

Finance Committee

Oral evidence: Restoration and Renewal of the Palace of Westminster, HC 1615

Wednesday 10 Oct 2018

Ordered by the House of Commons to be published on 10 Oct 2018.

Watch the meeting

Members present: Chris Bryant (Chair); Mr Clive Betts; Neil Gray; Sir Lindsay Hoyle; Mark Menzies; Sir Robert Syms.

Questions 1-56

Witnesses

[1](#): Rt Hon Andrea Leadsom MP, Leader of the House of Commons; and Tom Healey, Programme Director, shadow Sponsor Body.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



Examination of witnesses

Witnesses: Andrea Leadsom MP and Tom Healey.

Q1 **Chair:** Order. Leader, it is a delight to see you here. I am sorry we have bothered you twice in one year, Leaders not having been bothered by the Finance Committee for some time, but we are enormously grateful that you are happy to come to see us in a public capacity. We look forward to what you have to say. We have a variety of questions. I know that you have an introductory statement, which I was told would not go on for more than three hours.

Andrea Leadsom: That's correct. I was going to restrict it to two hours and 53 minutes.

Chair: If we could get closer to the three minutes—

Andrea Leadsom: Anything to please the Committee.

Chair: Leader, thank you very much, and thank you, Mr Healey.

Andrea Leadsom: Thanks for having us. I am delighted to be here to talk about further progress on the R and R project. I am really grateful to the Committee for its interest in this. Obviously, it is a significant project for the whole of Parliament. The House was clear back in January that work needs to be done to restore this UNESCO world heritage site, and very specifically said that it could remain the home of Parliament for future generations. Both Government and Parliament are determined to make sure that the R and R programme represents the best value for money for the taxpayer, and that will be a guiding principle as we take the Bill forward. I think everybody would want to see that.

I am personally very committed to progressing this quickly. I have been delighted, since taking on the role of Leader of the House of Commons, to have got that motion passed by both Houses and now to be in a position where we have a draft Bill ready to go and where we have the shadow sponsor body up and running. It has already had its first meeting. I am delighted about that and I look forward to talking to you about the further progress that we need to make.

I want to make the point about the concerns that we all have over the fact that this work really needed doing a long time ago, possibly long before any of us were in Parliament. I share the concerns of colleagues right across the House about some of the recent incidents with falling masonry and floods, the various problems and the work that is under way at the moment. I want to reassure the Committee that the House authorities are taking every step possible to protect everybody on the estate, whether from the problems of the building itself or the risk of fire and flood and so on. We take that extremely seriously and are doing everything we can to manage and overcome those.



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We are now, as a parliamentary project, looking forward to the major decisions being taken by both Houses. The Government have worked very closely with the House authorities to come up with a draft Bill, which we are almost ready to publish. The Bill will set up the rigorous and transparent governance structure that we need to drive the work forward. I certainly continue to be committed to making progress as far as possible in the shortest possible time. Thank you very much. I hope that was three minutes.

Chair: Eminently. It was under three minutes and we are enormously grateful.

Andrea Leadsom: Perfect.

Chair: You now have two hours and fifty minutes. I think Lindsay has to move on, so we will go to him.

Q2 **Sir Lindsay Hoyle:** Sorry about this—I will have to go as I am chairing the Chamber. It is great to see you, Leader. My concern is that I have sat on the Finance Committee, which has been heavily involved in R and R and everything, but when we look at representation, the Committee does not seem to be represented directly. Yes, some people from the Committee may be, but they could be off the Committee. There is nothing to say there must be direct representation to look at the financial contribution being made. When we look at the Lords, they seem over-represented compared to the Commons. In the end, you and I will face the consequences when door-knocking, rather than the over-represented peers. What can you do?

I think there is a fix to be done to get the representation right and to ensure that this Committee has direct representation. We are lucky to have representation there, but it is by chance, not by fact. I do not know whether you can take that on board.

The other compelling thing from your statement was that this House must be maintained in the meantime. Can we make sure that your good words are carried out? I have this fear that keeps coming back that maintenance is not being kept up. People are saying, “Don’t worry—that will be dealt with in a few years’ time,” and it is not being dealt with now. When problems come—we have just got the new building with the gym halls and all that, but flooding was taking place because it had not been maintained properly. Why wasn’t it maintained? The answer was, “Ah, we’re going to deal with that in 12 or 18 months’ time.” Your words are absolutely what I want to hear but my biggest worry is, how do you make sure that instruction is carried out?

Andrea Leadsom: I will reiterate: the House authorities are very committed to protecting the interests—proper maintenance and so on—of all buildings on the estate. I will ask Tom to comment on that in a minute.

To your other point about representation, you will be aware that during the period before the bodies are set up in statute by the Bill, we will have a shadow sponsor body, and this Committee will see the financial reports



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from that shadow sponsor body before they come to the House Commission. So oversight will be provided by the House Commission until the bodies are set up in statute.

Once they are set up in statute, there will also be an estimates commission. Both Houses will be able to vote on the estimates motion each year and question the sponsor body through parliamentary questions and questions in the House. Of course, there will also be the opportunity for questions to the sponsor body by this Committee, should it choose to do so. There will be proper scrutiny of the entire project by the Public Accounts Committee and the National Audit Office, so there will not be any shortage of opportunities for both Houses to be properly scrutinising. Tom, do you want to comment on the work on maintenance?

Tom Healey: Yes, in terms of the interim maintenance, as you know we have got quite a lot of projects going on at the moment: there is fire safety improvement, cast-iron roofs, the Elizabeth Tower and so on. Maintaining this building has always been a challenge, which is why we have got to the stage we have with needing the R and R programme—working around parliamentary sittings and so on limits the amount of work we can do in a year. The Strategic Estates team is now expanding very significantly to enable it to deliver more projects. We have got another medium-term round of mechanical and electrical work planned.

So there is quite a lot going on in terms of routine maintenance. Quite a lot of it is behind the scenes, so you do not see it—and, of course, we do not do the noisy and intrusive work when the House is sitting. In August, we virtually shut the building down to speed up the fire safety improvement programme. So there is a lot going on between now and restoration and renewal.

Q3 **Sir Lindsay Hoyle:** I would hope we take fire safety very seriously. I have no problem with doing that, as it is something that should have been done—the question is why it has taken so long, but that is for another day.

I was talking about flooding on the northern estate. It took place because a valve had not been maintained, so it just opened and allowed all the water to come in and flood the cellar. What we are hearing is great, but how are we driving that to make sure it does not happen again? I leave that with you to try to push back on those teams who are meant to be doing it. As you know, that had major consequences and has set us back on part of the programme.

Leader of the House, I understand what you are saying about the future, but we have got a shadow board at the moment and this Committee is not directly represented. We are meant to account for the finance. It is all right saying we will get a paper, but we have no input on what is going on. The Lords has more representation on the shadow board than the Commons. Why have we not got direct Finance Committee representation? That is what I would really like to see.



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Andrea Leadsom: Each political party represented on the shadow sponsor board put up their own representatives. I believe that Mr Gray is the SNP's representative. The Conservative party selected a Member of the Commons and a Member of the Lords. The Labour party did likewise. The Liberal Democrats selected a peer, rather than a Commons Member—they have 98 peers and only 12 Members in the Commons. It was felt that the Lords were very keen that there should be a Cross Bencher, because there are 198 of them.

That is how we have got to the individuals on the shadow sponsor body, but as I say, before the bodies are set up in statute, this Committee, as is normally the case, will look at the financial reports prior to them going to the House Commissions, as is the normal way with the Finance Committee vis-à-vis the House Commissions. Of course, this Committee is not a decision taker—that will be for the House Commissions. This Committee advises the House Commissions and that is always taken very seriously.

Once these bodies are set up in statute, they will have a degree of independence. At that point, the sponsor body will be the single client of the delivery authority, which will also be set up in statute. They will be overseen by the estimates commission, which will have two Members from each House. It will be for Parliament to then question them, in the same way as the Speaker's IPSA Committee arrangements whereby there is proper oversight and scrutiny by Parliament. Actually, the new sponsor body, once it is set up in statute, and the delivery authority will be independent of the House Commissions, except to the extent that there is a big significant dispute between them. It will not be necessary for this Committee to then provide further constitutional oversight of the finances, because there will be different arrangements at that point.

Chair: It feels as if there are quite a lot of Cross Benchers in the House of Commons these days.

Q4 **Mr Betts:** Moving on from that point, you said that this has been going on for an awful long time and obviously we just want to get on with things now. You mentioned the progress being made on the draft Bill. When Ministers come to talk about future legislation, we are quite used to them using the words “shortly” or “soon”. You used the word—

Andrea Leadsom: I shall be absolutely confident in using those words, Mr Betts.

Mr Betts: That is what I am worried about. You used the word “almost”, which I presume is quicker than soon. How quick is almost? You said the Bill was almost ready.

Andrea Leadsom: The draft Bill is almost ready, which means very soon, or indeed shortly. I am working on a date for introducing the draft Bill as soon as possible. Obviously, I announce the business in the usual way every Thursday, and I hope to include the establishment of the Joint Select Committee on the Order Paper in the very near future, and the introduction of the Bill very soon.



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Mr Betts: The very near future?

Andrea Leadsom: I am sorry but, as you know—as all Committees know—we do not make those announcements in Committee hearings. They are made to the Chamber.

Q5 **Chair:** You said to the House earlier in the year that it would be in October. Are you changing that position?

Andrea Leadsom: I am saying shortly. I am fully committed to doing everything I can to get that draft Bill introduced in this month.

Q6 **Mr Betts:** Given that it is almost ready, presumably that means that, in large part, it is ready to go. Could you give us any idea of the likely scope? There have been issues and discussions in the past about whether it is a wide-ranging Bill or a narrowly focused Bill. Have you any idea where you will end up on that spectrum?

Andrea Leadsom: What we are seeking to do is to have a relatively tight Bill that just seeks to establish the sponsor body, the delivery authority and the estimates commission, and to make clear the make-up of the boards for each of those bodies, the interrelationships between them and, for example, the way in which the relationship between the estimates commission and the Treasury would work. We are trying to keep the scope relatively narrow, in order that, for a start, the proper Joint Select Committee scrutiny can make proposals for any further additions that it wants to see, but at the same time, to try to fulfil specifically the motion that was passed by both Houses in January. Do you want to add to that, Tom?

Tom Healey: Yes, only to reiterate that the estimate of the scale is towards the minimum end of the scale. It sets up the bodies, gives them the roles and responsibilities they need and does not do much else.

Q7 **Mr Betts:** In the primary legislation, will there be reference to further likely secondary legislation? Is that where further scoping might happen?

Tom Healey: No, I don't think there are any secondary legislation powers in the Bill.

Q8 **Mr Betts:** That's fine. You cannot give us an absolute date of when you will announce the introduction of the draft Bill. Do you have a likely timeframe for consideration of the draft Bill and getting to the final Bill for consideration?

Andrea Leadsom: As I said, I hope to introduce the draft Bill very soon. As you will be aware, the Liaison Committees of both Houses have agreed to the establishment of a Joint Select Committee to look at the draft Bill. That would normally take three months. Ideally, I would like it to take less time if that were possible—if it is not, obviously it is not—so that we could introduce the Bill properly some time before the end of this Session. That is my aspiration, but as we know, there is a very busy period ahead so anything can happen. I am giving you as much information as I can.



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Q9 Neil Gray: To coin a phrase from another area of popular discourse at the moment, I understand that you cannot give a date, but can you give a backstop for when the Bill is likely to be published? The end of October, for instance?

Andrea Leadsom: You want Parliament to remain within the customs union, is that it, Mr Gray? Am I understanding you correctly?

Chair: And for Scotland to stay in the Union.

Neil Gray: Careful.

Andrea Leadsom: I can't be more specific. I have told you as much as I can about my aspiration. As I said, it is essential that we get on with this. It is already very long overdue—probably preceding any of our times in this place—when the work needed to be started, and I am delighted that the Houses have decided that we want to crack on. I want to see this done as soon as we possibly can.

We have indicated a timetable of the decant taking place in the mid-2020s. It is still our expectation that that will be the case. Obviously, once the bodies are set up in statute, there is a process to get to the outlined business case that both Houses would vote on. It is likely to take about three years for that full business case to be set out. It is only at that point that we will have proper costings and timings. I hope that is helpful to set the scene.

Q10 Chair: Three years from when?

Andrea Leadsom: Three years from when the bodies are set up in statute. The shadow sponsor board already exists, and it will recruit for the shadow delivery authority. Tom, perhaps you can comment on that.

Tom Healey: We think to get to the stage where we have a concept design with an associated outlined business case is about three years' work. We started that work as soon as we got the decision in principle, so we think three years from roughly speaking the middle of this year, so mid-2020-21.

Q11 Neil Gray: Thank you both for that answer. Is it your plan and expectation that the Bill will be introduced in the Commons or in the Lords?

Andrea Leadsom: That decision has not been taken yet. As you can imagine, looking at our possible timing, that will very much depend on what is going on in each House at the time. The Bill will be of great interest to each House. The prelegislative scrutiny process might throw up some advantages to starting in one House or another, but it is not something I have a hard and fast view on.

Q12 Neil Gray: Given what is likely to come before the House of Commons in the next couple of months, presumably you would be flexible to the idea of it going to the Lords first, in order to speed up the process.



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Andrea Leadsom: It will depend at the time on exactly what is before both Houses. The House of Lords also has quite a lot of legislation before it over the next few months, so it will be a case of when the right moment is.

Q13 **Neil Gray:** My last question regards the Joint Committee and your expectation for membership and chairmanship. What are your thoughts?

Andrea Leadsom: That is a matter for the usual channels. They will be proposing who should be members of that Joint Select Committee. I expect that I will bring forward a motion to the House to set it up, very soon. Then there will be decisions taken on who should sit on that Committee, by the usual channels.

Q14 **Chair:** On that, before I call Sir Robert, there are quite a lot of these bodies now, and they tend to be the same people in different configurations. Neil is one instance, and Mark Tami is another, for that matter. You could repeat that across various parliamentary pensions bodies and others as well. I wonder, might it not be easier to combine the two Finance Committees from the Lords and the Commons?

Andrea Leadsom: The view was taken that it needed to be a both-House strategy and that a separate new Joint Select Committee would be best placed to provide the input from both Houses. That is already done, so we are not looking to revisit that decision. The Liaison Committees both agree that they could have proposed an alternative solution, but did not. I think we will now go ahead with the Joint Select Committee arrangement.

Q15 **Sir Robert Syms:** Within legislation and looking at snags for the future, at the moment we are not a planning authority. Although most of the work in the Palace of Westminster would be internal rather than external, there may be an issue with gates, with Parliament Square and with the northern estate, if that starts to fall within the work. We may be snagged up on planning issues. Are we planning to put any kind of reserve powers into this legislation so that Parliament could become a planning authority? Or, are we going to rely, as we have done since 2004, on the good offices of Westminster Council and others?

Andrea Leadsom: At the moment there are not any specific planning powers in the Bill. Under prelegislative scrutiny, if the Committee wants to make the case, we have thoroughly considered those issues. Because we are talking about the mid-2020s, it is possible that, in the fullness of time, it may be necessary to create some new planning powers. Having looked at it thoroughly, we concluded that they were not necessary. Do you want to add anything, Tom?

Tom Healey: Our planning assumption at the moment is, and always has been, that we will go through the normal planning process with Westminster City Council, Historic England and so on. If the Joint Committee were to identify a need for some kind of streamlined planning



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process then that might be beneficial to us, but we are open-minded about that.

Q16 Sir Robert Syms: Do we pay for planning from Westminster Council?

Tom Healey: Yes, when you make a planning application you pay a fee.

Q17 Chair: As I understand it, there is a further expectation here that this would be such a massive project that it would overwhelm the whole of Westminster's system, so we would have to pay for additional staff for them to be able to do it.

Tom Healey: Yes. We are not doing that at the moment, but there is a process whereby the client—that is to say, the person doing the work and putting in the application—can pay additional funds to add staff to the planning authority team. We might choose to do that, but we are not doing it at the moment.

Q18 Chair: Tell me how the lights issue is getting on in Westminster Hall. How long have we been waiting for a decision and agreement on that?

Tom Healey: I don't know, I'm afraid.

Andrea Leadsom: Just to be clear, before coming to see you, Mr Bryant, we did discuss the fact that there are a number of projects under way. Obviously, there is the restoration and renewal of the Palace, which will start, we think, in the mid-2020s. There is the northern estate project that you have already referred to. There is a considerable amount of repairs and maintenance going on. For example, the Elizabeth Tower; the lighting in Westminster Hall, as you quite rightly point out; the roofs, some of which have already been replaced; and some of the stone masonry is being pulled down, if it is considered to be unsafe. There is a lot of maintenance work that is not part of the R and R project that might be the subject of a separate discussion with the Committee, if you wanted. That is not something that we have come prepared to discuss today—it is all the various other maintenance programmes.

Q19 Sir Robert Syms: Very quickly, I know that in the past when we have been dealing with Westminster Council they were assuming that any work done was during the working week. At weekends they did not want any nuisance for residents. Are we presuming with this project that it is going to be seven-day working? Or are we presuming five-day working?

Tom Healey: We have not made any assumptions about the construction phase yet.

Andrea Leadsom: Those are rightly issues for the sponsor board and the delivery authority. We look at what is the best combination of working hours, getting the job done quickly, not putting the neighbours out too much, and so on. Those decisions have not been taken yet. We have done some initial consultation work on the sorts of requirements that might be wanted for a refurbished Palace, but that is at a very early stage. Rightly, we are waiting for the sponsor body and the delivery authority to start taking some of those more detailed decisions.



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Q20 Chair: To go back to the question before, I am trying to make the point—I am not expecting you to know the details of the contract at all—that the decision about what lights we can put up in Westminster Hall has been going on for 12 years.

Andrea Leadsom: Has it? I didn't know that.

Q21 Chair: The last element of the row was when the person at English Heritage left. It had been agreed, and the new person who came in said, "No, you can't have those lights." The reason why we have got all that horrible stuff up there is that it has taken us such a long time to get agreement through the system. I am making a generic point about planning being tedious.

Can I ask you about something completely different? You referred to the estimates, and obviously there is going to be an estimates commission. Do you want to tell us how it is going to be composed, who is going to be on it and how many people there will be? Is it going to have a spokesperson who will answer questions in the Chamber?

Andrea Leadsom: It is expected that the estimates commission will be an independent body. It will be a statutory body, in line with precedents for the establishment of other bodies, such as the Speaker's Committee on IPSA—what is it called?

Tom Healey: The Speaker's Committee on IPSA and the Speaker's Committee on the Electoral Commission.

Andrea Leadsom: Yes. It will be an independent body. We expect that it will have two Members of each House, who will be the members of the estimates committee. The political make-up is yet to be determined. The estimates commission will receive the draft estimate each year from the sponsor body and lay it before the Commons. If there is a significant risk of a huge overrun, the commission could have the power to reject the estimate, but only under very extreme circumstances. Otherwise, it will consult with the Treasury. The Treasury's views will be made clear and the estimates commission's views will be made clear, and it will be laid in Parliament for Members to vote on. That will be an annual event, and the estimates commission will be overseen by the Public Accounts Committee and the National Audit Office.

Q22 Chair: I understand that it will be possible for them to reject the estimate in exceptional circumstances, but will it be possible for them to amend it?

Andrea Leadsom: No.

Tom Healey: No.

Chair: Not down or up?

Tom Healey: No. The Bill as currently drafted says that they have to lay the estimate unless it looks like the whole programme is going to go over budget, in which case they can reject it. They receive the estimate, and they have to consult the Treasury. They can lay the estimate with comments, so they can make a report to the House saying whatever they



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want to say, and they have to publish the Treasury's advice to them, but they don't have the power to amend it.

Q23 **Chair:** And can the Commons amend it?

Tom Healey: Subject to the normal estimates procedure. I don't know the answer to that off the top of my head, I'm afraid.

Q24 **Chair:** Will the estimate be separate from the other estimates?

Tom Healey: Yes, it will be a separate estimate.

Andrea Leadsom: Yes, but really importantly—going back to what we mentioned earlier about the outline business case—that will be prepared for the overall programme funding. That is the thing that is going to take three years to have ready. Both Houses will vote on that outline business case, which will set out timescales and overall costing. It is that funding envelope that the estimates commission, and obviously the delivery authority, will be working within. Should that significantly change, it would have to come back to Parliament. It is very important that the outline business case is properly scrutinised by both Houses.

Q25 **Chair:** Will the estimates commission exist some time next year? Will it exist before—

Andrea Leadsom: The estimates commission will be set up by this Bill. The Bill sets up the sponsor body, the delivery authority and the estimates commission. Once this Bill gets Royal Assent, the estimates commission will be a statutory body established under statute.

Q26 **Chair:** Let us say, for the sake of argument, that Members of the House of Commons were furious with what was being proposed. Let us say that they were going to appoint 50 PR experts, or they were employing a company that was not unionised. Would the House be able to table amendments to the estimate, even before we have got to the final big total budget—the fully costed programme?

Andrea Leadsom: The process for scrutiny by Parliament will be through the sponsor body, which, as you know, is made up of a majority of parliamentarians. Any Member who was concerned about the direction of travel, or who thought that the delivery authority was not doing its job properly, would be able to scrutinise via the sponsor body, which, as I have said, is made up of a majority of parliamentarians.

The sponsor body is the single client of the delivery authority. There will be a programme agreement—an agreement for how this programme is delivered—between the sponsor body and the delivery authority. That will be the governing document of the arrangements between the sponsor body and the delivery authority. The Houses will be able to scrutinise the work of the sponsor body through the usual ways in Parliament.

Q27 **Sir Robert Syms:** Currently, under Standing Orders, we don't really debate estimates on estimates days; we debate sports centres in Wales or swimming in schools or something like that. Coming from local



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government, I have always thought that extremely odd, and I actually thought that the SNP had a point on that. This will, presumably, be a different process.

Tom Healey: Once the estimate is laid, it will go through with the other estimates in the same way.

Q28 **Sir Robert Syms:** So we won't debate it?

Andrea Leadsom: Actually, last year we slightly changed the way of debating estimates, so that they were debated individually. Don't quote me on this, but I think that the Liaison Committee decided that it liked that method. It was an agreement between the Backbench Business Committee and the Liaison Committee, and I think that they might do it again. However, we would have to take that away and write to the Committee on the exact process for debating the estimate.

Q29 **Sir Robert Syms:** It is inevitable with this process that you will have quite a lot of contingency figures, because until you start to pull the bowels of the building apart you will not really know the costs. However, that inevitably means that you will be moving money from one heading to another—there will be quite a lot of that going on. I think Members need to be in a position of knowing what the picture is. It would be ironic if the first time the House started to look at money seriously was when it was actually rebuilding its own Parliament.

Andrea Leadsom: Just to be clear, and to reiterate: this is different, in that there will be the sponsor body, made up of a majority of parliamentarians who will be able to answer questions and written questions, and indeed who will be here and able to take questions. They will be the client of the delivery authority, and the agreement between the client and the delivery authority will be available for Members to scrutinise, so it will be possible for Members at any time to speak to members of the sponsor body and understand exactly what it is going on.

It will be rather different from arrangements for other Departments' spending. The scrutiny level will be greater. Value for money is a very important issue for this highly expensive parliamentary project. The scrutiny of that will be carried out by the Public Accounts Committee and the National Audit Office, so there will be plenty of opportunities to scrutinise whether taxpayers are getting good value for money.

Q30 **Mr Betts:** We have heard about the scrutiny and the comments. Let us go back to what is actually likely to be in the Bill. It will set up the estimates commission. Will the powers of the estimates commission be in the Bill?

Tom Healey: Yes.

Q31 **Mr Betts:** So it will state precisely whether the estimates commission can comment and report those comments to the House?

Tom Healey: Yes. It says that the estimates commission can comment on the estimate. It must seek advice from the Treasury, and it must publish that advice. It can reject the estimate in certain defined circumstances.



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Q32 **Mr Betts:** Will it lay down the powers of the House, with regard to what it can actually do with the estimates?

Tom Healey: The powers of the House, with regard to the estimates, are set out in the Standing Orders. The estimate will be subject to the normal rules for estimates. Once it is laid, it is like any other estimate, such as for a Government Department.

Q33 **Mr Betts:** But it has just been said that these are actually different, aren't they?

Tom Healey: In effect, there is an additional parliamentary process that it has to go through before it is laid.

Q34 **Mr Betts:** Let us be clear: can the House reject the estimate?

Tom Healey: Yes.

Mr Betts: Can the House amend the estimate?

Tom Healey: I don't know the answer to that off the top of my head, I'm afraid.

Q35 **Mr Betts:** That is quite an important point, because if the commission has concerns, having looked at it in some detail, and it comments and makes those concerns known to the House, but the House cannot do anything with those comments apart from rejecting the whole estimate, it is a bit of a pointless exercise, isn't it?

Andrea Leadsom: Yes. The key point I was trying to make is that there will be a significant level of scrutiny of the work prior to the estimate being laid. So the opportunity is there to scrutinise significantly at all levels through the work of the sponsor body, which is a majority of parliamentarians, through the Public Accounts Committee, and so on. However, we will come back to the Committee on exactly what Standing Orders say about the normal way that estimates can be addressed by the House, but it will be the normal method. When I said that these were different, what I meant was that they will be subject to significantly more scrutiny through parliamentary processes.

Q36 **Mr Betts:** But is possible, for all that scrutiny, that the estimates may still come forward without reflecting the scrutiny concerns that have been raised by the Public Accounts Committee and everybody else, and an estimate may still come forward that people are generally not happy with. I think the frustration would be very real if Members were then faced with estimates that have been brought forward that the commission and the PAC are saying they have concerns about, but they are still there.

Andrea Leadsom: Yes.

Tom Healey: I think the intention is that both Houses will agree a design and a budget for the whole programme. As long as the sponsor body and the delivery authority are delivering that design within that budget,



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Parliament's powers to intervene are quite limited, because the intention is to give them a degree of independence.

I presume that the point at which concern would arise about the estimate would be the point at which it looked like costs were going out of control, and that would be the point at which the estimates commission could reject the estimate.

Q37 **Mr Betts:** That's an interesting point. Is it only that sort of concern, or are there other concerns that can be raised?

Tom Healey: It's only that sort of concern that gives them the power to reject the estimate.

Q38 **Mr Betts:** I think we need some more information on this. I'm a bit unclear what—

Andrea Leadsom: I have tried to explain very clearly that the sponsor body has a majority of parliamentarians, so that is very clear parliamentary oversight. The sponsor body is the only client of the delivery authority and there is a document—an agreement—governing the delivery of the programme by the delivery authority that the sponsor body is responsible for.

So the sponsor body is taking responsibility on behalf of parliamentarians of both Houses for making sure that the document that tells the delivery authority what they are going to be doing is robust and clear. The Houses themselves will sign off on the outline business case, which will set out timetables and costings, and the scale and size of the programme.

The point that we are trying to make here is that there are many areas of scrutiny. That is why the estimates commission, when it comes to laying its annual estimate—provided it is within the programme agreed by the sponsor body and the delivery authority and within the overall envelope that both Houses have signed up to—would not then need to go back and rework that, unless there was a significant overspend, in which case the estimates commission could reject the estimate. So the levels of scrutiny for parliamentarians will be very significant and very frequent.

Mr Betts: I think it might be helpful at some point to have a comprehensive note about these issues.

Q39 **Chair:** I have sat on SCIPSA for the last few years and it is immensely frustrating that you cannot amend any part of their estimate at all; even if every single member of SCIPSA, including the Speaker, thought that IPSA was going down the wrong route, you cannot amend at all. Consequently, the House can only then vote in favour when the estimate comes before it, because otherwise nobody would be paid. I don't just mean MPs, because actually that comes out of a different estimate.

My understanding of the estimates process would be that a Member of the House can only table an amendment to amend an estimate down, never up, and all remaining estimates are put in one lump, not separately.



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So I just gently suggest that it might be a good idea to think of some means of having some kind of annual debate—it needn't be in the main Chamber; it could be in Westminster Hall, or somewhere like that—whereby some of the other issues that might be involved in the estimate can be fully debated, without taking away time from talking about the local government estimate or the policing estimate.

Andrea Leadsom: Okay, but Mr Bryant, just to be very clear about this, the outline business case sets out the costing and the timetable. The Houses vote on that, so that will be for the Houses to comment on. Once the project is—

Q40 **Chair:** But that will be separate from an estimate, will it?

Andrea Leadsom: It will be totally separate—absolutely. It's a one-off. Once that is agreed, that is the scope and definition of the project. That then becomes the tool that the sponsor body uses to establish its delivery agreement with the delivery authority, and that governs the relationship between them. What you are asking for is the opportunity to further change that. We have been very careful to make sure that both Houses have the very fullest opportunity to define the costs and deliverables under the project, right up front—that three-year period of time that it is going to take to get that outline business case.

That then becomes the aide memoire for the sponsor body and the delivery authority as to what they are going to deliver. While I accept that, with respect to the estimates commission, you would like to be able to amend it, change it and so on, the point is that it will be the result of the outline business case already reviewed and voted on by both Houses, there will be agreement with the sponsor body with a majority of parliamentarians, and there will be the duty to consult with all parliamentarians on a regular basis. It will be a function of those agreements, so the scrutiny will have already comprehensively taken place. Unless the delivery authority then decided, as I think Mr Betts suggested, to employ 12 PR experts or something—

Chair: It was me.

Andrea Leadsom: Well, somebody suggested it. That would be outside the remit that has been awarded by Parliament. The only event that would require the estimates commission to look again is if the costs overran significantly. We will come back to you with that in writing, because clearly we are not making ourselves clear enough, but the genuine desire in setting up this Bill and the parliamentary oversight has been to ensure that this remains a parliamentary project that Parliament is very much in control of.

Q41 **Chair:** I get that, and I am not seeking to have a row, as it were, but I am presuming that there will be an annual estimate from this.

Tom Healey: Yes.

Q42 **Chair:** It will not just be one big package that is agreed; there will be an annual budget. Our experience on the Finance Committee is that we are



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often being asked for supplementary estimates, and my guess is that that is perfectly possible in the future as well. We are just trying to head off that anxiety, because that is the moment when people might start going, "Oh, no, let's stop the whole project because it is getting out of control."

Tom Healey: The Bill provides for a single one-off decision by both Houses in about three years' time, with a design and a budget, and thereafter the estimate comes in annually—so if it is a five-year project, you divide your total by five, or whatever it is.

Q43 **Chair:** Just one final question on the estimates commission. You said two Members of each House.

Andrea Leadsom: Yes.

Chair: Why are we having Members of the House of Lords on the estimates commission?

Andrea Leadsom: Because it is a parliamentary project.

Tom Healey: Because it is a bicameral programme. It is a good question you raise: "What have the Lords got to do with"—

Chair: Financial processes in the Commons.

Tom Healey: With financial processes in the Commons. This is a stage that happens before the estimate is laid before the House. It is a good question, and we did think about that, but we decided it was better to have a bicameral commission than a Commons-only one.

Q44 **Sir Robert Syms:** May I just add that I am not against having PR officers, because I rather suspect that half the world will be asking about what the costs are, what is happening, what is listed, and sewage and God knows what else in the Palace of Westminster, and there will be a job to do in that regard. Our constituents will also want to know, if an awful lot of money is being spent, why it is being spent. It would not surprise me if the odd television crew were following builders around, looking at what is being pulled out and what is being changed. What we are thinking about is salary levels, and the question of proportion.

Andrea Leadsom: You are absolutely right, Sir Robert. The point about this is that those discussions will be had during the outline business case. That will be the point at which interested individuals in both Houses will be able to feed in their views on what needs to be included in the scope of the project, to accommodate all eventualities. Just to be clear, again, the sponsor body with a majority of parliamentarians on it will have duties to consult with members of both Houses. It will not just be, "Do it if you feel like it"; they will be required to consult, so there will be many opportunities to consider what needs to be in scope for the project.

Q45 **Chair:** I am going to ask another question, which in a way could be the Clive Betts question, because he has asked it in many different forms over the whole time I have been on the Finance Committee. I think we are hoping that the sponsor body, and therefore the delivery authority,



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will have greater freedom over pay and terms and conditions so as to be able to get the right people to do the job. Is that your hope and expectation as well?

Tom Healey: Our expectation is that the delivery authority will, but the sponsor body staff will probably remain on something very similar to parliamentary terms and conditions.

Andrea Leadsom: Members of Parliament and Members of the House of Lords will not receive additional remuneration for their role on the sponsor body. The sums that external members will receive are already in the public domain. The delivery authority is expected to earn the sorts of sums that are commensurate with big infrastructure projects of this type.

Chair: We've been anxious that it has been difficult for the Palace to get the staff—this is not to disparage any of the staff who work for the House at all, who work extremely hard—and attract the people who might be able to deliver a massive infrastructure project of this kind. It will be all power to everybody's elbow to try to achieve that.

Q46 **Mr Betts:** The answer there was that the delivery body would be able to go out and pay the market rates for the staff that it needed, but that the sponsor body would not.

Tom Healey: Well, the delivery authority is where all the kind of major projects and technical expertise are. The sponsor body is really quite a small team. There are 12 of us at the moment in the shadow form.

Q47 **Mr Betts:** Yes, in shadow form. How big would it be in the final form?

Tom Healey: Probably 30 or 40.

Q48 **Mr Betts:** Would there not be any technical expertise in there, where you might have problems recruiting people if you could not pay the market rate?

Tom Healey: Yes, there would be some. There are two areas here. First, the sponsor body will have to employ some people who understand things like planning, architecture, engineering and so on. So there will be a small technical team. We might have to have some flexibility for those people. The other thing we will do is appoint what is called a programme representative, which is effectively an external consultant, who sits with the delivery authority, but reports back to the sponsor body to provide them with assurance about what the delivery authority is doing. That will be procured as a service from a big company.

Q49 **Mr Betts:** In terms of "we might have to", how is that done? We have had experience of this recognition that something might have to be done and then there are an awful lot of problems in actually getting it done, because of the constraints on pay levels in here for certain staff.

Tom Healey: At the moment, the Strategic Estates team has been employing people as interim when we cannot offer a market rate. First, we have a higher degree of pay flexibility than we used to have, so we are able to offer salaries that are a bit more competitive. Secondly, when we



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cannot get people on House of Commons pay scales, we bring people in as interim—as contractors.

- Q50 **Mr Betts:** We are finding ways around it rather than addressing the problem from the very beginning. Why do we not just recognise that we will have to pay the rate for the job, in both the sponsor body and the delivery authority, right from the beginning and just have done with it, so we know what the situation is?

Tom Healey: It's a good point. We have assumed that the people who are going to be earning the big money will all be on the delivery side.

Mr Betts: You need good clients as well.

Tom Healey: Yes.

Andrea Leadsom: I would just say here that the board of the sponsor body is made up of seven parliamentarians and five external members. The five external members each have particular expertise that will be incredibly valuable to the sponsor board. Their daily activity might be a couple of days a month. Nevertheless, their expertise—they have already been recruited—will be very valuable to the sponsor body.

Mr Betts: I just think we need to look at this.

Andrea Leadsom: Well, those roles have been market-rated against similar types of—

- Q51 **Mr Betts:** Yes, I understand that. There is a full-time member of staff on the sponsor body who will perform a client function of a technical kind—I think we just need to think through that one.

Andrea Leadsom: The sponsor board will be able to establish sub-committees with particular technical expertise, should it wish to do that. That is a feature of the Bill that will enable particular expertise to be brought in.

- Q52 **Chair:** Presumably they cannot do that until there is a Bill, or can they do that now?

Tom Healey: They can do that now. The shadow board can appoint committees if it wants to.

- Q53 **Mark Menzies:** Just to get clarity, at what point do you expect to ask the sponsor body to take on responsibility for the northern estate programme?

Andrea Leadsom: Really importantly, the northern estate programme is under way now, and has been for some time. While the Bill will enable the delivery authority to take on responsibility for the whole project, the decision on whether it should and will cannot be taken now, because to a great extent it depends on progress in the northern estate programme and whether it makes sense to do that when the time comes. Until the proper work has been done to scope the whole R and R project, it does not make



sense to make that decision, so the Bill enables rather than prescribes what happens with the northern estate programme.

Q54 **Chair:** But it will include the decant of the Lords and the Commons?

Tom Healey: The Lords decant sits within R and R and the Commons decant sits within the northern estate programme at the moment. There is a very high degree of interdependency between the two programmes. We have always envisaged the possibility of merging them. The Joint Committee hinted at it in its report, but did not quite say it explicitly. It would require a decision of the two Commissions and the sponsor board to make that happen.

Andrea Leadsom: I think the key thing, Mr Bryant, is that the Bill seeks to give effect to the precise motion of both Houses that was agreed back in January, and it does not seek to prescribe anything that was not in those motions. The motion was not prescriptive about what should happen with the northern estate project, but it is nevertheless a very important issue.

The other issue that I consider is important, which the motion that was passed was silent on, is what we do about access to the estate during the period of R and R: very specifically, the Elizabeth Tower. As we know, Parliament has agreed to restore the Elizabeth Tower at the cost of some £60 million. It should be another short few years before that is beautiful and available to the public with a very expensive new lift for disabled access and so on. In my view, it would be a great shame if the whole of the Palace site was closed down for the duration of the work and therefore not available to members of the public.

Secondly, I think the same holds true to a slightly lesser extent, but this is potentially worth considering in the Joint Select Committee scrutiny, to access to Westminster Hall. Again, R and R does not require so much access to Westminster Hall, but we know that the House of Commons decant arrangements will leave us with a considerably smaller footprint, so it could be that, notwithstanding the costs involved to the overall accessibility of the project of keeping Westminster Hall available, it would mean potentially quite a significant amount of further space—the second Chamber, the Jubilee room and so on—for parliamentarians during the decant. I know Tom will want to come in here because we are not necessarily on exactly the same page. He looks at it from a project point of view.

Chair: I can imagine.

Tom Healey: From a project point of view, we have sort of assumed that keeping the Elizabeth Tower open for people and tour parties will not be too problematic, because you just define the boundary of the building site further to the south and people can come and go through Portcullis House. If you start keeping Westminster Hall open, that is likely to have cost implications, and I think it is important that the sponsor board is allowed



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to make those judgements about what bits of the building to retain access to.

Chair: From my memory, we expressly discussed it on the Joint Committee, didn't we, Neil?

Neil Gray: Yes.

Chair: On the issue of Westminster Hall, quite a lot of us were attracted to the idea of being able to keep as much as possible of Westminster Hall open. It is the oldest bit we've got and all the rest of it. The difficulty we were presented with regularly was the security implications rather than anything else. But that will be a matter for others to decide.

Do you mind if I bounce something off you?

Andrea Leadsom: Carry on.

Chair: It is completely separate—

Andrea Leadsom: Oh.

Q55 **Chair:** It is within the remit of the Finance Committee. Don't get too worried. In the past the Finance Committee has produced a report on the parliamentary estimates. I don't mean the ones for R and R. There has then been a debate in Westminster Hall as a means of debating how much we spend on everything here. Would you be open to our doing that again in the new year so that it could inform—

Mr Betts: In the Chamber.

Chair: Has it been in the Chamber? Sorry; in the Chamber. We know time will be of the essence, and who knows what will happen over the next few weeks, but it is important that we at least scrutinise the finances of our own business properly. I hoped you might be open to that. You might want to write to me.

Andrea Leadsom: I am always open to greater transparency. I think parliamentary scrutiny is really important, but you have just highlighted yourself that there is quite a lot on, not least of which is getting this Bill debated and agreed. I could not commit to it now, but I am certainly sympathetic.

Q56 **Chair:** Do you think there will be a debate on the draft Bill when it comes out?

Andrea Leadsom: That, again, has not been discussed as yet. I would not be unsympathetic to that, either, but obviously parliamentary time will be at a premium. What we do want to see is good prelegislative scrutiny by a Joint Select Committee.

Chair: Unless anybody has anything else, I will simply say we are enormously grateful, Leader. Thank you very much, Mr Healey. We look forward to seeing you soon, or shortly, Leader. Or in the fullness of time.



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Andrea Leadsom: Shortly.

Chair: Thank you.