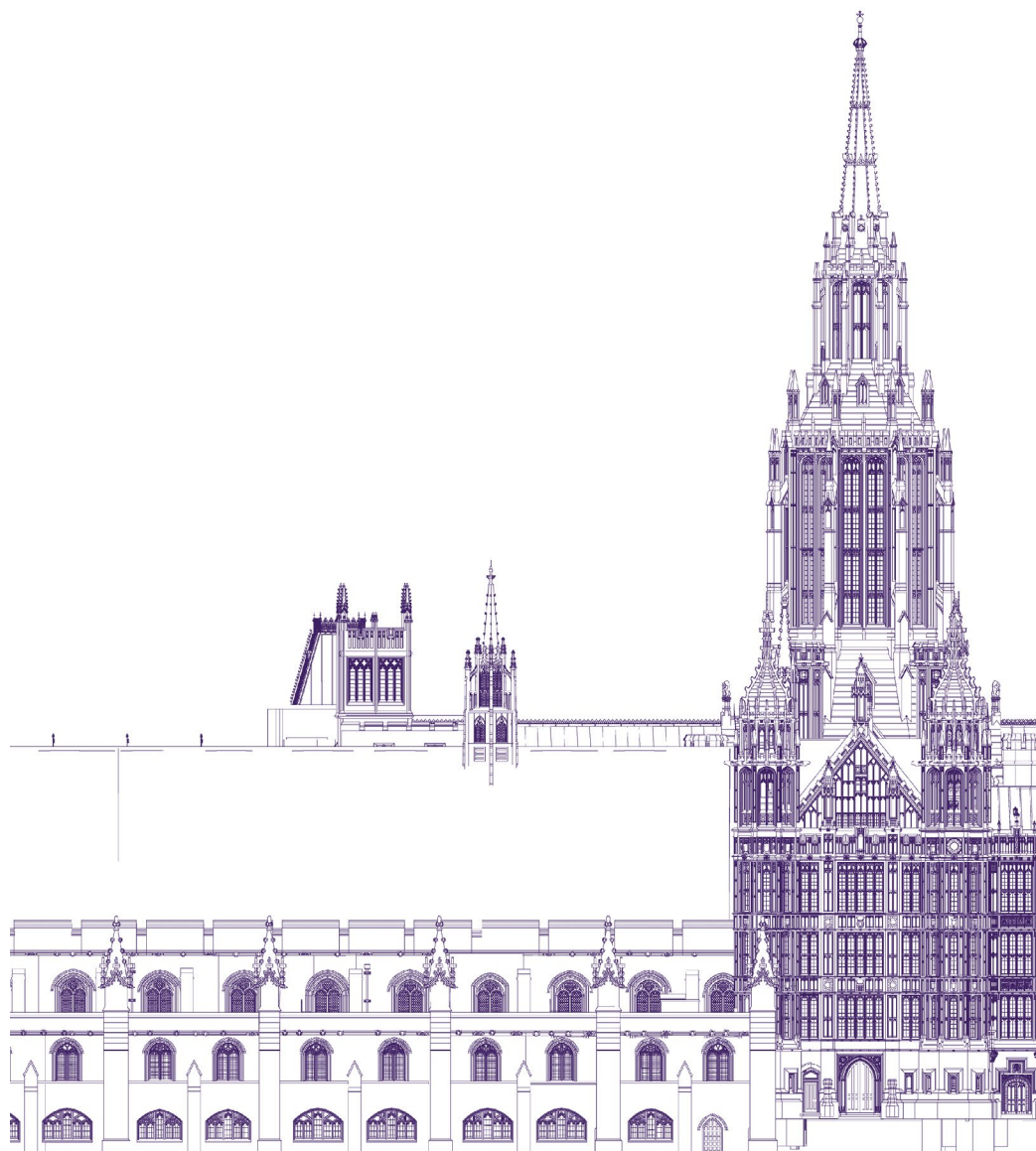


Annual Report and Financial Statements For the year ended 31 March 2024 HC 24

Houses of Parliament
R and R Delivery Authority

Large Print version



HOUSES OF PARLIAMENT
R&R DELIVERY AUTHORITY

Restoration and Renewal Delivery Authority Limited

Annual Report and Financial Statements

For the year ended 31 March 2024

Presented to Parliament pursuant to Schedule
2 of the Parliamentary Buildings (Restoration
and Renewal) Act 2019

Ordered by the House of Commons to be
printed on 22 July 2024

HC 24

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Introduction

The Restoration and Renewal (R&R) Delivery Authority Limited (the Delivery Authority) is a private company limited by guarantee and incorporated under the Companies Act 2006 with company registration number 12559954. The Delivery Authority is domiciled in the UK and registered in England and Wales.

This Annual Report and Accounts relates to the financial year ending 31 March 2024.

The R&R Delivery Authority was established under the Parliamentary Buildings (Restoration and Renewal) Act 2019 (as amended by the Parliamentary Works Sponsor Body (Abolition) Regulations 2022 (together 'the Act')). The Delivery Authority was incorporated to design and deliver the R&R Programme (referred hereafter as 'the Programme') for the Palace restoration and related works on behalf of the Houses of Parliament.

Until 1 January 2023, the Delivery Authority reported to Parliament via the Parliamentary Works Sponsor Body (the Sponsor Body) which was established under the same Act. On 1 January 2023, following direction from the two Houses in July 2022, the Sponsor Body was abolished, with the sponsor function being transferred into Parliament, as a Parliamentary in-house Client Team in a new Joint Department of the two Houses.

The two Corporate Officers of the Houses of Parliament - the Clerk of the House (House of Commons) and the Clerk of the Parliaments (House of Lords), supported by the new in-house Client Team, are responsible for owning the scope, budget and timescale of the R&R Programme and for providing strategic direction, setting the outcomes and monitoring performance. They are also responsible for the preparation of the proposals on which the Houses will vote under the Act. The Corporate Officers (acting jointly) are now the sole member and guarantor of the Delivery Authority (**see “Roles and Responsibilities” section for further details**).

The Delivery Authority's governance requirements are set by the Act, and by the Programme Delivery Agreement ('PDA') between the Delivery Authority and the two Corporate Officers which governs the Delivery Authority's relationship with Parliament.

Governance requirements also come from the Delivery Authority's status as a private limited company. As such, the Delivery Authority prepares its accounts in accordance with the Companies Act 2006. In line with the principles of openness and transparency, the Delivery Authority follows the 'Corporate Governance in Central Government Departments: Code of Good Practice' and the Government Financial Reporting Manual (FreM) requirements for a Governance Statement and Remuneration Report. This document is intended to provide the user with enough information to understand the Delivery Authority's financial position. More detailed information on the Programme is available in the R&R Annual Progress Report which will also be laid before Parliament and published.

In terms of funding, the Delivery Authority is funded by a Parliamentary Works Grant, reviewed and laid by the House of Commons (following scrutiny by the Parliamentary Works Estimates Commission). The Parliamentary Works Grant is administered by the Corporate Officers of the House of Commons and House of Lords.

Roles and Responsibilities

The information below sets out the roles, responsibilities and relationships in the R&R Programme governance structure.

R&R: key governance bodies and relationships

Member level governance

- House of Commons
- House of Lords

The two Houses retain overall decision making responsibility for R&R on time, cost and scope.

The House of Commons approves the Programme's estimate annually, once reviewed by the Parliamentary Works Estimates Commission.

- Commons Commission
- Lords Commission

The two Commissions retain some responsibilities under the 2019 Act which they cannot delegate, e.g. approval of the Phase 1 expenditure limit.

Member level R&R specific governance

- R&R Client Board

The R&R Client Board is the two Commissions meeting jointly with delegated responsibility from each Commission for strategic decisions on R&R matters.

- R&R Programme Board

The R&R Programme Board has day to day responsibility for oversight of the R&R Programme and makes recommendations to the R&R Client Board.

Officials level governance

- Commons Executive Board
- Lords Management Board

Both House Boards have delegated R&R matters to the R&R Steering Group. However some matters, such as each House's decant plans, remain the responsibility of each House Board.

Tier 1

- R&R Steering Group

The R&R Steering Group is a formal sub-board of CEB and LMB. Changes to its Terms of Reference need formal agreement from

the two Boards. It is technically a tripartite board, as members of the DA executive team are members.

Below this top-level governance, responsibility for delivering various aspects of the R&R Programme sits with teams and individuals beyond just the Delivery Authority. Main areas of responsibility as currently defined are outlined below:

Corporate Officers

(Clerk of House of Commons and Clerk of the Parliaments)

- Overall responsibility for Parliamentary building works
- Statutory responsibility for health and safety on the Parliamentary estate including the Palace of Westminster (unless buildings are vacated)
- Members of R&R Client Board and Programme Board

Client Team

- Supports the Corporate Officers in the exercise of their statutory duties and supports the Client and Programme Boards to fulfil their role
- Tasks, oversees and assures the work of the Delivery Authority
- Will produce the Programme Business Case and seeks approval of it through Parliament
- Engages Member and wider Parliamentary community

Delivery Authority

- Designs and develops two of the three shortlisted options
- Provides inputs, in relation to these two shortlisted options, to support the Client Team with production of the Programme Business Case

- Undertakes surveys to inform design and construction planning
- Prepares and implements delivery strategies, and procures and manages the supply chain
- Designs, develops and delivers any temporary accommodation required for the House of Lords
- Undertakes audit of Palace's heritage collections

Strategic Estates and wider Parliamentary Teams

- Designs and develops the Enhanced Maintenance and Improvement option
- Provides inputs, in relation to the Enhanced Maintenance and Improvement option, to support the Client Team with production of the Programme Business Case

- Designs, develops and delivers any temporary accommodation required for the House of Commons
- Progresses plans for a long-term heritage facility in order to allow for storage of the Palace's heritage collections
- Moves planning for decant of both people and heritage collections

R&R Programme Background

The information below provides a background overview to the R&R Programme and a summary of recent key events.

2019

- **October 2019**

The Parliamentary Buildings (Restoration and Renewal) Act 2019 received Royal Assent

2020

- **April 2020**

Sponsor Body formally established

- **May 2020**

Delivery Authority formally established

2020 - 2021

- **May 2020 - March 2021**

Sponsor Body and Delivery Authority undertook Strategic Review to confirm future strategy for Restoration and Renewal

2021

- **March 2021**

Programme completed work to define four scheme options for restoration of the Palace for business case appraisal

2021 - 2022

- **March 2021 - January 2022**

Delivery Authority developed scheme options and a study on Continued Presence for the Palace; and developed options for the Queen Elizabeth II (QEII) Conference Centre

2022

- **January 2022**

Initial assessment of cost and schedule for Palace presented to House of Commons and House of Lords Commissions

- **February 2022**

Initial assessment of cost and schedule for Palace published, alongside Continued Presence study

- **March 2022**

House of Commons Commission and House of Lords Commission published joint statement outlining proposed new approach for R&R

- **June 2022**

House of Commons Commission and House of Lords Commission published new mandate for R&R (which was then subject to debates in both Houses in July 2022)

- **July to December 2022**

New governance arrangements developed and Statutory Instrument drafted

2023

- **January 2023**

Statutory Instrument came into force which abolished the Sponsor Body and established the Client Team

- **July 2022 - January 2023**

Wide range of options for restoration of the Palace developed and evaluated by the Delivery Authority in line with the new mandate

- **March 2023 - June 2023**

Programme Board worked through wide range of options to agree shortlist

- **June 2023**

Two options shortlisted and endorsed by Programme Board, along with Strategic Objectives

- **July 2023**

Two options shortlisted and agreed by Client Board, along with Strategic Objectives

- **October 2023**

Programme Board approved preferred temporary accommodation locations

2024

- **January 2024**

Temporary Accommodation Plan approved by Client Board

- **February 2024**

Strategic Case agreed by Client Board. Contains two shortlisted options plus a third option, focused on Enhanced Maintenance and Improvement; and proposes further work to consider amendments to the R&R Act

- **March 2024**
Strategic Case published

Chair's Foreword



Mike Brown CBE MVO

We continue to be committed to delivering the restoration and renewal of the Palace of Westminster, a major investment which will be important for all those who visit and work in what is part of a famous UNESCO World Heritage Site, but also for those businesses of all sizes from across every part of all four nations of the UK who will benefit from the long-term investment that restoring the Palace will generate. I have visited restoration projects, and have been involved in roundtable discussions - 13 in total - in every corner of the country with local businesses, industry professionals and training providers. Seeing this expertise, knowledge and breadth of skills is cause for optimism about the future of the Programme

and the opportunities it can bring to many parts of the UK.

It has been a busy year for the Delivery Authority. The Board has been kept apprised of and has provided input to the key areas of work that have been delivered by the organisation. This includes the inputs and developments leading up to the approval of shortlisted options, and publication of the Strategic Case, work to further develop the Palace designs, temporary accommodation, and the ongoing work to prepare inputs to the Programme Business Case.

As we move into the next year, Delivery Authority colleagues have a significant amount of work to deliver and we must positively and constructively respond to any potential legislative changes, the introduction of a third option focusing on Enhanced Maintenance and Improvement, as well as the inevitable new members of the various governance bodies that will arise following the recent General Election. The Board will have a key role in overseeing and scrutinising the organisation's work and positive approach in this regard.

Over the last year our Board has worked to oversee the work of the Delivery Authority effectively and with value for money at the centre of our scrutiny and oversight. I thank all of them for the hard work and commitment they have shown.

Our Chief Executive David Goldstone CBE will be leaving us to pursue non-executive roles at the end of August. Recruitment of his successor is currently ongoing and interim arrangements are in place. His leadership of the Delivery Authority caps a long and illustrious executive career and I wish him all the best for the future. Thanks in no small part to David and supported by a strong and effective wider Executive Team, the Delivery Authority is well placed to positively face the many challenges and opportunities of 2024/25.

Signed

A handwritten signature in black ink, appearing to read 'Mike Brown', with a horizontal line underneath.

Mike Brown CBE MVO

Chair

08 July 2024

Chief Executive Officer's Review



David Goldstone CBE

This year the Delivery Authority has made excellent progress in many areas, as highlighted in this report.

In response to the request from Parliament to develop a wide range of options for restoration of the Palace of Westminster, we developed 36 different options for assessment representing combinations of 'what' level of restoration is delivered (six outcome levels) and 'how' the work is delivered (six construction scenarios). In July 2023, the Client Board arrived at a shortlist for the Houses to consider, including a defined scope for what the works should deliver, through a decant option and a continued presence option. As set out in the Strategic Case, which was published in March

2024, in addition to these two options the Client Board have commissioned Parliament's in-house Strategic Estates Team to develop a third option of Enhanced Maintenance and Improvement (EMI), which would be delivered as part of a rolling programme of works. Alongside the options work, the Delivery Authority contributed to the production of the other elements of the Five Case Model which informed the development of the Strategic Case.

We have continued to carry out an extensive programme of complex surveys across the Palace of Westminster. In 2023/24 we delivered more than 24,500 hours of intrusive survey work, bringing the total number of hours undertaken to date to over 36,000 hours. Although the surveys will not themselves provide all the answers for the onward restoration of the Palace, they are helping to shape the detailed plans for design and construction work and are enabling us to pull together the most accurate digital record of the Palace's condition that has ever existed.

In readiness for delivering R&R, an enormous volume of preparatory work has been delivered on areas such as temporary accommodation and other early and enabling works. We undertook a review of supply and demand for temporary accommodation through different stages of a future Programme and assessed more than 100 temporary accommodation venues for the House of Lords and the House of Commons, resulting in agreement that the QEII Centre is the preferred location for the House of Lords and Richmond House for the House of Commons.

We recognise that the Delivery Authority is not responsible for delivering Restoration and Renewal on its own. Others within Parliament have a key role to play, and we continue to collaborate well with multiple House functions - particularly the Strategic Estates team, and also including the Safety, Security and Digital teams, to ensure that current and future R&R Programme activities are well coordinated, integrated, and prioritised appropriately.

We have completed these many and varied tasks while retaining a clear focus on value for money. In light of ongoing uncertainties in the wider environment, and an anticipated extended timeline due to the general election period, the Delivery Authority reviewed its size, scale and capabilities in parallel with updating the Phase 1 Plan and longer-term Programme schedule to make sure it is resourced appropriately for the tasks needed at this stage of the Programme.

The introduction in the published Strategic Case, close to the end of the financial year, of both the EMI as a third option, and consideration of future changes to the Act, create uncertainties and risks for the Delivery Authority's work in 2024/25 and thereafter. The recent General Election may also affect timing of decisions as Programme governance bodies are re-formed. The Delivery Authority has a clear programme of work through the next financial year in relation to developing the two shortlisted options. In relation to other activities, such as procurement of new suppliers and work on temporary accommodation, we are discussing the impact of the Strategic Case with

the Programme Board, and liaising closely with the Client Team, to ensure that we appropriately balance the risks of carrying out work that may not be of value at this stage against risks of future delays to the Programme if the necessary enabling activities have not been progressed.

After four years in post as Chief Executive of the R&R Delivery Authority, I have decided to step away from a full-time executive role. I am confident that I leave the Delivery Authority in the hands of an extremely capable executive leadership team, supported by excellent governance on the Parliamentary side and a very strong Delivery Authority Board. I wish them all the best as they build on the continued good progress that has been made this year.

Signed

A handwritten signature in black ink, appearing to read 'David Goldstone', written in a cursive style.

David Goldstone CBE

Chief Executive and Accounting Officer

08 July 2024

Strategic Report

Vision

The vision for the Programme, agreed by the Houses of Parliament, is:

“Preserving the Palace of Westminster for future generations and ensuring the safety of all those who work in and visit the Palace, now and in the future.”

Strategic Objectives for the R&R Programme

The following strategic objectives were endorsed by the Client Board in July 2023 and will inform future development of the R&R Programme.

- **Fire Protection, Health and Safety, and Security**

Ensure high standards of fire protection, health and safety, wellbeing and security to provide appropriate protection for the building and everybody in it.

- **Business continuity**
Future proof the Palace by making the building and its services sufficiently capable and resilient to support Parliament's core function as a working legislature, both now and in the future, including in response to climate change.
- **Heritage**
Conserve and enhance the fabric of the Houses of Parliament and build appreciation of its rich history as a working building.
- **Accessibility and inclusion**
Open up the Houses of Parliament, improve access and encourage a wider participation in the work of Parliament.
- **Environment**
Reduce the environmental impact of the Palace through sustainable design and operation.

- **Social value lasting legacy**

Deliver a Programme that distributes the economic value of R&R across the UK and provides for the development of national [construction and craft] skills.

- **Value for Money**

In achieving Parliament's desired outcomes and construction approach for the Programme, ensure the planned works are delivered with a relentless focus on achieving value for the UK taxpayer.

Progress against Delivery Authority objectives

At the end of 2022/23, the Delivery Authority Board agreed five strategic objectives, as well as a range of performance measures to support delivery of these. These objectives were focussed around progressing the key Programme priorities over this period. Significant progress against these objectives was made over 2023/24 with further detail provided opposite.

Develop and evaluate a wide range of options for the works (including what the works will deliver and how they will be delivered).

Options work

2022 - 2023

- **July 2022 - January 2023**
DA developed 36 options for assessment

2023

- **March - June 2023**
R&R Programme Board examined the 36 options and proposed a shortlist of 2 options, a full decant option and a continued presence option
- **July 2023**
The Client Board agreed the shortlist

2023 - 2024

- **November 2023 - February 2024**

The Client Board proposed further work to access option of Enhanced Maintenance and Improvement

2024

- **March 2024**

The Client Board published the Strategic Case, outlining plans for further work on three options

In response to the request from Parliament to develop a wide range of options for restoration of the Palace of Westminster, we developed and evaluated 36 different options for the works which looked at a combination of 'what' level of restoration is to be delivered (six outcome levels) and 'how' the work is to be delivered (six construction scenarios). The outcome of this work was the basis for the decisions made by the R&R Programme Board to identify an options shortlist to be developed further into more detailed costed proposals.

In July 2023, the Client Board arrived at a shortlist of two options for the Houses to consider. They agreed a reasonably ambitious scope level and agreed that further work should be undertaken on two separate construction scenarios - one which would require continued presence of at least one chamber throughout and the other requiring a full decant.

The agreed scope level is expected to achieve improvements in the following areas:

- **Health and safety, including fire safety and addressing the risks posed by asbestos;**
- **Renewal and expansion of mechanical, electrical and other services;**
- **Building fabric conservation;**
- **Air ventilation and heating and cooling to rooms and offices;**
- **Security protection measures; and**

- **Accessibility - including to improve audibility and increase step-free access, with the greatest improvements in the most visited and used areas of the Palace and an average enhancement from the current 12% step free access to circa 60% across the Palace.**

In consideration of the Strategic Case, the Client Board also commissioned Parliament's in-house Strategic Estates Team to develop a third option, of Enhanced Maintenance and Improvement, which would be delivered as part of a rolling programme of works.

Over the coming year, both the Delivery Authority and Strategic Estates will work up the three options in further detail, ready for inclusion in a Programme Business Case currently planned for 2025, which will inform decisions by the Houses on the future approach to the Programme.

As part of the development of how the works will be delivered, the Delivery Authority has also worked with the Houses' teams to agree requirements, explored options for early works

and has progressed planning work for temporary accommodation and heritage collections. Further information on these areas is provided below.

Requirements

We have collaborated with the Client Team to develop high level R&R Client Requirements, and more detailed functional requirements. These are key to facilitating design, cost and schedule progression of R&R so that the intended outcomes and benefits associated with the agreed scope level can be realised for the restored Palace. They cover a range of areas including:

- Parliamentary Business
- Services to support Parliamentary Business
- People and Vehicular Movement
- Accessibility and Inclusion

- Participation (i.e. visitors to the estate for Parliamentary business, educational trips and general tours)
- Security, Health, Safety and Wellbeing
- Operations (i.e. logistics across the wider estate and the Palace)
- Environment and Sustainability
- Architecture, Conservation and Structure

Collaboration on early works

Over 2023/24, the Delivery Authority worked closely with the Client Team and Strategic Estates to identify any opportunities which would allow for early progress and help ensure readiness for main R&R works. Several potential candidate projects were assessed for suitability against an agreed set of assessment criteria. The Client Board agreed a number of projects for further progression, including undertaking a feasibility review to determine the scope of any internal works to Victoria Tower,

undertaking preparatory work with the ultimate aim of installing a river jetty, and progressing work to deliver temporary accommodation solutions for both the House of Commons and the Lords, as outlined in further detail below.

Temporary accommodation

All options being considered are assumed to require some level of temporary accommodation whilst main works are ongoing. The Delivery Authority's previous work in this area was paused following the Programme reset in 2022.

In 2023/24, we undertook a study looking at the needs of Parliamentary functions and their associated spatial demand during any decant period, alongside potential temporary accommodation options and the capacity that they could offer. On the basis of this, the R&R Programme Board agreed that more comprehensive work in this area should re-start.

The Temporary Accommodation Strategy was approved by the Programme Board in January

2024. The Delivery Authority is working to progress House of Lords Temporary Accommodation in the QEII, which was re-confirmed as the preferred House of Lords decant location, while Parliament's Strategic Estates Team is progressing temporary accommodation on the Northern Estate and the preferred Chamber location in Richmond House, following feasibility work undertaken jointly by the Delivery Authority and Parliament's Strategic Estates Team.

Heritage Collections

We have continued to plan for how we can keep the Palace's Heritage Collections safe whilst the restoration work takes place. This has included progressing our collections survey, to ensure that we have an accurate inventory of items in place. We have now audited approximately 8,000 collection objects in the Palace in preparation for decant. The in-house teams are progressing plans for a long-term heritage facility to store the collections during any decant period.

Complete the programme of survey activity underway in the Palace and plan the future programme of survey activity in order to inform design and construction planning

Our extensive programme of survey activity has continued and over the past year, we have delivered eighteen different types of surveys on the Palace site – with ten of these being full intrusive surveys, and the remaining eight being non-intrusive studies. Our surveys will not provide us with all of the answers ahead of starting main works, but they are crucial to inform our design and construction planning. The surveys undertaken over the past year have helped us to determine geological conditions, masonry strength and air pressure leakage amongst other matters. They have also led to a number of archaeological discoveries including ancient river walls, piles from the original construction, and unmarked and redundant sewers.

We will continue our survey programme in 2024/25 and we keep our surveys under

review to ensure that we are prioritising and planning for the right types of survey, which will add the maximum value as we get closer to main works starting.

[Box]

Borehole Surveys

Designing for a building as old and complex as the Palace of Westminster has its challenges. To restore the Palace, we first need to understand it. As we do not have complete plans that we can work from, due to the age of the building, the Delivery Authority has been undertaking a programme of intrusive and non-intrusive surveys since 2022 to help us better understand the condition of the Palace.

Throughout 2023/24 we carried out more than 5,000 hours of work to complete eight boreholes, bringing the total now complete to 15. These boreholes allow us to investigate the geological condition of the ground on which the Palace stands. The information gained is used to inform the development of detailed architectural designs and thus de-risks the design process.

We are using modern digital models to map this survey information digitally, to create a 3D digital map of every aspect of the Palace. This single source of information replaces thousands of separate drawings and files, and will be used to inform the scope of works and how we do things in the future.

[End of box]

Support the R&R Client Team with the development of a Strategic Case and with member/official engagement

As outlined above, the Delivery Authority's detailed option work supported shortlisting decision making by the R&R Programme and Client Boards and informed the Strategic Case published by the Client Board on 19 March 2024.

The Delivery Authority provided a number of inputs to support the Client Team's production of the Strategic Case, which followed the Five Case Model as recommended by HM Treasury for major projects and programmes. All of the

inputs were delivered to a high quality and were provided to the Client Team on time.

Engagement with parliamentarians in relation to the Programme, including Client and Programme Board members, is the responsibility of the Client Team, and the Delivery Authority provided support on this over the reporting period.

The published Strategic Case also makes clear that further work will be undertaken over the coming year to consider whether and how the Parliamentary Buildings (Restoration and Renewal) Act 2019 could be amended to more effectively underpin the Houses' ability to oversee the ongoing spending on the Programme. The exact scope of any legislative change is yet to be confirmed, but any impacts on our work will need to be managed as the situation becomes clearer.

Lead the Delivery Authority through the transition period and develop the corporate capability ready to deliver Phase 2 of the Programme

Organisational review and Phase 2 planning

During 2023/24, we undertook an organisational review to ensure that we are right-sized, with the right capabilities in place for the next stage of the Programme and are resourced for efficiency to deliver on our key priorities. As a result of this review, we identified reductions of more than 80 positions over the next three years, including both employees and contractors working for the Delivery Authority (**further information is contained in the Remuneration Report**). Work has also commenced on planning the organisational structure and capabilities required for Phase 2 of the Programme, aligned to our future commercial model, and this will continue into 2024/25.

Strategic Partner Procurements

As we prepare to move into any construction phase of the Programme, we need to ensure that we have the right long-term strategic partners on board to support us in delivery and to enable us to achieve best value for the Programme. With this in mind, last year we commenced work to consider the appropriate commercial approach for the future.

In developing our approach, we have followed our value for money model ([click here for further information](#)) and engaged the market early to ensure our proposed commercial model reflects best practice, whilst at the same time testing market appetite, capacity and capability for the future.

We will continue our Strategic Partner Procurement work next year. The introduction of the Enhanced Maintenance and Improvement option and potential legislative change is likely to impact on the timescales for this work, and potentially on the commercial approach that we had been planning. These factors will be kept under review as we proceed

through the next year, and we will adjust our plans accordingly if required.

[Box]

Value for Money

The R&R Programme is mindful of demands on public expenditure, and the importance of applying a high standard of cost effectiveness and demonstrating value for money.

To ensure value for money is embedded at the heart of the R&R Programme we have adopted the National Audit Office's best practice value for money model and adapted this to meet the unique nature of our Programme - being a major programme, but one within an existing building.

The model focuses on objectively balancing economy, efficiency, effectiveness and equality. This is built into our budgeting procurement and quality processes.

Our ambition is to build safe commercial environments where partners are comfortable

sharing knowledge and lessons learnt to limit risk, provide ongoing assurance and discover efficiency opportunities throughout the Programme. We regularly monitor the effectiveness of the Value for Money model and ensure our contracts seek fair payment terms. The Delivery Authority can demonstrate that over 95% of invoices (by volume) are paid on time.

The immense scale of the R&R Programme will call upon the skills and expertise of companies of all sizes, across a broad range of sectors.

We're pro-actively seeking early supply chain engagement and dialogue to ensure that the R&R Programme is informed by best practice and shaped by supplier insights and feedback. In addition, we have signed up to the Conflicts Avoidance Pledge to support our supply chain and demonstrate our adherence to best practice.

[End of box]

UK-wide engagement

We plan that the Programme will deliver a broad spectrum of benefits to industry and local communities right across the UK. Our procurements will aim to bring opportunities for suppliers of all shapes and sizes and from all regions across England, Scotland, Northern Ireland, and Wales. We have a good track record of this already with around 65% of our survey contractor spend being with Small and Medium-sized enterprises and awarded to contractors outside of London.

This year, we engaged with suppliers nationally to understand how best we can support them to deliver our Programme through a series of roundtable meetings and visits to other programmes across every nation and region of the UK.



[Box]

National roadshows and UK learning opportunities

Since 2021, the Delivery Authority has visited every English region and UK nation to host roundtable meetings to discuss how the benefits and opportunities created by the Programme can be made accessible across the UK. We partnered with the British Chambers of Commerce for the roundtables in the English regions, the Scottish Chambers of Commerce for two meetings in

Scotland, the Northern Ireland Chamber of Commerce for one roundtable in Belfast, Chambers Wales for South Wales and the West Cheshire and North Wales Chamber of Commerce for the meeting in North Wales.

Through 13 roundtable meetings, the Delivery Authority met with 238 representatives from local businesses, SMEs, training providers and local government from across the whole of the UK. Feedback from the sessions has been very positive with 96% of attendees rating them as “useful” or “very useful”.

We have also taken the opportunity to learn from 30 site visits around the UK (in 2023) engaging closely with historic buildings such as Manchester and Rochdale Town Halls, Buckingham Palace, the Palace Theatre in Swansea, Inverness Castle, King’s Lynn Town Hall, the Maison Dieu in Dover, the Bristol Beacon, Glasgow School of Art, and with major asset owning clients such as Sellafield, Network Rail, Anglian Water, the Submarine Delivery Agency and the Highways Agency to look at the models they use to deliver complex programmes.

[End of box]

Financial planning

We have continued to develop the quality of our financial planning and have reinstated a high level, three-year, medium-term planning process. The accuracy of financial forecasting remains challenging given uncertainties and dependencies which remain across the Programme but continues to improve.

Data and Digital

Data and Digital activities have been reviewed given developments on the Programme to ensure that areas of investment are appropriate at this stage. Investment over 2023/24 has been with the aim of further streamlining and rationalising digital systems, building on work that has previously been undertaken in this area (reducing operating costs by a further £5m per annum). We have looked to enhance our digital construction capability, creating the systems and data environment that will be required in order to be able to deliver core Programme capabilities including digital asset management and design document management amongst others.

Importantly, we have further enhanced both our infrastructure and cyber security resilience, recognising that these are areas where we need to ensure regulatory compliance and need to exercise vigilance, given the obvious risks that exist.

Financial results

The Delivery Authority continues to be funded by a Parliamentary Works Grant, which is reviewed and laid by the Parliamentary Works Estimates Commission. This is administered by the Corporate Officers of the House of Commons and House of Lords.

Revenue (Resource Departmental Expenditure Limit) expenditure in 2023/24 was £75.5m, with income of £0.3m. The main areas of spend reflect the work required to progress the objectives outlined above. In particular, spend has been concentrated on design and technical studies, alongside Programme scheduling, cost and risk estimating to inform the options shortlisting process and Strategic Case

development. Expenditure on surveys also continues to inform design and construction planning. Expenditure in areas such as data and digital and corporate capability enabled the Delivery Authority to operate efficiently, deliver its legal and governance requirements, support the conclusion of the Transition Programme and be appropriately prepared for the next stage of work. Ensuring that these areas of the Delivery Authority were right-sized was a key focus of the organisational review.

The organisational review, alongside the continual targeting of savings and the deferral of activity into future years to reflect the latest Programme schedule meant that the Delivery Authority was able to return over £5m of funding through the Supplementary Estimate process. This exceeded the £2m savings targeted to the Delivery Authority by the R&R Programme Board. **Our full financial performance data is contained within our financial statements and supporting notes.**

Sustainability

Sustainability and social value forms an essential part of what we do in the Delivery Authority, from how we develop designs to how we employ our staff, to how we engage with the market of suppliers. Our Sustainability and Social Value strategy, **Preserving the Past, Protecting the Future**

(https://www.restorationandrenewal.uk/sites/default/files/2024-02/preserving_the_past_protecting_the_future.pdf), sets out the Programme's approach to social value and good progress has been made against each of the following three key areas:

Create a Lasting Legacy (jobs, training and skills, safety and accessibility)

Our Skills, Education, and Employment plan has been updated to address the impacts of the pandemic and the prevailing cost-of-living challenges. As an active member of the Trailblazer group, led by Historic England, we've played a pivotal role in shaping new

apprenticeship standards aimed at enhancing skills and capacity within the sector including the development and approval of the Level 5 Heritage Construction Specialist Apprenticeship Standard.

In alignment with our commitment to fostering sustainable employment, we have supported various apprenticeships. Our focus remains on offering meaningful employment opportunities, prioritising under-represented groups and individuals facing unemployment, underemployment, or reliance on disability benefits wherever feasible.

Sustain Cultural Significance (heritage and conservation)

Museum of London Archaeology was engaged to conduct a comprehensive geoarchaeological watching brief during geotechnical ground investigations. Additionally, they were appointed to contribute to an archaeological trial pit evaluation programme led by our internal archaeological team in collaboration with consultants and external regulators.

Concurrently, other contracted specialists continued monitoring to evaluate construction-induced vibrations and establish baseline conditions for heritage assets within the Palace. **This is helping to plan our work around the decant of the Heritage Collections.**

Act on Climate Change (environment including carbon and climate resilience)

The Palace of Westminster needs to be resilient to changes in the climate so that it can continue to operate as the working home of Parliament in the future. We have established a structure to integrate climate risk assessments as part of the overall risk management process and have also assigned a responsible climate risk owner at the executive level. Climate change risks for both the organisation and programme delivery have been included in the Programme's risk registers and are reviewed periodically. This is aligned with guidance from the Task force for Climate-Related Financial Disclosures (TCFD). Full climate related reporting will be

provided when the organisation meets the threshold for mandatory climate related reporting requirements.

We are committed to delivering a net zero carbon programme that will follow industry good practice for carbon reduction and offsetting of carbon emissions. We are developing a carbon reduction plan that will set out our Programme targets and the approach to measuring the carbon footprint. The developing design for the Palace is targeting the complete removal of fossil fuels for the heating and cooling systems in support of Parliament's targets for delivering net zero by 2050.

Utilities and Carbon Reporting

The information opposite sets out the energy consumption and emissions across the Delivery Authority.

2023/24

- Gas consumptions kWh: 149,483
- Electricity consumption kWh: 101,084
- Water consumptions m³: 558
- Scope 1: Direct tCO₂e: 27
- Scope 2: Indirect tCO₂e: 21
- Scope 3: Business Travel tCO₂e: 7.2
- Total expenditure on energy: £22k
- Total expenditure on business travel: £21k

2023/24 (per occupant)

- Gas consumptions kWh: 610
- Electricity consumption kWh: 413
- Water consumptions m³: 2.28
- Scope 1: Direct tCO₂e: -
- Scope 2: Indirect tCO₂e: -
- Scope 3: Business Travel tCO₂e: -
- Total expenditure on energy: -
- Total expenditure on business travel: -

2022/23

- Gas consumptions kWh: 116,863
- Electricity consumption kWh: 84,927 (restated)(see note)
- Water consumptions m³: 453 (restated)(see note)
- Scope 1: Direct tCO₂e: 21
- Scope 2: Indirect tCO₂e: 16 (restated)
- Scope 3: Business Travel tCO₂e: 11.7
- Total expenditure on energy: £11k
- Total expenditure on business travel: £23k

2022/23 (per occupant)

- Gas consumptions kWh: 491
- Electricity consumption kWh: 357 (restated)(see note)
- Water consumptions m³: 1.9 (restated)(see note)
- Scope 1: Direct tCO₂e: -
- Scope 2: Indirect tCO₂e: -
- Scope 3: Business Travel tCO₂e: -
- Total expenditure on energy: -
- Total expenditure on business travel: -

In 2023/24, the electricity and water consumption have been calculated from submeter readings provided by the building manager. The gas consumption has been apportioned by applying the ratio of floor area occupied by the Delivery Authority to the total area of the building.

Scope 1, 2 and 3 (business travel) carbon emissions have been reported in line with the UK Government environmental reporting guidelines (2019). The 2023 UK Government GHG Conversion Factors for company reporting were used to calculate the carbon emissions for 2023/24.

Note: 2022/23 electricity and water figures have been restated to include actual meter readings and corrections to faulty meter readings.

Total waste (recycled, incinerated, landfill)

2023/24 (tonnes)

- Total Waste: 4.8
- Total Waste Recycled: 2.2
- Total Waste for Incineration: 2.6
- Total Waste to Landfill: 0.0

2022/23 (tonnes)

- Total Waste: 5.1
- Total Waste Recycled: 2.3
- Total Waste for Incineration: 2.8
- Total Waste to Landfill: 0.0

We have established a waste procedure to ensure that we manage waste responsibly. Waste minimisation and recycling communications are shared with colleagues and building users. Regular compliance checks are also in place to ensure that our 'waste duty of care' is also met by our suppliers who work on site. Pollution prevention measures are in

place, and there were no reportable environmental pollution incidents during the reporting year.

Section 172(1) Statement

The Companies Act (Miscellaneous Reporting) Regulations 2018 apply to the Delivery Authority. As such the directors of the company are required to report how they have considered their duties under s.172 of the Companies Act during the reporting period. In doing so directors should have regard to certain matters, including:

- The likely consequence of any decision in the long term (see **‘Principal risks and uncertainties’** section and **‘Likely future developments in the business’** section)
- The interest of the organisation’s employees (**see Remuneration and Employee Report**)

- The need to foster the company's relationships with suppliers and others (**see reporting around UK-wide engagement and Strategic Partner procurement**)
- The impact of the organisation's operations on the community and the environment (**see 'Sustainability' section**)
- The desirability of the organisation maintaining a reputation for high standards of conduct (**see 'Management Assurance' section in the Governance Statement**)

The formal governance of the company and the constitution of the Board have been established to facilitate proper consideration by the Board of the impact of the company's operations in the context of these factors. The Governance Statement details key relevant decisions that have been taken and matters that have been considered at Board and Committee level during this year (**see Governance Statement paragraphs 36-37**).

Appropriate input from and oversight by the Board, consistent with the duties of the directors, has been provided throughout the reporting period in relation to the proposed changes to the Programme and the governance changes that followed.

As such the Board of Directors of the Delivery Authority consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and the matters set out in s.172 (1)(a-f) of the Companies Act).

Principal risks and uncertainties

The Delivery Authority's risk management framework has continued to mature this year. The Corporate Risk Group, comprised of Executive Committee Members, met monthly to review strategic and corporate risks and ensure that the right risks were recorded and

appropriate mitigations put in place. The Risk, Assurance and Audit Committee continues to play a key role in this area and throughout the reporting period has advised the Board on the adequacy of risk management, internal control, management effectiveness and governance arrangements. Over the past year, the Delivery Authority Board carried out deep dives on the strategic risks and approved the updated Risk Appetite Statement. The Board also reviewed and discussed the organisation's approach to risk and contingency estimation for the Programme Business Case proposals.

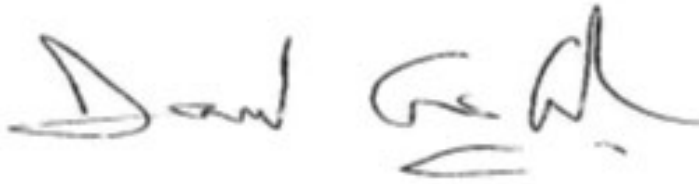
Throughout the course of 2023/24, we focused on the following strategic risks:

- Political agreement and funding
- Programme scope, interfaces and dependencies
- Recruitment and retention
- Major incident (cyber and physical)
- Supply chain

The inclusion of a third option - Enhanced Maintenance and Improvement - in the Strategic Case, as well as potential legislative change to the Parliamentary Buildings (Restoration and Renewal) Act 2019, presents risks and uncertainties for the Delivery Authority. The risks and uncertainties are most specifically in relation to our work on temporary accommodation, and planned future procurements. In addition, we know that the recent General Election will result in changes to membership of the Programme's key governance bodies, possibly affecting the timing of future decisions. Risks of carrying out work that may not be of value at this stage, depending on future decisions, needs to be balanced with the risks of future delays to the Programme if necessary enabling activities have not progressed.

As we move into the next financial year, the Board will continue to work with the Executive Team to ensure that these uncertainties and risks are managed effectively. Further information on strategic risk management can be found in section 4 of the Governance Statement

Signed on behalf of the Board:

A handwritten signature in black ink, appearing to read "David Goldstone". The signature is written in a cursive style with a large initial 'D' and a prominent 'G'.

David Goldstone CBE

Chief Executive and Accounting Officer

08 July 2024

Directors' Report

The Directors of the Delivery Authority present their Directors' Report and financial statements for the year ended 31 March 2024.

Directors

The Directors of the Delivery Authority are the Non-Executive Board Members and those Executive Team Members whose details are set out in the [DA Board section](#).

Register of interests

The Executive Team and Board Members must complete a declaration of interests. There were no declarations of significant company directorships or other interests that may have conflicted with their management responsibilities. Related Party interests are disclosed in Note 14 to the financial statements.

Financial results

During the year the Delivery Authority has incurred £75.5m of operating expenditure, funded by £75.2m of grant funding alongside a small element of other income from recovery of recharges from the House of Commons, both from colleagues seconded to Parliament, and on behalf of the Client Team for digital support costs. This results in a zero-profit position for the year which was as anticipated and as in previous years.

The total net costs incurred were £10.4m lower than the original budget. This reduction arose both from targeting savings and from the re-profiling of activity into future years to reflect the latest Programme schedule. Further detail is contained within our [Strategic Report](#) and within the [Financial Statements](#).

Financial risk management objectives and policies

The Delivery Authority is funded by a Parliamentary Works Grant, reviewed and laid by the Parliamentary Works Estimates Commission. The Parliamentary Works Grant is administered by the Corporate Officers of the House of Commons and House of Lords.

The Delivery Authority is funded by amounts voted annually via Parliament and is exposed to limited financial risk. Robust policies remain in place to ensure that the Delivery Authority's expenditure is appropriately monitored and controlled, as part of the organisation's commitment to ensuring value for money and safeguarding its assets against fraud and impropriety.

Likely future developments in the business

The Delivery Authority will continue to focus on the more detailed development of the two shortlisted options that it is responsible for, as well as providing support to the in-house Parliamentary team with their development of the third option ready for inclusion in the Programme Business Case currently planned for 2025. It will also continue to plan for early and enabling works, as well as progressing temporary accommodation arrangements for the House of Lords, to ensure that there can be a move to main works as soon as possible after a Parliamentary vote on detailed and costed proposals.

As outlined above, the inclusion of the third option - Enhanced Maintenance and Improvement in the Strategic Case, as well as potential legislative change presents risks and uncertainties for the Delivery Authority. Onward timescales particularly in relation to temporary accommodation, strategic partner procurement and for decisions by the Houses on detailed

and costed proposals have a number of dependencies outside the control of the Delivery Authority. Any significant deviation to the planned timescales would likely have an impact on the work and the resourcing of the Delivery Authority and this will be kept under review as we move through the remainder of this year.

From a research and development perspective, the organisation will continue to explore cost effective and innovative solutions to ensure the design of the restoration is safe, efficient and delivers value for money.

Personal data incidents

There were no notifiable personal data breaches under GDPR or the Data Protection Act 2018 in the period.

Auditor of the Restoration and Renewal Delivery Authority Limited

The R&R Act appointed the Comptroller and Auditor General (C&AG) as the Delivery Authority's external auditor. The audit is undertaken on behalf of the C&AG by the National Audit Office, and it has been agreed that the National Audit Office will not charge a cash fee to the Delivery Authority but will instead charge a notional fee to the Parliamentary Works Grant. There is therefore no auditor's remuneration reported in the Income Statement of the accounts. The total notional cost of the Delivery Authority audit is £77,000. No remuneration has been provided to the National Audit Office for non-audit services.

Employees

The number of employees and related costs can be found in Note 3 to the financial statements.

Disabled persons

The Delivery Authority has maintained its Disability Confident Employer status. We actively work to ensure that our recruitment process is fully inclusive and accessible, including offering an interview to disabled applicants who meet the minimum criteria for the role. In the period under review, we have put in place several workplace adjustments to remove or mitigate physical and/ or digital barriers experienced, and to facilitate a positive and inclusive working environment, where all colleagues can work at their best.

Statement of Directors' and Accounting Officer's responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The Directors and Accounting Officer are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors and the Accounting Officer to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards.

Under company law the Directors and Accounting Officer must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing

these financial statements, the Directors and Accounting Officer are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so

The Directors and Accounting Officer are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial

position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material mis-statement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors and Accounting Officer are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.


The Directors and Accounting Officer confirm that they have followed all the above requirements. For the avoidance of doubt, the Directors and Accounting Officer confirm that they believe that the Annual Report and Accounts as a whole are fair, balanced and understandable and that they take personal responsibility for the Annual Report and

Accounts and the judgements required for determining that it is fair, balanced and understandable.

Statement of disclosure to auditor

The Directors who held office at the date of approval of this Directors' report, including the Accounting Officer, confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Signed on behalf of the Board:

A handwritten signature in black ink, appearing to read 'David Goldstone', written over a faint horizontal line.

David Goldstone CBE

Chief Executive and Accounting Officer

08 July 2024

Governance Statement

1. Statement by Accounting Officer

- 1.1 This is my personal statement as Accounting Officer for the Delivery Authority describing how I have discharged my duties to manage and control the resources of the Delivery Authority during the last year, through the governance and controls structure and workings of the organisation.

- 1.2 In addition to my close day-to-day involvement with and oversight of the Delivery Authority's operations, this governance statement draws on a number of sources of information including, but not limited to:
 - Feedback received from the Board of Directors, the Chairs of each Board Committee and Executive Directors; and

- Internal and external reviews and audits of existing corporate governance practices

1.3 I am satisfied that the Delivery Authority's corporate governance practices have continued to provide effective governance during this reporting period, particularly as there has been strengthening in some areas as part of continuous improvement following the implementation of recommendations from an external governance review (which was conducted in the last quarter of 2022/23).

2. Governance Framework

- 2.1** The overarching governance framework including the role of relevant entities is outlined in the **Introduction**.
- 2.2** The Delivery Authority is required by the Programme Delivery Agreement (PDA) to comply with the Corporate Governance in Central Government Departments Code of Good Practice. I confirm that the Delivery

Authority has complied with all the principles contained within the Code, but in common with the last reporting period, implementation of such principles has been tailored to the particular nature of the Delivery Authority (as compared to the central government departments to which the Code is mainly aimed) and where supporting provisions directly relate to the operation of central government departments, alternative arrangements have been adopted by the Delivery Authority to ensure compliance.

2.3 Some examples of this tailored implementation include:

- **Accountability:** The Code requires that the “minister in charge of the department is responsible and answerable to Parliament for the exercise of the powers on which the administration of that department depends”. The Delivery Authority does not have a minister in charge of its operation, however equivalent oversight is afforded as follows:

- The Board of the Delivery Authority is accountable to the Corporate Officers of the House of Commons and the House of Lords
 - The Board of the Delivery Authority has a Member who is appointed by the Corporate Officers
 - The Delivery Authority works with the Corporate Officers to respond to Parliamentary Questions pertaining to the work of the R&R Programme.
-
- Arm's length bodies: The Code requires "Where part of the business of the department is conducted with and through arm's length bodies (ALBs), the department's board should ensure that there are robust governance arrangements with each ALB board. These arrangements should set out the terms of their relationship in accordance with the principles and standards set out in Partnerships between departments and arm's length bodies: code of good practice." As the Delivery Authority is not a government department, and is more

akin to an arms lengths body itself, compliance with that code of practice would not be appropriate. Rather, the terms of the Delivery Authority's relationship with the Corporate Officers are set out in the Programme Delivery Agreement (PDA).

Restoration and Renewal Programme Governance

2.4 The overarching governance of the R&R Programme consists of a joint department of the two Houses fulfilling the sponsorship function (the 'Client Team') with oversight of the Programme being the joint responsibility of the House of Commons and House of Lords Commission (forming the 'Client Board'). Supporting the Client Board is a 'Programme Board', combining Parliamentary representation with independent major project and heritage conservation expertise.

2.5 The R&R Programme Board held its first meeting in February 2023 and the Client Board in December 2022 and this governance structure has continued to operate throughout the reporting period.

Delivery Authority Governance Structure

2.6 The diagram below shows the Delivery Authority's Governance structure.

[The standard print version contains a flow chart showing the following information. Level 1 is at the top:

Level 1: **Delivery Authority Board**

[Level 1 leads to level 2]

Level 2:

- Risk, Assurance and Audit Committee
- Nominations and Remuneration Committee
- Health, Safety, Wellbeing and Sustainability Committee
- Finance Committee

[Please see page 31 of the standard print version for the visual information]

2.7 During the 2023/24 period, a series of reforms and improvements were made to the Delivery Authority's governance. This was following an external Board effectiveness review carried out in 2023, which recommended that the Delivery Authority review its governance to ensure it was proportionate to the current phase of the R&R Programme.

2.8 In making the improvements, the Board was cognisant of the changes in the wider R&R Programme governance within Parliament (see paragraph 2.4), following the establishment of the Programme Board and the Client Board, as well as lessons from reviewing its own effectiveness. These changes were as follows:

- **A Refocus of Board Business and Meeting Effectiveness:** The frequency of Delivery Authority Board meetings was carefully reviewed and, following consultation with Members and in line with the recommendation from the external Board effectiveness review, the frequency of meetings was reduced from

ten a year to six. This better aligns the Delivery Authority with similar organisations and will support the Board in its focus on strategic matters and longer-term issues. The Board continues to receive reports and updates on information between meetings and Non-Executive Directors have regular meetings with Executives outside of the Board's meeting schedule.

- **Committee meetings:** To align with the Board calendar, it was also deemed appropriate to reduce the frequency of some of the Board's Committee meetings. As such, the Risk, Assurance and Audit Committee (RAAC) now meets four times a year and the Health, Safety, Wellbeing and Sustainability (HSWS) Committee meets twice a year. In addition to the regular financial reporting to the Board, the Finance Committee meets once a year to review the Delivery Authority's Annual Budget, and on an ad hoc basis as required.

- **The Investment Committee:** Given the management of the current commercial arrangements and the centrality of the future strategic partners procurement to the Delivery Authority's activities, it was agreed that the Board would retain responsibility for matters that were formerly within the remit of the Committee. As such, a separate forum was not required, and this Committee was stood down.
- **Data and Digital Advisory Group:** The D&D Advisory Group was set up in May 2022 with a remit to advise the Board and the RAAC on the appropriateness of the D&D strategy and arrangements. In July 2023 a new Director was appointed to the Board who had extensive digital and data expertise and therefore, alongside the slower than anticipated investment in D&D activities, it was deemed that the Board no longer required the input of the Data and Digital Advisory Group, and it was disbanded in September 2023.

3. Board and Committees

Non-Executive Directors

Mike Brown CBE MVO

Chair



Committees:

- Health, Safety, Wellbeing and Sustainability
- Nominations and Remuneration
- Finance (Committee Chair)

Anne Baldock



Committees:

- Risk, Assurance and Audit
- Nominations and Remuneration (Committee Chair)

Susan Cooklin



Committees:

- Risk, Assurance and Audit

Prof Stephen Duckworth OBE



Committees:

- Health, Safety, Wellbeing and Sustainability (Committee Chair)
- Nominations and Remuneration

Anne McMeel



Committees:

- Risk, Assurance and Audit (Committee Chair)
- Finance

Neil Sachdev MBE



Committees:

- Health, Safety, Wellbeing and Sustainability
- Finance

Dr Simon Thurley CBE



Committees:

- Risk, Assurance and Audit
- Nominations and Remuneration

Executive Directors

David Goldstone CBE
CEO



Committees:

- Health, Safety, Wellbeing and Sustainability
- Finance

Tanya Coff
Chief Financial Officer



Matthew White

Programme Director



Committees:

- Health, Safety, Wellbeing and Sustainability

3.1 Updates to the appointments to the Board of the Delivery Authority during the reporting period were as follows:

- Anne Baldock was re-appointed as Non-Executive Director and Board Member on 9 May 2023 for a three-year term up until 17 May 2026.
- Anne McMeel was re-appointed as Non-Executive Director and Board Member on 9 May 2023 for a three-year term up until 17 May 2026.

- Susan Cooklin was appointed as Non-Executive Director and Board Member on 1 July 2023 for a three-year term up until 1 July 2026.
- David Goldstone resigned as Chief Executive Officer on 27 March 2024 and is currently serving his contractual period of notice.

3.2 In addition, the Corporate Officers made the following updates to the appointments to the Board of the Delivery Authority during the reporting period:

- Mike Brown was re-appointed by the Corporate Officers as Chair of the Delivery Authority Board on 28 April 2023 for a three-year term up until 30 April 2026.
- Simon Thurley was re-appointed by the Corporate Officers as Non-Executive Director and Board Member on 28 April 2023 for a three-year term until 30 April 2026.
- Simon Wright's appointment came to an end on 30 April 2023.

- 3.3** Each Member of the Board is appointed with full knowledge of their expected commitment to the Delivery Authority, and each committed sufficient time to the Delivery Authority to enable them to discharge their duties effectively.
- 3.4** During the reporting period, the Board has formally met nine times. The attendance of each Director at the Board meetings and the meetings of the Board Committees of which they are Members is as follows:

DA Board

- Mike Brown: 9 of 9
- Anne Baldock: 8 of 9
- Susan Cooklin (see note 1): 5 of 6
- Prof Stephen Duckworth: 9 of 9
- Anne McMeel: 9 of 9
- Neil Sachdev: 8 of 9
- Simon Thurley (see note 4): 7 of 9
- Tanya Coff: 9 of 9
- David Goldstone: 9 of 9
- Matthew White: 8 of 9
- Simon Wright (see note 2): 1 of 1

NRC

- Mike Brown: 4 of 4
- Anne Baldock: 4 of 4
- Susan Cooklin (see note1): -
- Prof Stephen Duckworth: 4 of 4
- Anne McMeel: -
- Neil Sachdev: -
- Simon Thurley (see note 4): -
- Tanya Coff: -
- David Goldstone: 4 of 4
- Matthew White: -
- Simon Wright (see note 2): -

RAAC

- Mike Brown: -
- Anne Baldock: 4 of 5
- Susan Cooklin (see note1): 2 of 2
- Prof Stephen Duckworth: -
- Anne McMeel: 5 of 5
- Neil Sachdev: -
- Simon Thurley (see note 4): 3 of 5 (see note 3)
- Tanya Coff: -

- David Goldstone: -
- Matthew White: -
- Simon Wright (see note 2): -

FC

- Mike Brown: 1 of 1
- Anne Baldock: -
- Susan Cooklin (see note1): -
- Prof Stephen Duckworth: -
- Anne McMeel: 1 of 1
- Neil Sachdev: -
- Simon Thurley (see note 4): -
- Tanya Coff: -
- David Goldstone: 1 of 1
- Matthew White: -
- Simon Wright (see note 2): -

HSWSC

- Mike Brown: 2 of 2
- Anne Baldock: -
- Susan Cooklin (see note1): -
- Prof Stephen Duckworth: 2 of 2
- Anne McMeel: -

- Neil Sachdev: 2 of 2
- Simon Thurley (see note 4): -
- Tanya Coff: -
- David Goldstone: 2 of 2
- Matthew White: 2 of 2
- Simon Wright (see note 2): -

Notes

Note 1: appointed 1 July 2023.

Note 2: appointment ended 30 April 2023.

Note 3: Simon Thurley stepped down from the Committee on 1 November 2023.

Note 4: Simon Thurley was appointed to the Nominations and Remunerations Committee on 25 March 2024

3.5 In addition to attending the meetings of Committees for which they are Members:

- Mike Brown regularly attended the Risk, Assurance and Audit Committee (RAAC) meetings.
- David Goldstone, Tanya Coff and Matthew White regularly attended the RAAC meetings.

- Tanya Coff and Matthew White attended the Finance Committee meeting.

3.6 The Delivery Authority maintains a register of interests for directors. At the start of each Board and Board Committee meeting, the Chair asks directors to declare any changes to their interests. Additionally, the Company Secretary validates entries with respective directors every six months. The register was verified and updated at the end of March 2024. This process ensures that any conflict of interests and outside employments of the Delivery Authority's directors are declared and recorded.

3.7 Disclosure of the interests of two Board Members were deemed to constitute a Related Party and as such are detailed in Note 14 to the financial statements on Related Parties.

Name of Director: Anne McMeel

- Name of company or organisation: Transport for London
- Position held: Board Member
- Type of interest e.g. pay, fees, shareholding: Fees
- Other relevant information: None

Name of Director: David Goldstone

- Name of company or organisation: Major Projects Association
- Position held: Director
- Type of interest e.g. pay, fees, shareholding: Fees
- Other relevant information: None

3.8 The core activities of the Board and the Board Committees are recorded and planned through the corporate plan and forward agendas. Examples of significant matters the Board considered during the year include:

R&R Programme

- Approved the Strategic Partners Commercial and Procurement Strategy
- Reviewed a new Programme Schedule and Organisational Review
- Approved a Prior Information Notice (PIN) to commence market engagement
- Reviewed the management of the contracts with current partners Jacobs and BDP
- Reviewed Programme developments, including proposals for Early R&R Projects and the strategy for Temporary Accommodation

Executive Team Reporting

- Regular updates on organisational, financial and R&R Programme developments and the Delivery Authority's deliverables and performance including, but not limited to, Health and Safety matters, HR matters, Security

updates, Data and Digital, Commercial and Legal matters.

Business, Finance and Risk Management

- The 2022/23 Annual Report and Accounts, the 2023/24 Supplementary Estimate Adjustment, the 2023/24 Corporate Plan and Organisational Performance Framework, and the 2024/25 Budget, prior to submission through the Parliamentary governance process
- Regular scrutiny and monitoring of financial matters
- Approved the Risk Appetite Statement and undertook regular reviews of the Strategic Risks

Governance, policies and strategies

- Approved a revised Corporate Governance Structure for the organisation following the recommendations arising from the 2022/23 external Board effectiveness review
- Approved the Terms of Reference for the Board's Committees
- Approved a Procurement Policy and Modern Slavery Statement

3.9 All Board and Board Committee actions and decisions are recorded in trackers, and the progress and closeout of actions is monitored and recorded.

Board Committees

3.10 There are four Committees in place to support the Board and ensure a robust governance system is in place. These Committees are:

- Health, Safety, Wellbeing and Sustainability Committee (HSWSC)
- Risk, Assurance and Audit Committee (RAAC)
- Nominations and Remuneration Committee (NRC)
- Finance Committee (FC)

3.11 Each Committee's terms of reference outline its membership, purpose, responsibilities, and reporting procedures and were approved by the Board. All Terms of Reference were updated and approved by the Board during the reporting period to reflect the revised governance structure.

3.12 The below information highlights the membership, remit and the key matters considered by the Committees during the reporting period.

Risk, Assurance, Audit Committee

Membership

Anne McMeel (Chair) + 2 other Non-Executives (NEDs)

Remit:

The purpose of the Committee is to advise and report to the Board on the adequacy of risk management, internal control, management effectiveness and governance arrangements to support the achievement of the strategic goals and objectives.

This includes:

- Overseeing the relationship with the external auditor
- Overseeing security matters
- With Board and NRC, reviewing management of the Delivery Authority's corporate and Programme performance framework

Key Matters Considered

- Internal Audit plans, activities and reports
- Security (physical, information and cyber) assurance
- Strategic risk, risk tolerances, risk appetite
- Assurance plans and activities, including integrated planning with internal audit and the Client Team
- Legal compliance monitoring and reports
- Information governance and personal data compliance
- Annual Reports and Accounts and external auditor reports
- 2023/24 Annual Audit Committee Report to the Board
- The DA's control environment, to support responding to the National Audit Office's (NAO) enquiries as part of their 2023-24 audit

Nominations and Remuneration Committee

Membership

Anne Baldock (Chair), 1 other NED, Delivery Authority Board Chair and CEO.

Remit

The purpose of the Committee is to set remuneration policies and practices, lead a robust process for nominations and appointments and consider organisational performance against performance measures.

Key Matters Considered

- Executive Remuneration
- Approach towards Performance Rewards and Pay Awards
- Delivery Authority workforce recruitment and composition
- Performance review process
- Pensions and employee benefits
- Non-executive directors' recruitment and remuneration

- 2022/23 EDI and Remuneration Reports and 2022/23 EDI Action Plan and Gender and Ethnicity Pay Gap Report
- Monitoring of HR metrics and developments

Finance Committee

Membership

Mike Brown (Chair), one NED, and the CEO.

Remit

The purpose of the Committee is to advise on financial matters and budgeting. The Committee's primary focus shall be on the annual budget and business plan, but it may also advise on financial performance, business planning and financial strategy.

Key Matters Considered

- 2024/25 Budget and Draft Business Plan

Health, Safety Wellbeing and Sustainability Committee

Membership

Stephen Duckworth (Chair) and four other Members, the majority of who are NEDs.

Remit

The purpose of the Committee is to assist and advise the Board in its consideration of Health, Safety, Wellbeing and Sustainability (HSWS) matters. This includes oversight, and periodic review of, the Company's HSWS policies, strategy, procedures, risks (and mitigation strategies) and assessing the Company's performance and compliance.

Key Matters Considered

- Health and Safety Critical Risks
- Health and Safety Performance Metrics
- Health and Safety Training
- Social Value Strategy
- Sustainability updates
- Mental Health and the Positive Mental Health Ambassador Network

Board Effectiveness - Improvement actions undertaken during the 2023/24 period

3.13 As detailed in paragraph 2.7, an external review of the Board effectiveness was conducted during the 2022/23 period. There were a series of recommended actions arising from this review which were completed and implemented during the reporting period. This included:

- Introducing a revised governance structure and meeting frequency
- Reviewing and revising the Board Regulations and Terms of Reference for the Committees
- Introducing a revised forward-look for the Board
- Introducing a new template for Board and Committee papers to support the Board in holding effective discussions

- Introducing deep dive sessions on key topics - such as on Health and Safety matters
- Scheduling quarterly risk deep-dive discussions
- Appointing a member to the Board with data and digital experience
- Revising internal communications to support colleagues in understanding the role of the Board and providing guidance on how to write an effective Board paper

Board Effectiveness - 2023/2024 Review

3.14 As a full external Board effectiveness review was undertaken in the last quarter of the 2022/23 financial year, with a report provided to the Board in March 2023, it was deemed appropriate for the Board to conduct an internally facilitated review in 2023/24. The Board held an open discussion based on a questionnaire to

review its effectiveness during the reporting period. The Board was satisfied that it had fulfilled its duties as required under the R&R Act and Programme Delivery Agreement. The Board agreed areas of focus to progress in 2024/25 as follows:

- Following a Board skills mapping exercise, reflect upon the composition of the Board and any areas for potential improvement
- A greater focus on strategic longer-term issues, supported by items on the agenda which focused on longer-term planning

Committee Effectiveness - improvement actions undertaken during the 2023/24 period

3.15 During the 2022/23 period, internally facilitated effectiveness reviews were conducted for the Risk, Assurance and Audit Committee, and the Nominations

and Remuneration Committee.

Improvements implemented in 2023/24 following those reviews were as follows:

- Risk, Assurance and Audit Committee - all recommended actions arising from the review were successfully implemented. This included revising and clarifying the Terms of Reference of the Committee and scheduling closed briefing sessions with NEDs and Executive Directors to deep dive into specific issues.
- Nominations and Remuneration Committee - the Terms of Reference for the Committee were revised and clarified following the effectiveness review.

Committee effectiveness -2023/24 Effectiveness Review

3.16 All Committees conducted internally facilitated reviews of their effectiveness during the reporting period. The key

recommendations arising from those reviews were as follows:

- Risk, Assurance and Audit Committee - the Committee followed the National Audit Office recommended process to assess its effectiveness, which comprised of Members responding to a questionnaire on key matters pertaining to its remit. The results from this review demonstrated that the Committee was effectively meeting the required standards. The Committee agreed areas of focus to progress in 2024/25 as follows:
 - Conduct a skills mapping exercise of Committee Members to identify any areas of strength or weaknesses
 - Introduce a report on financial near misses, to include in the Legal Compliance Report
 - Provide trend data on the Committee effectiveness evaluation going forward, by comparing results year-on-year

- Consider whether external evaluation would be appropriate for the next effectiveness review
- Nominations and Remuneration Committee - the Committee held an open discussion on its effectiveness based on a series of open questions to prompt discussion. The Committee agreed areas of focus to progress in 2024/25 as follows:
 - Conduct a skills mapping exercise of Board Members to identify any areas of strength and weakness
 - Consider appointing a Corporate Officer's appointed NED to the Committee
 - Schedule an annual item on the Committee's Forward Look to review succession planning
 - Schedule an annual item with the Board to ensure continual reminders on Directors Duties under the Companies Act 2006

- Finance Committee - the Committee held an open discussion on its effectiveness based on a series of open questions to prompt discussion.
- Given the revised frequency of the Finance Committee meetings, it was agreed that quarterly financial reports should continue to be submitted to the Board in 2024/25.
- Health, Safety, Wellbeing and Sustainability Committee - the Committee held an open discussion on its effectiveness based on a series of open questions to prompt discussion. The Committee agreed areas of focus to progress in 2024/25 as follows:
 - Notwithstanding the regular reporting which takes place to the DA Board, a new Health and Safety dashboard compliance report should be produced for the Committee to assist in its monitoring of Health and Safety assurance.

Board Composition, Skills and Experience Review

- 3.17** As recommended in the effectiveness reviews above, a skills and experience survey of Board Members was conducted during the reporting period. This exercise involved Board Members assessing themselves against a series of metrics in order to provide an evaluation of their skills and experience. This activity supports the Board in assessing the effectiveness of its overall composition.
- 3.18** The outcome of this review demonstrated that the Board has an appropriate balance and breadth of skills and experience, with no specific areas of concern identified. There were some areas of experience where the overall average score of Board Members was lower (such as experience in Building Heritage and Data and Digital). However, in both of these areas, there is a Board Member with extensive specific experience, and so a lower overall average score was not deemed a concern.

Whistleblowing

3.19 During the reporting period, there were no matters dealt with under the terms of the organisation's whistleblowing policy.

Executive Team

3.20 During the reporting period, the following changes in appointments to the Executive Team took place:

- Sophia Linehan-Biggs and Janet Coull Trisic were appointed to the Executive Team as the Director of Communications and External Affairs (job share) on 4 September 2023. This new role replaced the previous shared service provided by the Sponsor Body.
- Further to the organisation review conducted in 2023/24, Andy Piper was appointed to the Executive Team as, Design and Engineering Director, on 1 November 2023.

- Further to his role being made redundant as part of the organisation review conducted in 2023/24, Martin Bellamy, Chief Information Officer, left the organisation on 31 May 2024. This followed a transfer of his responsibilities to Tanya Coff, Chief Financial Officer, in February 2024.

Relationship with the Client Team

- 3.21** The Delivery Authority has maintained a positive relationship with the Client Team during the reporting period. This includes supporting the Client Team in key Programme governance meetings, such as the Programme Board, Client Board, and Joint Audit Committee meetings as well as holding regular bi-lateral meetings.
- 3.22** Additionally, the Corporate Officers (via the Client Team) have established a Programme Delivery Agreement Group (PDAG) for the purpose of collaboration between the Delivery Authority and Client Team, and reviewing progress made by the Delivery Authority against the key Programme milestones.

Transparency

- 3.23** The Delivery Authority is committed to transparency and openness and is required to comply with the Freedom of Information Act 2000 (FOIA).
- 3.24** The Delivery Authority reviews its Publication Scheme on an ongoing basis and makes a wide range of information readily accessible via its website.
- 3.25** During the reporting period, the Delivery Authority received eight Freedom of Information requests, all of which were responded to within the statutory deadline.
- 3.26** Previously, responsibility for data protection compliance and the Data Protection Officer role had been a shared service provided by the Sponsor Body then the Client Team. However, in November 2023, this responsibility was transferred to the Delivery Authority and the Delivery Authority established its own Data Protection Officer.

- 3.27** During the reporting period, the Delivery Authority received one Data Subject Access Request, which was responded to within the statutory deadline.
- 3.28** During the reporting period, there were no data breaches requiring reporting to the Information Commissioner's Office.
- 3.29** During the reporting period, there were no security breaches which required notifying to the Corporate Officers under the requirements of the Programme Delivery Agreement (PDA), Schedule 2, Section 15. However, to support collaborative working, the Delivery Authority made the Corporate Officers aware of lower risk security incidents which did not meet the threshold as defined in the PDA.

4. Strategic Risk Management

- 4.1 The Delivery Authority risk framework has been developed to align with current guidance from HM Treasury and ISO 31000:2018 Risk Management.
- 4.2 The process for reviewing strategic risks is well defined, with input from the Executive, RAAC and Board. Some risks have changed from last year, reflecting developments in the Programme including the impact of the new governance arrangements and also the increased maturity of information around key risk areas. Mitigations have been updated to reflect the current position.
- 4.3 The key strategic risks that could affect the Delivery Authority's ability to manage and deliver the R&R Programme, and which the Delivery Authority has focused on throughout the reporting period include:

- Political agreement and funding
 - Focused on risks of not obtaining political agreement to costed proposals for the Programme (including temporary accommodation) and the funding for Phase 2 (when delivery of the main works will take place)
 - Key mitigations include the development of quality inputs to the Programme Business Case, Parliamentary engagement (Client Team led) and effective programme governance to enable timely decision-making
- Programme scope, interfaces and dependencies
 - Focused on risks of a lack of clarity of programme scope and risks regarding a lack of visibility or required decision making on key dependencies for the Programme, for example in relation to temporary accommodation planning

- Key mitigations include agreement of Strategic Objectives by Programme governance, development of clear Programme roles and responsibilities, development of clear integrated schedule and close working with other key partners such as the Client Team and Strategic Estates
- Recruitment and retention
 - Focused on risks to the Delivery Authority's ability to attract and retain the key skills required to deliver the works, particularly in light of the extended Phase 1 period of the Programme
 - Key mitigations include benchmarking of remuneration package against the external market of programme delivery organisations, refreshing the Employee Value Proposition to attract and retain candidates and wherever possible, creating opportunities for colleague growth and development

- Major incident (physical and cyber)
 - Focused on risks of a major cyber incident or major health, safety, fire, or physical security incident
 - Mitigations include maintenance of the Business Continuity Plan and Emergency Management Plan, delivery of a Business Resilience exercise with implementation of key learning, delivery of key training to employees and contractors, maintenance of the Health and Safety management system and development of clear Health and Safety protocols with Parliament in relation to site works
- Supply chain
 - Focused on risks around the interest, capacity and capability of the supplier market to engage in the procurement process and ultimately to deliver the main works
 - Mitigations include early market engagement, keeping potential suppliers informed and ensuring that procurement activity is only progressed

with close coordination with Houses to ensure there can be confidence in the commitments being entered into

- 4.4** These strategic risks inform the R&R Programme Risks, which are owned by the R&R Programme Board and which the Delivery Authority work closely with the Client Team to mitigate.
- 4.5** The overriding risk that the Delivery Authority continues to face is the political appetite for and acceptability of the proposals. The inclusion of a third option - Enhanced Maintenance and Improvement - in the Strategic Case, as well as potential legislative change to the Parliamentary Buildings (Restoration and Renewal) Act 2019 also presents additional risks and uncertainties for the Delivery Authority.
- 4.6** In line with HM Treasury requirements for Accounting Officers, an Accounting Officer Assessment was commenced in the last quarter of 2023/24 and finalised in April 2024. The Assessment confirmed that all

four Accounting Officer standards (regularity, propriety, value for money and feasibility) were being met. This exercise did bring to light that there was no formally defined process in place for the Delivery Authority Accounting Officer to seek a direction, if that were to be required. Advice has been received from HM Treasury to define this process for the future and this is being taken forward during 2024/25.

- 4.7** The focus for the next financial year will be to continue working closely with the Client Team to communicate and mitigate the key above risks to support the successful delivery of the Programme Business Case, whilst preparing the organisation's transition to a model suitable for delivering the programme of works proposed.

5. Internal Control

- 5.1** The Delivery Authority's internal controls are designed to ensure delivery of organisational and Programme objectives in a compliant, effective and efficient manner, while safeguarding the funds and assets in accordance with HM Treasury's 'Managing Public Money'.
- 5.2** The development of the Integrated Management System (IMS) helps to identify the Delivery Authority's key control frameworks and how the business will operate. The policies, strategies, plans, processes, procedures, templates, work instructions and guidance documents go through a detailed review process, are quality and compliance checked prior to approval and are maintained in line with the Delivery Authority's document control procedures. During the period work has been on-going to rationalise the policies framework. The IMS will be further developed and matured during 2024/25 and will be an important component to achieve the ISO27001 security accreditation.

5.3 The IMS helps to make sure that the Delivery Authority's activities are carried out in a consistent and efficient manner, complying with the PDA, other Client Team and Parliamentary requirements, and legal and regulatory requirements. The Delivery Authority also maintains risk registers at strategic, corporate, Programme, and individual project levels, as referred to in section 4, above.

6. Integrated Assurance

6.1 Integrated Assurance in the Delivery Authority is structured in line with the Institute of Internal Auditors' "Three Lines Model", and good practice within the Government's Orange Book and Functional Standard for Project Delivery, covering portfolio, programme and project management.

6.2 The Integrated Assurance model was updated in 2022 as part of a review of the overall audit and assurance arrangements

and remains in line with the Programme governance structure that is in operation. The Delivery Authority's Three Lines of Assurance span the entire organisation and its suppliers and are illustrated below.

DA Three Lines Model

Based upon IIA Updated Three Lines Model (2020)

Supply Chain

Suppliers and Delivery Partners

- Produce outputs for the 1st Line in accordance with agreed contractual arrangements;
- Suppliers and delivery partners internal controls in place, through ISO certified management systems, appropriate quality assurance and self-certification.

[Leads to]

First Line of Assurance

Programme and Functional Teams

- Follows standardised ways of working, adhering to H&S, Quality, Environmental, Information Security, Design and other relevant standards and industry best practices;
- Provides the relevant control environment to ensure that DA delivery teams, suppliers and delivery partners are on track to deliver the business objectives in support of the R&R Programme outcomes and other Corporate requirements.

Second Line of Assurance

Organisational Management and Programme Assurance

- One step removed from 1st Line;
- Provides proportionate 2nd Line assurance expertise to challenge the 1st Line controls;
- Provides assurance on risk related matters for project delivery, the wider R&R Programme and business operations;

- Provides confidence that the DA 1st Line arrangements, suppliers and delivery partners are on track to deliver business objectives in support of the R&R Programme outcomes and corporate requirements.

Third Line

Internal Audit

- Independent from the 1st and 2nd Lines;
- Provides assurance on the overall organisation's governance, risk and control framework.

External assurance providers

- External, third-party subject matter experts;
- Provides independent expertise on matters related to the delivery of the DA Programme Objectives and Financial Reporting requirements.

- 6.3** The Delivery Authority maintains a Combined Assurance Plan which is a record of both the planned and completed assurance activities within the organisation, including those of both the Programme Assurance and Internal Audit teams. This helps to plan the timing of assurance activities to provide the most benefit to the organisation, as well as supporting the Delivery Authority's overall governance and control environment, and are linked to the key Programme milestones.
- 6.4** The results of assurance activities are reported to the Integrated Assurance Group each month. Key findings and any areas for escalation are reported to the Executive Committee, the Risk, Assurance and Audit Committee, and the R&R Programme Board.
- 6.5** Further assurance activities undertaken by the Client Team, such as continued technical assurance of Delivery Authority activity by Client-Representatives (C-Reps) and external 'gateway type' reviews

of programme management, are considered to be external assurance to the Delivery Authority but feed into the overall view of assurance.

- 6.6** The Client Team also owns a risk-based R&R Integrated Approvals and Assurance Plan, which is managed in conjunction with the Delivery Authority and regularly reviewed by both parties to minimise the risk of duplication or assurance gaps.

7. Management Assurance

- 7.1** The Delivery Authority continues to check and validate its governance processes, including through the annual questionnaires to Executive Directors on legal compliance and governance.
- 7.2** The responses to the legal compliance questionnaire - which asked whether there had been any legal compliance issues, such as commercial claims, legal proceedings for discriminatory practices,

or legal breaches notifiable to external authorities - were all negative. However, the handling of personal data and the strengthening of compliance with the UK Data Protection Act (2018) was highlighted as an area to progress in 2024/25.

7.3 The responses to the governance questionnaire - which covered areas such as risk management, use of resources, processes and controls, and culture and capabilities - indicate good confidence in the control environment, with the majority of responses being 'fully or largely appropriate and confident'. A number of improvements were identified as having been implemented in the reporting period, including continued developments to the organisation's systems to automate financial reporting and reduce the risk of human error or unauthorised changes to the use of resources, and enhanced mandatory training modules for all colleagues.

7.4 There were some areas identified where the Directorate had assessed ‘partial’ confidence. The main areas highlighted in the questionnaire responses to progress in 2023/24 were on improving information management - including training, document management and compliance with the Parliamentary Protective Marking Scheme - and improving succession planning. There is a programme of work underway to improve the Delivery Authority’s Information Management (as detailed further in Section 9) and the Risk, Assurance and Audit Committee is monitoring the delivery of this work. In addition, the Nominations and Remuneration Committee has identified succession planning as an area of focus for 2024/25.

8. Internal Audit Opinion

8.1 In compiling this governance statement, I have also been informed by the work of Internal Audit. In his annual report, the Head of Internal Audit stated the following:

“In conclusion, the organisation’s control environment continues to mature. The DA’s Governance arrangements operate effectively, and its risk management and reporting continues to evolve. The Internal Audit reviews that identified significant improvement opportunities tended to relate to improved cross-business efficiency and effectiveness, rather than as a result of fundamental control weaknesses. This is symptomatic of the organisation’s relative newness and continuing development: operational systems, processes and controls while robust, were originally developed by individual functions, and our cross-functional reviews have subsequently identified opportunity for more holistic processes and improved efficiency and effectiveness. This continued organisational maturity, coupled with increased visibility in the

implementation of audit actions, has enabled me to provide **reasonable assurance** on the overall adequacy and effectiveness of the organisation's current framework of governance, risk management and control.”

9. Information Governance

9.1 Management capabilities audits have taken place in the reporting period. As a result of these audits, the Delivery Authority has invested effort in reviewing and improving the foundations of our information management. Together with the Client Team, the Delivery Authority has identified the need to review the PDA requirements and update the Information Governance Strategy to update assurance requirements. There have also been improvements in measures for managing classified and sensitive Parliamentary information and data, including information classification training and the utilisation of technical cyber tooling.

9.2 In addition, the Parliamentary Information Authority has established eight assurance themes to assess the Delivery Authority's information management capabilities. The Delivery Authority continues to make positive progress against these themes and provides an Information Assurance Statement to the joint Parliament and Delivery Authority Information Governance Group for assurance.

9.3 The organisation's Information Management capability is continuing to mature, with further work required to improve compliance. This includes management of stakeholder document requests to ensure appropriate prioritisation and workload management. During the 2024/25 period, a series of improvements are planned to further mature the Delivery Authority's capabilities, which will include reviewing the operating model with the intention to develop leaner processes, greater automation, improved training tools to further ensure information management compliance.

9.4 The outcome of the annual Cyber Security Maturity Assessment confirmed the progress that had been made in designing greater security resilience. As reported to the Risk, Assurance and Audit Committee, nine out of ten of the National Cyber Security Centre's 10-step self-assessment framework to measure cyber security maturity achieved a green (satisfactory) status. Technical investments implemented to reach this status included: Managed Threat Intelligence, Enhanced Vulnerability Management, and Identity and Access Management configuration. The adoption of these investments has driven down strategic and operational risk. Further, the Delivery Authority has developed colleague learning and engagement activities to include a comprehensive simulated phishing campaign schedule as well as refreshing the all-colleague mandatory training.

9.5 The implementation of the ISO27001 standard, which is an Information Security Management System, began in September 2023. The intention is for the

Delivery Authority to fully adopt the standard into the Integrated Management System and work will continue in the 2024/25 period.

10. External Assurance

- 10.1** The Parliamentary Buildings Act (Restoration and Renewal) 2019 (paragraphs 9(6) and 9(7) of Schedule 2) sets out that the Comptroller and Auditor General shall be responsible for the auditing of the R&R Delivery Authority accounts. The NAO also audits the accounts of both Houses, of which the Client Team is a part.
- 10.2** The NAO published a review of the Programme in April 2020, which described the risks to securing value for money for the Programme and recommended how these risks could be reduced and the potential impact of not doing so.

10.3 The NAO published an update to this report in January 2022 which highlighted continued risks and the need to clarify dependencies. There have been a number of hearings at the Public Accounts Committee since then with one such hearing taking place within this reporting year, on 19 October 2023 (committees.parliament.uk/oralevidence/13697/html/). The main areas raised to date, from a governance perspective, have been around the new governance structures in place and how well they are thought to be working, cost and broader impacts arising from programme delay or indecision and overall value for money.

10.4 Following the changes to the Act and subsequent new Programme governance, the NAO is able to carry out value for money reviews of the whole Programme (including the Client Team) with the consent of the two Corporate Officers. The Delivery Authority welcomes any further reviews by the NAO over the coming years to ensure value for money is delivered for the taxpayer. We will also

continue to work with the NAO to apply any lessons that are identified as a result of other NAO reviews of major projects/programmes, as well as in relation to the NAO's role as the external auditor for the Delivery Authority.

10.5 The Delivery Authority will continue to support the Client Team in ensuring that the recommendations from any reviews and lessons learned from other projects are incorporated in the Delivery Authority's workplans.

Signed on behalf of the Board:

A handwritten signature in black ink, appearing to read 'David Goldstone', written in a cursive style.

David Goldstone CBE

Chief Executive and Accounting Officer

08 July 2024

Remuneration and Employee Report

Introduction

This report has been prepared in accordance with the requirements of the Companies Act 2006. It also complies with the Government Financial Reporting Manual (FReM) where appropriate and applicable and includes additional disclosures for transparency.

Remuneration policy

In accordance with Schedule 2 of the Restoration and Renewal Act, the Delivery Authority may appoint employees on such terms and conditions, including as to remuneration and allowances, as it may determine. In setting the Remuneration Policy, the Board determined that the Delivery Authority should, with consideration of it being a public body, provide a pay and reward framework that will attract and retain

appropriate skills, experience, and talent throughout the lifecycle of the Programme. The Remuneration Policy continues to reflect the need to recruit and retain appropriate skills to meet the complexity and significance of the R&R Programme.

We undertake independent, external benchmarking annually to ensure that total reward remains in line with market norms. Total reward means base pay, performance award and a wide range of other employee benefits.

Base Pay

The Delivery Authority has no collective agreements in place. To optimise operational flexibility, we have a broad band pay structure which is reflective of the relatively flat organisation structure. In April 2023 we increased the maximum of all pay bands, including the Executive Directors, by 4.75%, which was equal to the percentage of the general pay award. The maximum of the Apprentice pay band is unchanged because that pay band continues to have headroom.

We are committed to applying increases to the Living Wage rates at the earliest possible opportunity. Therefore, the colleagues to whom this applies received an increase of 10% (to £13.15/hour, up from £11.95/hour) with effect from 1 November 2023.

In line with our commitment to transparency, the pay and grading ranges for employees below the Executive Directors, are published on our website. The following information shows the salary ranges for these grades, as at 31 March 2024, and the number of people at each grade:

[In the following list we detail:

- Grade (see note 2): Minimum; Maximum; No. of people at 31 March 2024]
- 4: £90,000; £146,361; 25
- 3: £60,000; £102,995; 64
- 2: £40,000; £70,741; 31
- 1: £25,000; £48,788; 31
- Apprentice (London-based): £23,400; £45,000; 3

Note 2: Members of the Executive Committee sit in both Grade 4 and 5; their actual salaries are disclosed in the Remuneration Tables

Other components of total reward

Group Income Protection

In February 2023, the Delivery Authority commissioned an external consultant to undertake a review of the benefits offered to its employees. The aim of the review was to establish if the Delivery Authority's offering is sufficiently compelling and competitive to enable the organisation to continue to attract and retain the right, diverse, calibre of talent needed to deliver the Programme. As a consequence of the review, the Delivery Authority introduced Group Income Protection (GIP) as a standard benefit for all its employees. GIP enables us to pay our employees a percentage of their salary when occupational sick pay has been exhausted because illness or injury has prevented them from working for a prolonged period. It also

provides rehabilitation support from the early stages of absence to aid a colleague's recovery as quickly and effectively as possible, and to facilitate their return to work.

This new benefit took effect from 1 September 2023. It is not disclosed in the remuneration tables because it is not treated by HM Revenue and Customs as a taxable emolument.

Life Assurance

All employees receive life assurance as a standard benefit. The value of life assurance is not disclosed in the remuneration tables because it is not treated by HM Revenue and Customs as a taxable emolument.

Pension

Employees of the Delivery Authority are eligible to participate in a defined contribution pension scheme, which is managed on our behalf by Aviva. Employees are automatically enrolled in the pension scheme on their first day of employment unless they decide to opt out.

Contributions are made via salary sacrifice arrangements and are matched by the Delivery Authority on a 2:1 basis (to a maximum of 10%). The total of the employee's salary sacrifice and the Delivery Authority's contribution is paid into the pension scheme as an employer's contribution.

No Non-Executive Director received a pension benefit from the Delivery Authority for the period under review.

Other Benefits

We also have a variety of other benefits for our employees, including the Cycle-to-Work Scheme, Employee Assistance Programme (EAP) and Annual Season Ticket Loan.

Discretionary Performance Awards

All employees, including the Executive Directors, are eligible for consideration for a discretionary performance award as part of their total reward package. All employees share the

same organisation-wide objectives and are set their own individual objectives.

Maximum performance award eligibility ranges from 10% to 60% of base pay for employees, depending on seniority (with 60% reserved only for the Chief Executive). Any performance award payout is calculated as a percentage of base pay as at 31 March for the performance year under review, irrespective of when the payment is made.

In March 2023, the Nomination and Remuneration Committee signalled its intent that performance awards for the 2022/23 performance year would be less than the previous year because it was important to exercise restraint in response to the unexpected developments for the Programme during the 2022/23 performance year. These unexpected developments effectively prevented the setting of organisation-wide performance measures for the whole of the 2022/23 year (albeit that various measures were set throughout the year on a rolling basis). For this reason, performance awards focussed more heavily than previously on individual delivery

and were capped so that most colleagues received an amount up to 25% of their maximum eligibility (i.e., 25% of 10%-60% of base salary). Overall, 117 colleagues received a discretionary performance award with respect to the performance period ending 31 March 2023 (95 colleagues for the period ending 31 March 2022). The average award for employees in receipt of a performance award in August 2023 was £4,620, compared with £11,694 in August 2022 (NB: for those eligible, the awards paid in 2022 included awards to reflect the agreed approach to performance during 2020/21 when no performance award was paid).

In its February 2024 meeting, the Nomination and Remuneration Committee decided that it would not make any performance awards for the 2023/24 performance year. This decision is not a reflection on the overall performance of the Delivery Authority over this period. It is recognition by the Nomination and Remuneration Committee of the need to continue to take account, when exercising its discretion in respect of performance awards, of the current uncertainty of the Programme, the

prevailing economic climate, and the wider context in which the organisation operates. It was felt appropriate, in connection with the 2023/24 performance year to show restraint in the current challenging environment.

Notwithstanding the decision on performance awards for 2023/24, this discretionary element of our employees' total reward remains an integral part of the overall package to incentivise and reward Programme and personal success.

Remuneration Tables

Audited information

Details of remuneration received by Members of the Board and Members of the Executive Committee are set out in the following tables and notes.

The Non-Executive Members of the Delivery Authority Board received no additional remuneration or benefits beyond their fees.

They do have provision of IT equipment if required.

Table 1: Delivery Authority Non-Executive Board Member remuneration:

Name: Mike Brown (see note 1)

- Title: Chair
- Fees Paid 2023/24 (£000): 200
- Fees Paid 2022/23 (£000): 229
- Fees Paid 2022/23 (£000): (200)

Name: Anne Baldock

- Title: Non-Executive Director
- Fees Paid 2023/24 (£000): 30
- Fees Paid 2022/23 (£000): 30

Name: Susan Cooklin (see note 2)

- Title: Non-Executive Director
- Fees Paid 2023/24 (£000): 23
- Fees Paid 2023/24 (£000): (30)
- Fees Paid 2022/23 (£000): N/A

Name: Prof Stephen Duckworth

- Title: Non-Executive Director
- Fees Paid 2023/24 (£000): 30
- Fees Paid 2022/23 (£000): 30

Name: Anne McMeel

- Title: Non-Executive Director
- Fees Paid 2023/24 (£000): 30
- Fees Paid 2022/23 (£000): 30

Name: Neil Sachdev

- Title: Non-Executive Director
- Fees Paid 2023/24 (£000): 30
- Fees Paid 2022/23 (£000): 30

Name: Simon Thurley (see note 3)

- Title: Non-Executive Director
- Fees Paid 2023/24 (£000): 30
- Fees Paid 2023/24 (£000): (30)
- Fees Paid 2022/23 (£000): 25

Name: Simon Wright (see note 4)

- Title: Non-Executive Director
- Fees Paid 2023/24 (£000): 2
- Fees Paid 2023/24 (£000): (25)
- Fees Paid 2022/23 (£000): 25

Notes to Non-Executive Remuneration:

1. Mike Brown voluntarily reduced his time commitment with effect from 1 November 2022, which reduced his remuneration part way through 2022/23. The full year equivalent is in brackets and based on the reduced time commitment.
2. Following an open recruitment process, Susan Cooklin was appointed as a Non-Executive Director from 7 July 2023, for a term of three years. The full year equivalent of her fee is shown in brackets.
3. Simon Thurley was re-appointed as the Corporate Officers' nominee with effect from 1 May 2023. This re-appointment placed additional responsibilities on him and therefore his fee was increased by £5,000 with effect from the date of his re-appointment.
4. Simon Wright's term of appointment came to an end 30 April 2023; the full year equivalent of his fees is in brackets.

5. There were no other changes to appointments or the fees for Non-Executive Directors for the year under review.

Table 2: Delivery Authority Executive Board Member remuneration:

Name: David Goldstone (see note 1)

- Job Title: Chief Executive
- Base Salary (£000) 2023/24: 325
- Base Salary (£000) 2022/23: 311
- Pension Benefit (£000) 2023/24: 26
- Pension Benefit (£000) 2022/23: 24
- Discretionary Performance Award (£000) 2023/24: 63
- Discretionary Performance Award (£000) 2022/23: 168
- **Total Remuneration (£000) 2023/24: 414**
- **Total Remuneration (£000) 2022/23: 503**

Name: Tanya Coff

Job Title: Chief Financial Officer

- Base Salary (£000) 2023/24: 235
- Base Salary (£000) 2022/23: 228
- Pension Benefit (£000) 2023/24: 24
- Pension Benefit (£000) 2022/23: 23
- Discretionary Performance Award (£000) 2023/24: 19
- Discretionary Performance Award (£000) 2022/23: 70
- **Total Remuneration (£000) 2023/24: 278**
- **Total Remuneration (£000) 2022/23: 321**

Name: Matthew White

Job Title: Programme Director

- Base Salary (£000) 2023/24: 239
- Base Salary (£000) 2022/23: 228
- Pension Benefit (£000) 2023/24: 14
- Pension Benefit (£000) 2022/23: 13
- Discretionary Performance Award (£000) 2023/24: 31
- Discretionary Performance Award (£000) 2022/23: 86
- **Total Remuneration (£000) 2023/24: 284**
- **Total Remuneration (£000) 2022/23: 327**

Notes to Executive Board Member Remuneration:

1. David Goldstone resigned as Chief Executive on 27 March 2024. He is currently working his contractual notice period and recruitment for his successor is ongoing.
2. The discretionary performance awards for 2023/24 relate to the period ending 31 March 2023, but paid in the financial year 2023/24 (in August 2023).

Table 3: Remuneration of Members of the Executive Committee who are not Board Directors:

Name: Martin Bellamy (see note 1)

- Job Title: Chief Information Officer
- Base Salary (£000) 2023/24: 217
- Base Salary (£000) 2022/23: 207
- Pension Benefit (£000) 2023/24: 19
- Pension Benefit (£000) 2022/23: 12
- Discretionary Performance Award (£000) 2023/24: 8

- Discretionary Performance Award (£000) 2022/23: 46
- **Total Remuneration (£000) 2023/24: 244**
- Total Remuneration (£000) 2022/23: 265

Name: Janet Campbell

- Job Title: HR Director
- Base Salary (£000) 2023/24: 184
- Base Salary (£000) 2022/23: 176
- Pension Benefit (£000) 2023/24: 11
- Pension Benefit (£000) 2022/23: 11
- Discretionary Performance Award (£000) 2023/24: 11
- Discretionary Performance Award (£000) 2022/23: 45
- **Total Remuneration (£000) 2023/24: 206**
- Total Remuneration (£000) 2022/23: 232

Name: Andy Haynes

- Job Title: Commercial Director
- Base Salary (£000) 2023/24: 216
- Base Salary (£000) 2022/23: 207
- Pension Benefit (£000) 2023/24: 22
- Pension Benefit (£000) 2022/23: 21
- Discretionary Performance Award (£000) 2023/24: 13

- Discretionary Performance Award (£000) 2022/23: 53
- **Total Remuneration (£000) 2023/24: 251**
- Total Remuneration (£000) 2022/23: 281

Name: Jane Mee

- Job Title: General Counsel
- Base Salary (£000) 2023/24: 228
- Base Salary (£000) 2022/23: 217
- Pension Benefit (£000) 2023/24: 14
- Pension Benefit (£000) 2022/23: 13
- Discretionary Performance Award (£000) 2023/24: 13
- Discretionary Performance Award (£000) 2022/23: 51
- **Total Remuneration (£000) 2023/24: 255**
- Total Remuneration (£000) 2022/23: 281

Name: Andy Piper (see note 2)

- Job Title: Engineering and Design Director
- Base Salary (£000) 2023/24: 170
- Base Salary (£000) 2023/24: (180)
- Base Salary (£000) 2022/23: -
- Pension Benefit (£000) 2023/24: 17
- Pension Benefit (£000) 2022/23: -

- Discretionary Performance Award (£000) 2023/24: 17
- Discretionary Performance Award (£000) 2022/23: -
- **Total Remuneration (£000) 2023/24: 204**
- Total Remuneration (£000) 2022/23: -

Name: Sophia Linehan-Biggs (see note 3)

- Job Title: Communication and External Affairs Director
- Base Salary (£000) 2023/24: 36
- Base Salary (£000) 2023/24: (60)
- Base Salary (£000) 2022/23: -
- Pension Benefit (£000) 2023/24: 4
- Pension Benefit (£000) 2022/23: -
- Discretionary Performance Award (£000) 2023/24: -
- Discretionary Performance Award (£000) 2022/23: -
- **Total Remuneration (£000) 2023/24: 40**
- Total Remuneration (£000) 2022/23: -

Name: Janet Coull Trisic (see note 3)

- Job Title: Communication and External Affairs Director
- Base Salary (£000) 2023/24: 36
- Base Salary (£000) 2023/24: (60)
- Base Salary (£000) 2022/23: -
- Pension Benefit (£000) 2023/24: 4
- Pension Benefit (£000) 2022/23: -
- Discretionary Performance Award (£000) 2023/24: -
- Discretionary Performance Award (£000) 2022/23: -
- **Total Remuneration (£000) 2023/24: 40**
- Total Remuneration (£000) 2022/23: -

Notes to Executive Committee

Remuneration:

1. As at 31 March 2024, Martin Bellamy was serving a period of notice. His role as Chief Information Officer was made redundant following the organisation review and he left the Delivery Authority in May 2024. His total redundancy payment, including statutory redundancy, was £54k. Despite the payment not being made until May 2024, the

accounting standards require the Delivery Authority to account for these redundancy costs in the 2023/24 financial statements. Table 3 reflects payments made between 1 April 2023 and 31 March 2024 and therefore this payment is not included in the numbers in Table 3 above.

2. Andy Piper has been an employee of the Delivery Authority since August 2020. He was promoted to Engineering and Design Director, with effect from 1 November 2023, whereby he became a Member of the Executive Committee, reporting directly to the Chief Executive. His base salary and pension benefit reflects the full year remuneration. The full year equivalent of his salary for his new role is shown in brackets.
3. Sophia Linehan-Biggs and Janet Coull Trisic job share the role of Communication and External Affairs Director. They joined the Delivery Authority in September 2023, reporting to the Chief Executive and are Members of the Executive Committee. The salary reported is from the date of their appointment, with the full year equivalent in brackets.

4. Except for Sophia Linehan-Biggs and Janet Coull Trisic, who joined later in the year, basic salary for all other Executive Directors was increased by 4.75% with effect from 1 April 2023, in line with the general pay award to all colleagues.
5. Pension Benefits represent the Delivery Authority's contributions to the employee pension scheme.
6. The discretionary performance awards for 2023/24 relate to the period ending 31 March 2023, but paid in the financial year 2023/24 (in August 2023).
7. No other benefits in kind were paid that relate to 2023/24.

Fair Pay Disclosure

Audited information

We believe in fair pay. We track this through monitoring a fair pay ratio, comparing the highest-paid individual in the organisation and the median remuneration of the rest of the organisation. The calculation and presentation of the data is in line with the Government Financial Reporting Manual. Remuneration comprises salary and allowances. For comparison purposes, the remuneration figure excludes any pension benefits.

The latest fair pay disclosure data is shown below; all remuneration figures disclosed are annualised:

Highest Paid Director

Salary

- 2023/24 £: 325,249
- 2022/23 £: 310,500
- % Movement: 4.75%

Discretionary performance award

- 2023/24 £: 63,379
- 2022/23 £: 168,120
- % Movement: -62.30%

Average (mean) remuneration of all other employees

Salary

- 2023/24 £: 81,749
- 2022/23 £: 74,428
- % Movement: 9.84%

Discretionary performance award

- 2023/24 £: 2,487
- 2022/23 £: 5,723
- % Movement: -56.54%

The 9.8% increase to average salary from 2022/23 to 2023/24 is due to:

- a) the general employee pay award of 4.75% which took effect from 1 April 2023, and
- b) an increased proportion of employees at higher levels in the organisation, particularly at Grade 3, in specialist/technical roles, and the range of salaries for these professions.

Remuneration Table by Quartile

Salary only

- Lower Quartile (25%) 2023/24 £: 54,208
- Lower Quartile (25%) 2022/23 £: 42,176
- Median (50%) 2023/24 £: 75,446
- Median (50%) 2022/23 £: 65,723
- Upper Quartile (75%) 2023/24 £: 96,055
- Upper Quartile (75%) 2022/23 £: 90,000

Total remuneration

- Lower Quartile (25%) 2023/24 £: 55,000
- Lower Quartile (25%) 2022/23 £: 44,192
- Median (50%) 2023/24 £: 76,911
- Median (50%) 2022/23 £: 70,000
- Upper Quartile (75%) 2023/24 £: 99,000
- Upper Quartile (75%) 2022/23 £: 94,138

Ratio to Highest Paid Director - Salary only

- Lower Quartile (25%) 2023/24 £: 6.00
- Lower Quartile (25%) 2022/23 £: 7.36
- Median (50%) 2023/24 £: 4.31
- Median (50%) 2022/23 £: 4.72
- Upper Quartile (75%) 2023/24 £: 3.39
- Upper Quartile (75%) 2022/23 £: 3.45

Ratio to Highest Paid Director - Total remuneration

- Lower Quartile (25%) 2023/24 £: 7.07
- Lower Quartile (25%) 2022/23 £: 10.83
- Median (50%) 2023/24 £: 5.05
- Median (50%) 2022/23 £: 6.84
- Upper Quartile (75%) 2023/24 £: 3.93
- Upper Quartile (75%) 2022/23 £: 5.08

The highest paid director as at 31 March 2024 was the Chief Executive. At this date the total remuneration ranged from £25,642 to £388,628 (2022/23 range: £23,303 to £478,620). Total remuneration includes salary, and the non-consolidated performance award. It does not include employer pension contributions.

The lower, median and upper quartile remuneration excludes the highest paid individual and is based on annualised, full-time equivalent remuneration as at the end of the financial year. Non-Executive Directors have been excluded from the fair pay disclosure for both years. Pay ratios between employees and the highest paid director's salary have reduced due to an increased proportion of employees in

specialist/technical roles, and the range of salaries for these professions.

The ratio to the highest paid director, which includes the discretionary performance award, decreased for 2023/24 because the overall level of payout for performance awards was less than for the 2022/23 performance period.

Employee numbers and costs

Audited information

Audited employee numbers and costs appear in Note 3 of the financial statements.

Employee turnover

Our average employee turnover is shown in the information below:

[In the following list we detail:

- Grade: Turnover]
- 5: 0%
- 4: 18.5%
- 3: 14.3%
- 2: 28.1%
- 1: 35.8%
- Apprentice: 50.0%
- Total: 22.5%**

Turnover is analysed on a rolling 12-months. At the end of March 2024, our turnover increased to 22.5% (up from 17.9% at the end of March 2023); this is in line with the external total labour turnover rate of 22.5% (14.5% for the previous period - source: XpertHR/Cendex). The increase in our turnover was driven in part by the total number of involuntary leavers due to compulsory redundancy, because of the organisation review, as set below.

Organisation Review

The Delivery Authority undertook an organisational review during 2023/24 which looked at our organisation design and resources, alongside our best forecast of the future schedule for the R&R Programme, to ensure that we are resourced to best reflect the status and schedule for the Programme, and to ensure that the organisation is correctly shaped and resourced for efficiency to deliver on our key priorities.

As a result, reductions of 21 in DA-directly employed headcount were identified in 2023/24. We achieved these headcount reductions by bringing fixed-term contracts to an end, not filling vacancies, and making a total of ten compulsory redundancies for the year under review. The total cost of exit packages was agreed and accounted for in 2023/24 (see Note 3 to the financial statements). The information below shows the number of people within each exit package cost band, which excludes, where relevant, contractual payments made for pay in lieu of notice:

Audited information

Exit package cost band <£10,000

- Number of compulsory redundancies: 2
- Number of other departures agreed: -
- Total exits: 2

Exit package cost band £10,001-£25,000

- Number of compulsory redundancies: 6
- Number of other departures agreed: -
- Total exits: 6

Exit package cost band £25,001-£50,000

- Number of compulsory redundancies: -
- Number of other departures agreed: -
- Total exits: -

Exit package cost band £50,000-£100,000

- Number of compulsory redundancies: 2
- Number of other departures agreed: -
- Total exits: 2

Exit package cost band Total number

- Number of compulsory redundancies: 10
- Number of other departures agreed: -
- Total exits: 10

Exit package cost band Total cost £000

- Number of compulsory redundancies: 210
- Number of other departures agreed: -
- Total exits: 210

Consultancy

The Delivery Authority has engaged suppliers to provide professional services during the period, which meet the definition of consultancy as per the published Public Expenditure System guidance. The value of these services is £38.64m (£34.37m in 2022/23), as disclosed in Note 4 to the financial statements.

Off-payroll engagements

As well as the direct employees ([click here for further information](#)) during the period, we also employed workers on interim contracts. Details of the cost of these is disclosed in Note 3 to the financial statements, and further detail on the off-payroll engagements of interim workers is disclosed below. All interim workers have been

treated as inside the scope of IR35 legislation, aside from as detailed below.

Where professional services have been delivered by suppliers, their staff are not included in the employee numbers reported in Note 3 and have been treated as outside the scope of IR35 legislation following management's assessment of these contracts.

The data for off-payroll engagements for the year under review is shown in the following lists:

- Number of existing engagements as at 31 March 2024: 11
Of which:
- Number that have existed for less than one year at time of reporting: 7
- Number that have existed for between one and two years at time of reporting: 1
- Number that have existed for between two and three years at time of reporting: -
- Number that have existed for between three and four years at time of reporting: 3
- Number that have existed for four or more years at time of reporting: -

- Number engagements between 1 April 2023 and 31 March 2024: 17
Of which:
- Number of which were not subject to off-payroll legislation: -
- Number of which were subject to off-payroll legislation and assessed as being within scope of IR35: 14
- Number of which were subject to off-payroll legislation and assessed as being outside the scope of IR35: 3
- No. of engagements reassessed for consistency / assurance purposes during the year: 1
- Number of engagements that saw a change to IR35 following a consistency review: -
- Number of off-payroll engagements of Board Members and/or senior officials with significant financial responsibility, during the financial year: -
- Number of individuals that have been deemed 'Board Members and/or, senior officials with significant financial responsibility', during the financial year. This figure should include both off-payroll and on-payroll engagements: 18

Our Employees

Values and Behaviours

Our values - we act with integrity; we are inspiring; we achieve together, and we can be ourselves - play an important part in inspiring and motivating everyone who works at the Delivery Authority and reflect our desire to create a culture that will be instrumental in us achieving the Programme vision.

How we conduct ourselves and carry out our work is of utmost importance. Our corporate values and behaviours were developed collaboratively with colleagues and outline the expectations for everyone who works for the Delivery Authority.

We are part of the Parliamentary community, and all our employees play a part in building a positive and respectful workplace culture. The Parliament Behaviour Code, introduced in 2022, also applies to everyone working at the Delivery Authority. It sets out clear guidelines on how we should be treated, and how we

should treat others, and details the processes available to report and receive support if colleagues have experienced bullying, harassment, or sexual misconduct. A new, one-off workshop on Parliament's Behaviour Code was introduced for everyone working at the Delivery Authority in February 2024.

The Behaviour Code is aligned and works in synergy with the Joint Behaviour Charter for all Parliamentary and DA colleagues working on the R&R Programme (which we implemented in January 2023) and our organisational values.



We act with integrity

We do things right, remaining focused on health, safety and value for money.

We are inspiring

We lead by example, looking to improve, taking planned risks, and celebrating successes.

We achieve together

We work collectively and respond to, learn from, and embrace change.

We can be ourselves

We are inclusive and treat others with respect.

Equality, Diversity and Inclusion

We are making good progress against our Equality, Diversity and Inclusion (EDI) strategic objectives. Below are some of this year's achievements:

Establishing a diverse workforce across the Programme, attracting, and retaining the best talent:

- We have trained all our people managers in inclusive recruitment practices; we established a diversity recruitment champions scheme to ensure diversity in decision making at the selection stage, and we have improved our disclosure rates for disability by 15.4%, giving us a more representative picture of our diversity across all protected characteristics.

Creating fair and inclusive environments where everyone's contribution is valued:

- We continued convening our diversity focus groups and developing our approach to allyship; we implemented the DA mentoring scheme, and we took part in the Social Mobility Index for the first time (this gave us a baseline and a clear action plan for improving our performance in this area). We have conducted our first Equal Pay Audit which includes a review of our existing pay mechanisms to ensure fair and equitable remuneration.

Working collaboratively with stakeholders and maximising engagement opportunities:

- We continue to build our networks and engaged with Women into Construction, Race Equality Matters and the Business in the Community Race at Work charter; we have hosted collaborative events with the

Parliamentary Workplace Equality Networks, e.g., ParliREACH Black History Month events and a visit to a Grade II listed building as part of LGBT+ History Month with ParliOUT. We continue to engage with the Major Programmes Association to understand best practice in programme environments.

Our EDI Annual Report, available on our website here

(https://www.restorationandrenewal.uk/sites/default/files/2024-06/edi_annual_report_2022-23.pdf), provides more details on our progress towards achieving our EDI Strategy.

The gender diversity across all employees and Non-Executive Directors of the Delivery Authority is now 50% female, and 50% male representation (55% and 45%, respectively for 2022/23). The gender split for our Board and Executive Directors, as well as the rest of our directly employed workforce, is as follows:

Non-Executive Directors

- Female: 3
- Male: 4

Executive Directors

- Female: 1
- Male: 2

Executive (not on Board)

- Female: 4
- Male: 3

Other direct employees

- Female: 77
- Male: 77

Total

- Female: 85
- Male: 86

While the Delivery Authority does not meet the requirements to publish its gender pay data under the provisions of the Equality Act 2010, we are committed to the highest standards of transparency. Therefore, we have chosen to disclose both our gender and ethnicity pay

gaps. Our latest Gender and Ethnicity Pay Gap Report is available on our website, https://www.restorationandrenewal.uk/sites/default/files/2024-04/gender_ethnicity_pay_gap_report_2023.pdf.

Employee involvement

Those working on the Programme play an important role in ensuring that the organisation has a diversity of perspectives in its work and approach in the workplace. Our regular formal and informal methods for informing and consulting colleagues include:

- the monthly, interactive ‘All Hands’ meeting where we engage with colleagues on a wide range of topics. This meeting is recorded and shared on our intranet
- the Colleague Forum, an information and consultation forum made up of elected representatives of colleagues across the Delivery Authority

- our diversity focus groups
- the Lobby, our intranet, which is available to everyone working at the Delivery Authority
- a weekly bulletin that provides an update on activities across the Programme
- regular directorate team meetings, to speak to and hear from colleagues, and
- engagement surveys where we invite colleagues working at the Delivery Authority to share their views anonymously on a wide range of topics. The latest engagement survey took place in February 2024

Sickness absence

Our aim is to treat employees who are ill with compassion and fairness, while encouraging them to take the time needed to recover their health and attend work regularly. The external review of employee benefits, referred to above, also identified that our previous occupational sick pay arrangements were out of line with

best practice from other organisations. Consequently, we amended our sick pay arrangements with effect from 1 September 2023 to align with the introduction of the new Group Income Protection benefit.

In 2023/24 the number of working days lost to sickness absence was 5.1 days per employee (4.4 days for the 2022/23 reporting period).

Employment policies and processes

We are committed to ensuring that our employees are treated fairly, with dignity and respect. All people policies and processes underwent review during the year to ensure they remain up to date with the requirements of employment law, reflect best practice and our values.

Signed on behalf of the Board:

A handwritten signature in black ink, appearing to read 'David Goldstone', written over a horizontal line.

David Goldstone CBE

Chief Executive and Accounting Officer

08 July 2024

The Certificate and Report of the Comptroller and Auditor General to the Members of Restoration and Renewal Delivery Authority Ltd and Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Restoration and Renewal Delivery Authority Ltd for the year ended 31 March 2024 under the Parliamentary Buildings (Restoration and Renewal) Act 2019.

The financial statements comprise the Restoration and Renewal Delivery Authority Ltd's:

- Balance Sheet as at 31 March 2024;
- Income Statement, Cash Flow Statement, and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards.

In my opinion the financial statements:

- give a true and fair view of the state of the Restoration and Renewal Delivery Authority Ltd's affairs as at 31 March 2024 and its net income for the year then ended; and
- have been properly prepared in accordance with the UK adopted International Accounting standards; and
- have been prepared in accordance with the requirements of the Parliamentary Buildings (Restoration and Renewal) Act 2019 and Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am

independent of the Restoration and Renewal Delivery Authority Ltd in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Restoration and Renewal Delivery Authority Ltd's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the

Restoration and Renewal Delivery Authority Ltd's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with directions of the Corporate Officer of the House of Commons and the Corporate Officer of the House of Lords

issued under the Parliamentary Buildings (Restoration and Renewal) Act 2019.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Restoration and Renewal Delivery Authority Ltd and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report and the Directors' Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- certain disclosures of remuneration specified by the Corporate Officer of the House of Commons and the Corporate Officer of the House of Lords and HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Employee Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' and Accounting Officer's responsibilities in respect of the Strategic report, the Directors' report and the financial statements, the directors and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;

- providing the C&AG with unrestricted access to persons within the Restoration and Renewal Delivery Authority Ltd from whom the auditor determines it necessary to obtain audit evidence.
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Parliamentary Buildings (Restoration and Renewal) Act 2019 and Companies Act 2006;
- preparing the Annual Report, which includes the Remuneration Report, in accordance with the Companies Act 2006 and directions of the Corporate Officer of the House of Commons and the Corporate Officer of the House of Lords issued under the Parliamentary Buildings (Restoration and Renewal) Act; and

- assessing the Restoration and Renewal Delivery Authority Ltd's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Parliamentary Buildings (Restoration and Renewal) Act 2019.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK)

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Restoration and Renewal Delivery Authority Ltd's accounting policies.
- inquired of management, Restoration and Renewal Delivery Authority Ltd's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Restoration and Renewal Delivery Authority Ltd's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Restoration and Renewal Delivery Authority Ltd's controls relating to the Restoration and Renewal Delivery Authority Ltd's compliance with the Companies Act 2006, the Parliamentary Buildings (Restoration and Renewal) Act 2019, the Programme Delivery Agreement with the Corporate Officer of the House of Commons and the Corporate Officer of the House of Lords and Managing Public Money;
- inquired of management, Restoration and Renewal Delivery Authority Ltd's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;

- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Restoration and Renewal Delivery Authority Ltd for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Restoration and Renewal Delivery Authority Ltd's framework of authority and other legal and regulatory frameworks in which the Restoration and Renewal Delivery Authority Ltd operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of

the Restoration and Renewal Delivery Authority Ltd. The key laws and regulations I considered in this context included Companies Act 2006, the Parliamentary Buildings (Restoration and Renewal) Act 2019, the Parliamentary Works Sponsor Body (Abolition) Regulations 2022, the Programme Delivery Agreement with the Corporate Officer of the House of Commons and the Corporate Officer of the House of Lords, Managing Public Money, employment law and tax Legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Risk, Assurance and Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;

- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies,
Comptroller and Auditor General **10 July 2024**

National Audit Office

157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial Statements

Income Statement

For the year ended 31 March 2024

[In the following list we detail:

- Item: Note; 31 March 2024 £000; 31 March 2023 £000]

Income

- Grant Income: 2; (75,202): (70,554)
- Other Income: 2; (272): (621)

Total Income: -; (75,474): (71,175)

Operating Expenditure

- Employee costs: 3; 17,511: 16,333
- Purchases of goods and services: 4; 53,073: 50,860
- Financing costs: 4; 98: 28
- Other expenses: 4; 1,853: 2,019
- Non-cash items: 4; 2,939: 1,935

Total operating expenditure: -; 75,474: 71,175

Net Income: -; -; -

Total comprehensive net income: -; -; -

[Click here for the notes that form part of these accounts.](#)

Balance Sheet

As at 31 March 2024

[In the following list we detail:

- Item: Note; 31 March 2024 £000; 31 March 2023 £000]

Non-current assets

- Property, plant and equipment: 5; 60; 737
- Intangible assets: 5; 1,307; 2,504
- Right of use assets: 6; 1,862; 2,911

Total non-current assets: -; 3,229; 6,152

Current assets

- Trade and other receivables: 8; 1,425; 646
- Accrued income: 9; 41; 91
- Cash and cash equivalents: 10; 7,730; 8,181

Total current assets: -; 9,196; 8,918

Total assets: -; 12,425; 15,070

Current liabilities

- Trade and other payables: 11; (9,846); (11,451)
- Lease Liabilities: 6; (1,490); (642)
- Provisions: 13; -; (600)

Total current liabilities: -;(11,336); (12,693)

Total assets less current liabilities: -; 1,089; 2,377

Non-current liabilities

- Lease Liabilities: 6; (1,089); (2,377)

Total non-current liabilities: -;(1,089); (2,377)

Total assets less total liabilities: -; -; -

Taxpayers' equity and other reserves

- General fund: -; -; -

Total equity: -; -; -

Under the Parliamentary Buildings (Restoration and Renewal) Act 2019, Schedule 2, paragraph 9 (9), the Delivery Authority is exempt from the requirements of Part 16 of the Companies Act 2006 (Audit). They are subject to audit by the Comptroller and Auditor General under

Schedule 2 of the Parliamentary Buildings
(Restoration and Renewal) Act 2019.

[Click here for the notes that form part of
these accounts.](#)

The financial statements were approved by the
Board on 24 June 2024, and were signed on its
behalf by:

A handwritten signature in black ink, appearing to read 'David Goldstone', with a horizontal line underneath.

David Goldstone CBE

Chief Executive and Accounting Officer

Cash Flow Statement

For the year ended 31 March 2024

[In the following list we detail:

- Item: Note; 31 March 2024 £000; 31 March 2023 £000

Cash flows from operating activities

- Net income: -; -; -

Adjustments for non-cash transactions

- Depreciation and Amortisation: 4; 2,135; 1,335
- Impairments: 4; 675; -
- Loss on asset disposal: 4; 129; -
- (Increase)/Decrease in trade and other receivables: 8; (779); (389)
- (Increase)/Decrease in accrued income: 9; 50; (91)
- Increase/(Decrease) in trade and other payables: 11; (1,326); 3,021
- (Decrease)/Increase in Provisions: 13; (600); (1,200)
- Increase/(Decrease) in Lease Interest expense payable: 6; 23; -

Net cash inflows/(outflows) from operating activities: -;307; 2,676

Cash flows from investing activities

- Purchase of property, plant and equipment: 5; -;(732)
- Increase/(Decrease) in trade and other payables: 11; (279); 279

Net cash inflows/(outflows) from investing activities: -; (279); (453)

Cash flows from financing activities

- Repayment of principal on leases: 6; (479); (157)

Net cash inflows/(outflows) from financing activities: -; (479); (157)

Net increase/(decrease) in cash and cash equivalents in the period: -; (451); 2,066

Cash and cash equivalents at the beginning of the period: 10; 8,181; 6,115

Cash and cash equivalents at the end of the period: 10; 7,730; 8,181

[Click here for the notes that form part of these accounts.](#)

Statement of Changes in Equity

For the year ended 31 March 2024

[In the following list we detail:

- Item: 31 March 2024 £000; 31 March 2023 £000]

General fund

- **Opening balance at 1 April: -; -**
- **Comprehensive net income during period: -; ;**
- **Closing balance as at 31 March: -; -**

The organisation's only reserve is the general fund, which has a zero balance at the end of this period as grant funding received is recognised as income to the extent that expenditure has been incurred during the year. Funding received in excess of expenditure for the year is recognised as deferred income.

Notes to the Financial Statements

1. Accounting policies

1.1 Basis of preparation

The Restoration and Renewal Delivery Authority Limited (Delivery Authority) is a private company limited by guarantee. Since the 1 January 2023, the Corporate Officers have been the sole member and guarantor of the Delivery Authority.

As a private limited company, the Delivery Authority prepares its accounts in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS. As in prior years, additional disclosures are made following a direction by the Corporate Officers that the Delivery Authority follows the 'Corporate Governance in Central Government Departments: Code of Good Practice' in the

preparation of this report and accounts, and also to incorporate additional disclosures as requested by the Corporate Officers to ensure further transparency, including the inclusion of a Remuneration and Employee Report.

This Annual Report and Accounts relates to the Delivery Authority's 2023/24 financial year, commencing on 1 April 2023 and ending on 31 March 2024.

The policies adopted by the Delivery Authority are described below. They have been applied consistently in dealing with items that are considered material to the financial statements.

1.2 Accounting convention

These accounts have been prepared on a going concern basis as outlined in section 1.4 and under the historical cost convention, except as otherwise set out in the accounting policies. Figures are presented in pounds sterling and are rounded to the nearest £1,000.

1.3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements and assumptions that affect the amounts reported for assets and liabilities at the end of the reporting period to 31 March 2024, and for amounts reported for income and expenses during the period. In the process of applying the Delivery Authority's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- These accounts have been prepared under the assumption that the Delivery Authority is a going concern. Further information on this assessment is included in Accounting Policies, section 1.4.
- The Programme is currently in Phase 1. The Delivery Authority's expenditure relates to the development of a broad range of options setting out the various methods and outcomes that can be achieved from restoring the

Palace. The development and subsequent shortlisting of these options were in support of developing a Strategic Case which was approved by the Client Board in February 2024. Management have assessed this expenditure and determined that work undertaken to 31 March 2024 is akin to the 'research' stage of the project, and as such all costs are expensed during the period (aside from those capitalised as detailed in section 1.5 and 1.6).

- Following the Programme reset in 2022, the Programme schedule of future activity has been reviewed and revised. Given the later start of the main works on site, a decision was taken to descope a monitoring ground and building movement survey, as undertaking this survey in Phase 1 would result in the data lacking requisite validity at the time of construction starting. The Delivery Authority had purchased equipment relating to this survey, held on the balance sheet as an asset under construction. The Delivery Authority has assessed there is indication of impairment to the value of this asset. Further details can be found in Note 5 and Note 15.

1.4 Going Concern

Funding arrangements for the Delivery Authority remain in accordance with the mechanisms described within the Parliamentary Buildings (Restoration and Renewal) Act 2019 and Parliamentary Works Sponsor Body (Abolition) Regulations 2022. This permits the Corporate Officers to fund the Delivery Authority's activities via funding voted by Parliament annually in Supply and Appropriation Acts. The Parliamentary Works Grant Main Estimate for 2024/25 was approved by the Estimates Commission on 1 May 2024.

In February 2024, the Client Board approved the Strategic Case for the Restoration and Renewal Programme, which was subsequently published on 19 March 2024 (see note). This recommended that further detailed work be undertaken on three options, including the continued presence and full decant options which the Delivery Authority is tasked with delivering. This work will inform a Programme Business Case and the costed proposals which are due to be taken to the Houses in 2025.

One of the three options recommended in the Strategic Case (Enhanced Maintenance and Improvement), is being developed by the Parliamentary Strategic Estates team not the Delivery Authority. The Strategic Case also recommended work be undertaken to consider amendment of the Parliamentary Buildings (Restoration and Renewal) Act 2019 to provide for a Programme consisting of multiple phases and funding approvals. Whilst future decisions on these items have the potential to influence future activity of the Delivery Authority, it is evident from the approved Strategic Case that the Delivery Authority has a clear role and requirement to undertake activity to enable the costed proposals to be brought before the Houses in 2025.

As such, it is the view of the Directors that the Delivery Authority has sufficient funds to meet its commitments and to continue to operate as a going concern for at least 12 months after the accounts signing date.

Note: Restoration and Renewal Client Board:
Strategic Case (parliament.uk)

1.5 Property, plant and equipment

Property, plant and equipment (PPE) is initially recognised at cost if it is intended for use on a continuing basis and its original carrying value, on an individual or asset pool basis where appropriate, exceeds the relevant capitalisation threshold of £2,500. Costs comprise the amount of cash paid to acquire the asset and includes all costs directly attributable to bringing them into working condition.

Valuation of PPE

PPE is carried at cost, less accumulated depreciation and the value of any accumulated impairments, except for Assets Under Construction which are held at cost. Both PPE and Assets Under Construction are reviewed annually for impairment. Right of use assets are valued at cost under IFRS 16 Leases.

Depreciation of PPE

Depreciation is calculated to write down the costs of the assets to their estimated residual value on a straight-line basis over their expected useful lives. For assets under construction, depreciation is not charged until the asset is placed into service.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the Income Statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.6 Intangible non-current assets

An intangible asset is an asset that is not physical in nature. In the Delivery Authority, intangible assets consist of the organisation's IT infrastructure.

All intangible assets are currently assessed to have a finite life and are assessed for impairment. The amortisation period and the amortisation method are reviewed at least annually at each financial year end, as well as the appropriateness of the historic cost method as a proxy for fair value.

Intangible assets are capitalised on an individual or asset pool basis where appropriate, where their cost exceeds the relevant capitalisation threshold of £2,500 and are amortised on a straight-line basis over their useful economic life of five years, with amortisation commencing in the month of acquisition.

Where the Delivery Authority makes payments in respect of the use of cloud computing

services purchased from a third-party service provider (which may include the use of software, the use of an operating environment in which the Delivery Authority can develop its own software, or the use of digital processing capability), then these are not capitalised as the Delivery Authority has no legal title to, or rights to control of, the underlying assets associated with these services.

Where the company has incurred additional implementation costs to adapt third-party service provider systems to enable us to use the service, there is scope for capitalisation of these costs if they meet the criteria of development activities per International Accounting Standard (IAS) 38 (Intangible Assets). These are considered on a case-by-case basis.

Disposals

When disposing of an intangible asset the carrying amount is written off to the Income Statement and a loss (or gain) is recognised and reported net of any disposal proceeds.

1.7 Leases

At the inception of a contract the Delivery Authority assesses whether a contract contains a lease, in accordance with IFRS 16. A contract contains a lease if the contract conveys the right for the Delivery Authority to control the use of an identified asset for a period of time in exchange for consideration. In line with HM Treasury guidance the Delivery Authority has adopted the short-term lease exemption for lease terms of 12 months or less.

To assess whether a contract conveys the right to control the use of an identified asset, the Delivery Authority assesses whether:

- the asset is greater in value than the Delivery Authority's capitalisation threshold, which is £2,500
- the contract involves the use of an identified asset, which is physically distinct or represents substantially all of the capacity of a distinct asset and there are no substantive substitution rights

- the contract conveys the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- the lessee has the right to direct the use of the asset

The Delivery Authority has one contract assessed to fall under IFRS 16, which is the Agreement to Occupy the office premises at 64 Victoria Street. This agreement is with the Corporate Officer of the House of Commons for a period of 3 years, and started on 1 January 2023. Amounts relating to this lease have been disclosed as a lease in the balance sheet, income statement, cash flow statement, accounting policy notes and Note 6 to the financial statements.

Right of use Assets:

IFRS 16 requires leases to be recognised in the lessee's balance sheet when the leased asset is made available, in the form of a right of use asset. A right of use asset is initially measured at the initial lease liability, and subsequently

measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liability. The carrying value is also adjusted for any re-measurement of the lease liability. The cost of right of use assets includes the initial measurement of the lease liability. Right of use assets are depreciated on straight-line basis over the lease term.

Lease Liabilities:

At commencement of a lease the DA recognises a lease liability measured at the present value of the lease payments to be made over the lease term. It has not been possible to determine the “interest rate implicit in the lease”, thus it has been determined that the most appropriate discount rate to use is the incremental cost of borrowing as advised by HM Treasury, which was 3.51% at the lease adoption date.

The lease liability is subsequently adjusted for the accrual of interest, repayments, and reassessments and modifications. These are

measured by rediscounting the revised cash flows; the impact is reflected in the lease liability and in the right to use asset valuation.

The lease liability is split between current and non-current lease liabilities. Lease payments include fixed payments on account of the rent for the office accommodation.

Lease Expenditure:

Expenditure includes interest and straight-line depreciation. Lease payments are debited against the liability.

1.8 Grants, deferred income and other income

All expenditure was financed by funding obtained from the Corporate Officers, which in turn is obtained from Parliament through the annual Supply and Appropriation Act. This funding is treated as grant income in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' as management have

determined that the Delivery Authority has an entitlement to this income where it has incurred costs in the delivery of its objectives.

The Delivery Authority therefore recognises this funding received as grant income in the Income Statement to the extent that it has financed the Delivery Authority's expenditure during the financial year. Where the amount of funding obtained exceeds the Delivery Authority's expenditure (due to underspends against the agreed budget), this difference is recognised in the Balance Sheet as deferred income.

Where the income has been used to fund capital purchases, income is recognised in the Income Statement in line with the depreciated/amortised/impaired amounts, in addition to any gain or loss arising from the disposal of assets. The remainder is deferred as part of the overall deferred income balance, separately identified in the Notes to the Balance Sheet.

Included in 'other income' are immaterial payments received by the Delivery Authority related to a colleague seconded to an external organisation.

1.9 Employee costs

Employee costs include wages and salaries, social security costs, pension costs and exit costs. All short-term employee costs payable at the year end, which will be paid within one year from the date of reporting, are recognised in the Income Statement in accordance with IAS 19 Employee Benefits. These include any accrued leave entitlements.

Employees of the Delivery Authority are eligible to participate in a Defined Contribution pension scheme, which is managed on the Company's behalf by Aviva. Employees are automatically enrolled in the pension scheme on their first day of employment unless they decide to opt out. The costs of the Delivery Authority's employer's contributions to this scheme are expensed during the period.

1.10 Survey Costs

The Delivery Authority has undertaken various industry standard surveys assessing the condition of the Palace of Westminster and its

ground conditions, to support and inform the design and costing of future works.

Where survey costs meet the definition of an asset under IAS 38 Intangible Assets, these costs would ordinarily be capitalised. The Delivery Authority has determined that any survey works performed during Phase 1 will not be capitalised; the surveys carried out to date are considered equivalent to 'research costs' and therefore expensed in operating expenditure.

1.11 Other expenses

Operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

1.12 Taxation

The Delivery Authority does not generate any profits and therefore its Corporation Tax return will be a nil return, as its activities were all funded by the Corporate Officers. Its recharges

to the House of Commons for services provided are at cost with zero profit markup. Its deferred tax balance is therefore also a zero balance. The Delivery Authority has been made dormant for Corporation Tax.

The main activities of the Delivery Authority are not classed as trading for the purposes of VAT and output tax on sales does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

The recharges for services provided to the Corporate Officers and recharges and income for colleagues who are seconded outside of the Delivery Authority are classed as trading for the purposes of VAT. These attract output tax which is paid to HMRC where not offset by the input tax recovered on the amounts initially incurred.

1.13 Financial instruments, assets and liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised in the Balance Sheet when the Delivery Authority becomes a party to the contractual provisions of an instrument, in accordance with IFRS 9.

The Delivery Authority holds financial assets (see Notes 8, 9 and 10) in the following categories:

- Cash and cash equivalents - these comprise current balances held at the Government Banking Service that are readily convertible to known amounts of cash with insignificant risk of change in value. The carrying amount of these assets approximates to their Fair Value.
- Trade receivables and accrued income - the Delivery Authority is a non-trading entity, and these comprise of balances with related

parties valued at the transaction amount, with insignificant risk of change in value.

- Prepayments - Costs relating to services spanning future periods, e.g. software licences, are prepaid where the cost is in excess of £10,000.

The Delivery Authority holds financial liabilities (see Note 11) in the following category:

- Trade and other payables

Trade and other payables are recognised at fair value, which represent liabilities for goods and services provided to the Delivery Authority prior to the financial year end that are unpaid. Trade and other payables are non-interest bearing; their carrying value approximates their fair value.

Accruals are recognised for expenditure incurred for goods and services delivered prior to the financial year end and that have not been invoiced. The Delivery Authority has a £2,500 de minimis (minimum) accrued expenditure threshold; this is deemed appropriate to ensure

that the accounts are materially correct, whilst keeping the workload associated with producing the annual accounts proportionate with the value they provide. Management is satisfied that this is appropriate in ensuring that accrued expenditure is materially correct and that the use of this de minimis value is therefore appropriate in this financial year.

1.14 Recharges

The House of Commons have recharged the Delivery Authority for the occupation of premises at 64 Victoria Street based on the Agreement to Occupy the premises. This Agreement to Occupy is considered a lease, and so these costs fall under the requirements of IFRS 16 (see Note 6 on leases).

There has been an employee secondment from the Client Team to the Delivery Authority. The House of Commons undertake recharging for the Client Team and the House of Commons have subsequently recharged the Delivery Authority for this cost.

The Delivery Authority continued to provide some digital support services to the Client Team in 2023/24, to support their transition into a new Joint Department of the two Houses. The Delivery Authority also seconded some colleagues into the House of Commons. The costs of these services were recharged by the Delivery Authority to the House of Commons at cost. These recharges are treated by the Delivery Authority as income for services supplied in accordance with IFRS 15, reported as 'Recharges' under 'Total Income'.

1.15 Provisions

The Delivery Authority makes provision for liabilities and charges in accordance with IAS 37 where a legal or constructive liability (i.e., a present obligation arising from past events) exists, the transfer of economic benefits is probable, and a reasonable estimate can be made.

Provisions for liabilities are based on reliable estimates of the expenditure required to settle future legal or constructive obligations that

exist. Provisions are charged to the Income Statement and released when the transfer of economic benefit to settle the obligation is made.

2. Income

[In the following list we detail:

- Item: **31 March 2024** £000; 31 March 2023 £000]

Total Income

- Deferred income released: (7,810); (3,854)
- Funds received in-year: (72,500); (74,500)
- Deferred Income - Capital funding: 3,229; 6,152
- Deferred Income - Revenue funding: 1,879; 1,658

Parliamentary Works Grant recognised in the income statement: (75,202); (70,544)

- Other Grant Income: -;(10)

Total Grant income: (75,202); (70,554)

Recharges to House of Commons: (260); (621)

Other income: (12); -

Total Income: (75,474); (71,175)

3. Employee Costs

The cost of people employed by the Delivery Authority is disclosed in the information below. The Delivery Authority is recharged the full costs of all employees seconded for the period of their secondment. The costs shown below also include irrecoverable VAT incurred on secondees and interim workers.

[In the following list we detail:

- Item: **31 March 2024** £000; 31 March 2023 £000]

Employee Costs

- Basic pay: 12,885; 10,727
- National Insurance: 1,491; 1,423
- Pension: 1,123; 912
- Apprenticeship Levy: 49; 41
- Other staff costs: 106; 20
- Other staff benefits: 87; 81
- Secondments: 306; 308
- Interim workers: 1,254; 2,821
- Exit costs (see note): 210; -
- Total Employee Costs: 17,511; 16,333**

Note: **Further detail on exit costs can be found in the Remuneration and Employee Report.**

Employee numbers

The Delivery Authority employs a mixture of people, comprising direct employees, seconded employees and individuals engaged on interim contracts.

The average and closing numbers of full time equivalent (FTE) persons employed was as follows:

[In the following list we detail:

- Type: 1 April 2023 - 31 March 2024 Average FTE; 1 April 2023 - 31 March 2024 Closing FTE; 1 April 2022 - 31 March 2023 Average FTE; 1 April 2022 - 31 March 2023 Closing FTE]
 - Direct (excluding Non-Executive Directors): 161; 161; 145; 153
 - Seconded: 2; 2; 2; 3
 - Interim: 7; 8; 14; 10
- Total: 170; 171; 161; 166**

4. Expenditure

[In the following list we detail:

- Item: **31 March 2024** £000; 31 March 2023 £000]

Employee costs: 17,511; 16,333

- Professional fees (see note 1): 38,644; 34,365
- Surveys (see note 2): 8,332; 6,753
- Other outsourced services: 160; 205
- IT development, maintenance, and support: 2,383; 6,498
- IT purchases (including hardware and software): 3,180; 2,651
- Legal costs: 374; 388

Purchase of goods and services: 53,073; 50,860

- Premises costs: 1,237; 1,270
- Insurance costs: 75; 41
- Learning and Development: 139; 127
- Financing costs: 98; 28
- Other costs: 402; 581

Other expenses: 1,951; 2,047

- Depreciation and amortisation: 2,135; 1,335
- Provision expense: -; 600
- Loss on asset disposal: 129; -
- Impairments: 675; -

Non-cash items: 2,939; 1,935

Total expenditure: 75,474; 71,175

The audit fees for the financial statements totalled £0.08m (2022/23: £0.07m). This cost has been met by the Corporate Officers and is accounted for through the Parliamentary Works Grant from which the Delivery Authority received funding. No non-audit services have been provided by the NAO.

Note 1: Professional fees primarily consist of the costs of services provided by our integrated delivery partner, who provide Programme, Project and Cost Management Services, (£14.35m) (2022/23: £14.51m), and architectural and engineering services from our design partner (£24.36m) (2022/23: (£18.46m)). The remaining professional fees relate to various lower-value services procured from suppliers during the year, predominantly digital systems.

Note 2: Surveys costs include payments to contractors for undertaking surveys. They exclude associated employee and project management costs, which are included within employee and professional fees.

5. Fixed assets

a. Property, Plant and Equipment

The Delivery Authority held £0.74m of Property, Plant and Equipment as at 31 March 2023, mainly consisting of £0.73m of Assets under Construction relating to equipment purchased to undertake ground and building movement surveys. In 2023/24 a significant portion of this equipment was impaired, by its carrying value, of £0.68m. As a result of the Programme reset in 2022 the Programme schedule has been reviewed, with the forward look demonstrating that undertaking this survey now would result in the data lacking requisite validity by the time construction begins. It is also not certain whether this equipment would be used should Enhanced Maintenance and Improvement (EMI) be selected as a preferred option. Given

uncertainty over future use, the equipment has been impaired to nil, apart from a small amount which will be used in a pilot study. The Delivery Authority will work to maximise the value from this equipment, either through sale or retaining for potential future use in Phase 2.

[In the following list we detail:

- Item: 31 March 2024 Assets Under Construction £000; 31 March 2024 Other £000; 31 March 2024 Total £000; 31 March 2023 Total £000]

Cost or valuation

- As at 1 April: 732; 10; 742; 10
- Additions: -; -; -; 732
- Impairment: (675); -;(675); -

As at 31 March: 57; 10; 67; 742

Depreciation

- As at 1 April: -;(6); (6); (3)
- Charged in period: -;(1); (1); (2)

As at 31 March: -; (7); (7); (5)

Carrying amount at 31 March: 57; 3; 60; 737

b. Intangibles

The Delivery Authority has £1.31m of Intangible Assets, relating to IT infrastructure.

In 2023/24 the Delivery Authority developed a new website to increase the efficiency and effectiveness of content management which will lead to ongoing cost savings. As a result, the current website has been disposed of, resulting in a loss on disposal of £0.13m.

[In the following list we detail:

- Item: 31 March 2024 Total £000; 31 March 2023 Total £000]

Cost or valuation

- As at 1 April: 5,342; 5,342
- Additions: -; -
- Disposals: (474); -

As at 31 March: 4,868; 5,342

Amortisation

- As at 1 April: (2,838); (1,770)
- Charged in period: (1,068); (1,068)
- Disposals: 345; -

As at 31 March: (3,561); (2,838)

Carrying amount at 31 March: 1,307; 2,504

6. Right of use assets and lease liabilities

The Delivery Authority has one lease, which is the agreement with the Corporate Officers to occupy the office premises at 64 Victoria Street. This agreement falls under the scope of IFRS 16. The information below summarises the components of this lease. The Delivery Authority is not a lessee or lessor to any other lease arrangements, and there are no liquidity risks associated with this lease, for the reasons set out in Note 7.

Right of Use Asset

[In the following list we detail:

- Item: 31 March 2024 Total £000; 31 March 2023 Total £000]

Cost or valuation

- At 1 April: 3,176; -
- Additions: -; 3,176
- Reassessment of lease liability: 17; -

At 31 March: 3,193; 3,176

Depreciation

- At 1 April: (265); -
- Charge in year: (1,066); (265)

At 31 March: (1,331); (265)

Carrying amount at 31 March: 1,862; 2,911

Lease Liabilities

[In the following list we detail:

- Item: 31 March 2024 Total £000; 31 March 2023 Total £000]

Amounts falling due

- Not later than one year: 1,557; 739
- Later than one year not later than five years: 1,108; 2,462
- Later than five years: -; -

Total: 2,665; 3,201

- Less: Discounting: (86); (182)

Balance as at 31 March: 2,579; 3,019

Of which:

- Current: 1,490; 642
- Non-current: 1,089; 2,377

Amounts recognised in the Income Statement

[In the following list we detail:

- Item: 31 March 2024 Total £000; 31 March 2023 Total £000]

- Depreciation: 1,066; 265

- Interest expense: 98; 28

Total: 1,164; 293

Amounts recognised in the cashflow statement

[In the following list we detail:

- Item: 31 March 2024 Total £000; 31 March 2023 Total £000]

- Repayment of lease principal: 479; 157

- Interest expense: 75; 28

Total cash outflows for leases: 554; 185

7. Financial Instruments

The cash requirements of the Delivery Authority are met through grant funding received directly from Parliament, and financial instruments play a limited role in creating and managing risk.

The majority of financial instruments relate to contracts for non-financial items in line with the expected purchase and usage requirements and the Delivery Authority is therefore exposed to minimal credit, liquidity or market risk.

Liquidity Risk

The Delivery Authority is financed by resources voted annually by Parliament. As such it is not exposed to significant liquidity risks.

Interest Rate Risk

All of the Delivery Authority's financial assets and liabilities carry fixed or nil rates of interest and so it is therefore not exposed to significant interest rate risk.

Foreign Currency Risk

Foreign currency does not form part of the Delivery Authority's assets or liabilities and as such it is not exposed to any significant exchange risks.

Fair Values

The fair values of the Delivery Authority's primary financial assets and liabilities as at 31 March 2024 are the same as the book values shown in the Balance Sheet.

8. Trade and other receivables

[In the following list we detail:

- Item: 31 March 2024 Total £000; 31 March 2023 Total £000]

Trade and other receivables

- Receivables: 4; 5
- Prepayments: 1,421; 641

Total trade and other receivables: 1,425; 646

9. Accrued Income

[In the following list we detail:

- Item: 31 March 2024 Total £000; 31 March 2023 Total £000]

Accrued Income

- Balance as at 1st April: 91; -
- Income from recharges accrued in the year: 272; 621
- Accrued Income received in the year: (322); (530)

Balance as at 31 March: 41; 91

10. Cash and Cash Equivalents

[In the following list we detail:

- Item: 31 March 2024 Total £000; 31 March 2023 Total £000]

Cash and cash equivalents

- Balance as at 1st April: 8,181; 6,115
- Net change in cash and cash equivalents: (451); 2,066

Balance as at 31 March: 7,730; 8,181

The following balances were held at:

- Government Banking Service (GBS): 7,730;
8,181

Balance as at 31 March: 7,730; 8,181

11. Trade and other payables

[In the following list we detail:

- Item: 31 March 2024 Total £000; 31 March
2023 Total £000]

Amounts falling due within one year

- Trade payables: (981); (279)
- Other payables: (611); (537)
- Accruals: (3,146); (2,825)
- Deferred Income - Capital funding: (3,229);
(6,152)
- Deferred Income - Revenue funding: (1,879);
(1,658)

**Total trade and other payables: (9,846);
(11,451)**

12. Contingent liabilities

2023/24:

There are no contingent liabilities for the Delivery Authority in 2023/24. (2022/23 = nil).

13. Provisions

[In the following list we detail:

- Item: Balance as at 1st April 2023 £000;
Provisions utilised in the year £000; Provided
in year £000; 31 March 2024 £000]

Provisions

- Employee benefits: (600); 600; -; -
Total: (600) 600; -; -

The provision of £0.60m related to performance awards made for the 2022/23 year was utilised in full in 2023/24. Following the decision not to make any performance awards for the 2023/24 performance year no provision has been made for the 2023/24 year. **For further information please refer to the Remuneration and Employee Report.**

14. Related Party transactions

Related Parties are defined under IAS 24 as either the individuals who exercise control or influence over an entity, or other entities that meet certain criteria such as being part of the same Group.

IAS 24 requires companies to disclose, in respect of individuals, any management compensation, and this requirement has been fulfilled in the Remuneration and Employee Report. IAS 24 also requires companies to disclose, in respect of entities, any relationships and transactions between Related Parties.

The House of Commons and House of Lords are Related Parties of the Delivery Authority as the two Corporate Officers of the Houses of Parliament are (acting jointly) the sole member and guarantor of the Delivery Authority. The House of Commons also provides services to the Delivery Authority; in the period, the following transactions have been undertaken between the organisations:

- £75.20m of income (£70.55m in 2022/23) has been recognised in the Income Statement for the grant funding the Corporate Officers have provided to the Delivery Authority in return for the delivery of its objectives under the Programme Delivery Agreement. A further £5.11m is treated as deferred income in the Balance Sheet as at 31 March 2024 (£7.81m as at 31 March 2023). Note 2 provides further details.
- The House of Commons recharged £2.51m (£0.82m in 2022/23) of costs to the Delivery Authority relating to office accommodation charges, staffing, digital services, support for surveys and other miscellaneous costs. This includes recharges amounting to £0.77m yet to be invoiced by the House of Commons as at 31 March 2024, included in accruals on the balance sheet.

- The Delivery Authority recharged the House of Commons for colleague secondments and digital services totalling £0.30m during 2023/24. Recharges amounting to £0.03m were yet to be invoiced at 31 March 2024 and have been accounted for as accrued income on the balance sheet (£0.09m in 2022/23).

There were no recharges from the House of Lords to the Delivery Authority during the period (nil in 2022/23).

Other than their remuneration and business-related expenses, none of the Board Members or Executive have undertaken any material transactions with related parties during the year, except as disclosed below.

[In the following list we detail:

- Name of related party; Description of Expenditure; Transaction amount (£'000) 2023/24; Transaction amount (£'000) 2022/23; Name and Position in DA; Position held at related party]
- Transport for London: The Delivery Authority seconded staff from Transport for London;

203; 198; Anne McMeel, Director; Board Member

- Major Projects Association: The Delivery Authority pays a membership fee to the Major Projects Association; 12; 11; David Goldstone, CEO; Director

15. Losses and special payments

Managing Public Money requires the Delivery Authority to provide a statement showing losses and special payments by value and by type where they exceed £300,000 in total and those that, individually, exceed £300,000.

Losses Statement

[In the following list we detail:

- Item: 31 March 2024; 31 March 2023]

Losses

- Total number of losses: 10; 5
- Total value of losses (£000): 692; 5

There is one loss, relating to the impairment of Surveys' equipment, which totals £0.68m of the £0.69m and is above the reporting threshold. Further information on this loss is included in Note 5 to the financial statements.

Given that the preferred option for future works to the Palace of Westminster remains to be determined, there is a chance that some expenditure incurred to date may at a later date be considered a constructive loss. Without a confirmed option for delivering the works it is not currently possible to make this assessment, and it remains the view of management that all spend incurred to date has been in line with the mandate for the R&R Programme and requirements instructed to the Delivery Authority at the time incurred.

Special payments

[In the following list we detail:

- Item: 31 March 2024; 31 March 2023]

Special payments statement

Special payments

- Total number of special payments: 1; -
- Total value of special payments (£000): 39; -

One special severance payment was made in year, with a value of £0.039m.

16. Capital or Other Financial Commitments

Capital Commitments

The Delivery Authority has no contractual capital commitments as at 31 March 2024 not otherwise included in these financial statements (£0.15m as at 31 March 2023).

Other Financial Commitments

The Delivery Authority has not entered into any other non-cancellable contracts as at 31 March 2024 (nil as at 31 March 2023).

17. Events after reporting period

The financial statements were authorised for issue on the date they were certified by the Comptroller and Auditor General.

There were no material events after the reporting period.

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HOUSES OF PARLIAMENT

R&R DELIVERY AUTHORITY