies to supplementary estimates as it does to the ordinary annual estimates.

Part 3: Transition Year

Transition year estimate

- 94 *Paragraph 6* sets out the procedure which the Sponsor Body will follow for submitting annual estimates during a transition year, namely a financial year which begins during phase one and during which the Sponsor Body expects to seek Parliamentary approval for the purposes of *Section 7(2)*.
- 95 The Sponsor Body's estimate for a transition year must include its anticipated phase one expenditure for the financial year and its anticipated phase two expenditure for that year.
- 96 The Sponsor Body must submit its estimate for a transition year, together with the Delivery Authority's most recent phase one costing, to the Estimates Commission. In reviewing the estimate, the Estimates Commission must consult the Treasury and have regard to any advice given by the Treasury.
- 97 The Estimates Commission can reject the estimate if the phase one costing exceeds the phase one expenditure limit, as described above. There is no provision to reject the estimate on the basis of anticipated phase two expenditure, because the limit in relation to the latter will not (at this stage) have been set.
- 98 Otherwise, the Estimates Commission must lay the estimate before the House of Commons together with any comments it has on the estimate and any comments made by the Treasury.

Supplementary estimates

- 99 Provision is made in *paragraph 7* for the preparation and submission of supplementary estimates in the transition year.

Part 4: Phase two

Annual estimates during phase two

- 100 *Paragraph 8* provides that a similar process will apply to annual estimates during phase two as for phase one. The Sponsor Body will submit an estimate of its expenditure for each financial year (which must reflect the Delivery Authority's statement of resources for that year), together with the Delivery Authority's phase two cost assessment, to the Estimates Commission. The Estimates Commission must consult the Treasury and have regard to any advice it gives in reviewing the Sponsor Body's estimate. If the phase two cost assessment does not exceed the funding limit approved by Parliament (for the purposes of *Section 7(2)(b)*), the Estimates Commission will lay the estimate before the House of Commons, together with its comments on the estimate and any comments made by the Treasury. If the phase two costing exceeds the funding limit approved by Parliament, the Estimates Commission can either lay the estimate before the House of Commons or reject it, in which case the Sponsor Body would have to submit a fresh estimate for the financial year.

Supplementary estimates

- 101 Provision is made in *paragraph 9* for the preparation and submission of supplementary estimates in phase two.

Commencement

102 The provisions of the Act will come into force six months after it receives Royal Assent, or on an earlier day or days if appointed by regulations.

Financial provisions

103 *Section 9* recognises that, as a matter of House of Commons procedure, a financial resolution needed to be agreed for the Bill from which the Act resulted.

Related documents

104 The following documents are relevant to the Act and can be read at the stated locations:

- [Report of the Joint Committee on the Palace of Westminster: 'Restoration and Renewal of the Palace of Westminster', HL Paper 41, HC 659](#)
- [Report of the Public Accounts Committee: 'Delivering Restoration and Renewal', HC 1005](#)
- [Report of the Treasury Select Committee: "Restoration and Renewal of the Palace of Westminster: Preliminary Report", HC 1097](#)
- [House of Commons debate on the Report of the Joint Committee, 31 January 2018](#)
- [House of Lords debate on the Report of the Joint Committee, 6 February 2018](#)
- [Report of the Joint Committee on the Draft Parliamentary Buildings \(Restoration and Renewal\) Bill HL Paper 317, HC 1800](#)
- [Government response to the Joint Committee report on the Draft Parliamentary Buildings \(Restoration and Renewal\) Bill, CP 90](#)

List of Bills produced

- [Parliamentary Buildings \(Restoration and Renewal\) Bill - Commons Introduction Bill 388 2017-19, as introduced](#)
- [Parliamentary Buildings \(Restoration and Renewal\) Bill - Lord Introduction HL Bill 187 \(as introduced\)](#)
- [Parliamentary Buildings \(Restoration and Renewal\) Bill - Lords Committee Stage HL Bill 196 \(as amended in Committee\)](#)
- [Parliamentary Buildings \(Restoration and Renewal\) Bill - Lords Report Stage HL Bill 201 \(as amended on Report\)](#)

These Explanatory Notes relate to the Parliamentary Buildings (Restoration and Renewal) Act 2019 which received Royal Assent on 8 October 2019 (c. 27)

Annex A - Territorial extent and application in the United Kingdom

105 The Act will extend and apply to the whole of the United Kingdom, including Northern Ireland.

Provision	Extends to E & W and applies to England?	Extends to E & W and applies to Wales?	Extends and applies to Scotland?	Extends and applies to Northern Ireland?
Sections 1-12	Yes	Yes	Yes	Yes
Schedule 1	Yes	Yes	In part	Yes
Schedules 2-4	Yes	Yes	Yes	Yes

Annex B - Hansard References

106 The following table sets out the dates and Hansard references for each stage of the Act's passage through Parliament.

Stage	Date	Hansard Reference
<i>House of Commons</i>		
Introduction	08 May 2019	Vol. 659 Col. 571
Second Reading	21 May 2019	Vol. 660 Col. 635
Public Bill Committee	04 June 2019	Col. 1
	04 June 2019	Col. 35
Report and Third Reading	19 June 2019	Vol. 662 Col. 268
<i>House of Lords</i>		
Introduction	20 June 2019	Vol. 798 Col. 882
Second Reading	08 July 2019	Vol. 798 Col. 1627
Grand Committee	22 July 2019	Vol. 799 Col. 554
	22 July 2019	Vol. 799 Col. 603
Report	03 September 2019	Vol. 799 Col. 926
Third Reading	05 September 2019	Vol. 799 Col. 1232
Commons Consideration of Lords Amendments	09 September 2019	Vol. 664 Col. 610
Royal Assent	8 October 2019	House of Commons Vol. 664
		House of Lords Vol. 799

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Annex C - Progress of Bill Table

107 This Annex shows how each section and Schedule of the Act was numbered during the passage of the Bill through Parliament.

Section of the Act	Bill as Introduced in the Commons	Bill as amended in Committee in the Commons	Bill as introduced in the Lords	Bill as amended in Committee in the Lords	Bill as amended on Report in the Lords
Section 1	Clause 1	Clause 1	Clause 1	Clause 1	Clause 1
Section 2	Clause 2	Clause 2	Clause 2	Clause 2	Clause 2
Section 3	Clause 3	Clause 3	Clause 3	Clause 3	Clause 3
Section 4	Clause 4	Clause 4	Clause 4	Clause 4	Clause 4
Section 5	Clause 5	Clause 5	Clause 5	Clause 5	Clause 5
Section 6	Clause 6	Clause 6	Clause 6	Clause 6	Clause 6
Section 7	Clause 7	Clause 7	Clause 7	Clause 7	Clause 7
Section 8	Clause 8	Clause 8	Clause 8	Clause 8	Clause 8
Section 9	Clause 9	Clause 9	Clause 9	Clause 9	Clause 9
Section 10	Clause 10	Clause 10	Clause 10	Clause 10	Clause 10
Section 11	Clause 11	Clause 11	Clause 11	Clause 11	Clause 11
Section 12	Clause 12	Clause 12	Clause 12	Clause 12	Clause 12
Section 13	Clause 13	Clause 13	Clause 13	Clause 13	Clause 13
Section 14	Clause 14	Clause 14	Clause 14	Clause 14	Clause 14
Section 15	Clause 15	Clause 15	Clause 15	Clause 15	Clause 15
Schedule 1	Schedule 1	Schedule 1	Schedule 1	Schedule 1	Schedule 1
Schedule 2	Schedule	Schedule 2	Schedule 2	Schedule 2	Schedule 2
Schedule 3	Schedule 3	Schedule 3	Schedule 3	Schedule 3	Schedule 3
Schedule 4	Schedule 4	Schedule 4	Schedule 4	Schedule 4	Schedule 4

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