House of Commons

Finance Committee

Oral evidence: Savings Inquiry, HC 1464-i

Tuesday 25 November 2025

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Watch the meeting

Members present: Steve Barclay (Chair); Luke Akehurst; Irene Campbell; Paul Davies; Ms Nusrat Ghani; Clive Jones; Sean Woodcock.

Questions 1-65

Witnesses

Examination of witnesses

Witnesses: Marianne Cwynarski and Vicky Rock.

Q1 **Chair:** Welcome to our first public session of the Finance Committee, and I think only the second public session that the Finance Committee has held in its history. This flows from the Committee's desire to be much more transparent in its dealings and more open with the public as to how their money is being spent in terms of the administration of the House. It is also an opportunity to scrutinise the plans to look at what savings can be delivered, particularly from next year, in a way that is more transparent, including for staff working in Parliament, some of whom I know will be watching proceedings today. I welcome our panellists and ask them to introduce themselves and their roles.

Marianne Cwynarski: Thank you, Chair, and thank you, colleagues. By way of introduction, I am the director general of the House of Commons, Marianne Cwynarski. I would like to outline that the services that I manage are not just Commons facing, but Lords facing. They include digital, security, maintenance, Strategic Estates and procurement. I also manage human resources, which is Commons only.

I want to put on record that I really value the scrutiny that the Committee is pursuing in terms of savings and improvement. It is important for us to work together and set the right tone from the top of the organisation. Today, I aim to respond constructively to your questions. I really do appreciate the external advice that the Committee brings.

Vicky Rock: Good afternoon. I am Vicky Rock, managing director of the Finance, Portfolio and Performance team.

Q2 **Chair:** Thank you very much. The most expensive item that we will face this Parliament is restoration and renewal, so for the public watching, it is worth clarifying at the outset that that sits outside the remit of this Committee. That is why in this public session we will not be focusing on that specifically. That is because it has its own project governing body, a Programme Board, which has monthly meetings to look at that specifically, and then an R and R Client Board that looks at the programme, separate from the Finance Committee. I thought that it would be helpful to clarify that.

The biggest item that this Committee looks at is Strategic Estates. Obviously, that has a big impact on restoration and renewal, not least because a lot of the things in the R and R programme depend on it. That will be the first item that we look at. More generally, we on the Committee have tried to be more transparent. Indeed, we wanted to publish our papers, but that is not within our gift; that decision is taken by the Commission, because this Committee's role is purely advisory to the Commission. Again, I just wanted to clarify why many of our papers are not currently published.

Before we turn to Strategic Estates, I have a few questions around the current level of ambition on transparency and whether it is in the right place at the moment. Take, for example, one of the major recent programmes in Parliament, Victoria Tower. It is in the public domain that it has been through a second tender, after the first tender was cancelled. Can you clarify the cost of having a second tender?

Marianne Cwynarski: I cannot, but I will pass to Ms Rock.

Vicky Rock: I might need to look up that figure, Chair; it was a number from a little while ago and I would not want to misremember it today. We do have that information and would have no hesitation in providing it to you.

Chair: Would you be able to give an indicative figure?

Vicky Rock: I could probably look it up and provide it to you later in the session when we talk about Strategic Estates, if that would be suitable.

Q3 **Chair:** Okay. At what point would that be made public?

Vicky Rock: The change in price from the first tender to a second tender?

Chair: If mistakes were made—I do not know whether mistakes were made; perhaps you can comment—and there was a significant cost to the public purse, at what point would that be made transparent to the public?

Vicky Rock: I can understand the question. For that type of expenditure, we would consider whether it met the "Managing Public Money" criteria for losses and special payments—we follow Government good practice in disclosure. For something like this where it was a failed procurement, so Parliament did not spend anything under the first procurement, and then it had to go for a second procurement and the cost changed, I do not think that would meet the "Managing Public Money" threshold. In that case, we could look at an alternative means of publication. I do not think that would be captured by the normal Government reporting rules.

Q4 **Chair:** But if there was a significant cost to the public, one assumes that there would not be an issue of secrecy about disclosing that figure.

Vicky Rock: We would be more sensitive while commercial discussions and negotiations were ongoing, but once a contract has been let, we can be completely open about the value of the contract and much more open about all the events leading up to it.

Q5 **Chair:** So in principle you would see no reason now not to be in a position to fully publish the costs?

***Vicky Rock** indicated assent.*

Q6 **Chair:** Could I ask about transparency around the IT systems within Parliament, particularly in terms of how old they are? Is the House currently transparent about that?

Vicky Rock: In the business plan internally to staff, we certainly disclose why it is such a priority. For reference, the finance system that we use is 22 years old—that would be the primary system you are referring to. It is not something that we proactively publish, but we would not hesitate to make it public. When we go out to tender for the new system, we will give information to potential bidders about what the current arrangements are. Again, we would have no hesitation in putting that in the public domain.

Q7 **Chair:** If it is 22 years old, and that potentially has an impact on the efficient running of the House, how long will it be until a new, fully operational system is in place?

Vicky Rock: With the Committee's agreement, we have initiated a project to replace the finance system. We have started the design work. That is running this autumn so that we can go out to market in spring 2026 to appoint a provider. Good and pacy practice on the implementation of new systems is 12 to 14 months—that is a challenging but achievable timeframe. We will be looking to meet that timeframe and to have replaced the system by the end of 2027.

Q8 **Chair:** So it is 22 years old now, but it will not be until 2027 that a new system is in place?

Vicky Rock: We are making some earlier changes. We are making improvements to the existing system to bring it up to a current version. That also means that we can start to adopt some new standard processes. We might be able to adopt some new technology. One of our biggest areas that drives cost is invoice processing, because as you can imagine, we receive thousands of invoices every month. It is a very manually intensive exercise to scan and input them. We are looking to see whether we can bring in technology sooner than the big finance system replacement, because in essence, it would repay quickly or bring forward a change in process, and therefore make the transition to the new system quicker. We are seeing if we can do that in 2026, if the security arrangements allow for it—for us to have an additional functionality that we bring to the existing system.

Q9 **Chair:** We have a second session, as you know, on HR and IT. I think that is particularly relevant, because part of the reason for the headcount increase is having legacy systems that are very inefficient. Finally from me, to take a different area of the Palace's operations, we have a number of retail units. Do they currently make a profit? If so, this year, what is the expected profit?

Marianne Cwynarski: I do not have the latest figures on retail. Do you?

Vicky Rock: I can remember them.

Marianne Cwynarski: Go for it.

Vicky Rock: Retail makes a small loss. Before covid, it used to make a profit. Last year, it made a £30,000 loss, and this year we are looking for around a £20,000 loss. When we come to the savings and improvement ideas, we have significant savings ideas for retail to turn it profit-making immediately from next year, because as a discretionary service, if it does not contribute a profit, it would not be worth continuing. Even though it is not the largest in value, we have focused on making sure that retail will become profitable.

Q10 **Luke Akehurst:** What changed with retail between pre-covid and now? Is it to do with visitor footfall, or is something else driving that?

Vicky Rock: It is partly visitor footfall. I think it is also just getting out of line on the staff costs as a proportion of sales, and looking at having enough flexibility in how we open different venues at the right time when the footfall matches. That is why we think it is something we can return to profitability very quickly.

Q11 **Irene Campbell:** May I ask one question in relation to retail? Is online retail part of those figures as well?

Vicky Rock: Yes, and that is profitable.

Q12 **Chair:** But just to be clear, we are losing money this year even though we do not pay the rent. There is no rent on those retail units.

Vicky Rock: The budget is for a small loss of £20,000. By bringing forward savings ideas, they might be able to get it to break even or make a small profit. It will be very close, Chair.

Q13 **Chair:** Small businesses in the country would be paying rent. We have a much more advantageous position, and yet we are still losing money.

Vicky Rock: Yes.

Marianne Cwynarski: I would like to say, Chair, that we are working in a different way in that retail space now. I do not want to get ahead of myself, but I am hoping that we are going to have a good Christmas period and will have a better outlook to share with the Committee soon.

Chair: We are keen to focus on the biggest-ticket items in the budget. There is always a danger in Parliament that people focus on smaller sums that are eye-catching rather than where the significant sums are. With that in mind, I will turn to Sean, who is going to lead on Strategic Estates.

Q14 **Sean Woodcock:** Strategic Estates is the largest area of spend, and it has grown quite significantly. Can you talk to that, and maybe also explain how that budget is managed in terms of mitigating risk?

Marianne Cwynarski: Thank you, Mr Woodcock. I just want to do a bit of scene setting, if I may. I am responsible for Strategic Estates and maintenance. Maintenance is the team that responds to the urgent issues that we face on the parliamentary estate—broken lifts and broken toilets and those sorts of things. That team is currently averaging about 2,900 reactive jobs per month. Strategic Estates is doing the longer-term, larger projects. Those are the big refurbishment projects that we are doing on our buildings and our infrastructure projects: things like the Norman Shaw North project—that is Strategic Estates. We then have the R and R picture, which, as the Chair mentioned, we do not manage.

Strategic Estates manages all the property assets and engineering infrastructure across the estate. It is massive and complicated. The parliamentary estate does not just comprise the Palace of Westminster, as you all know; there are 14 buildings in total. The Palace is, obviously, a grade I listed building, and then you have more recent assets like Portcullis House.

Headcount has grown. The size of the budget has grown. Strategic Estates now has an annual budget of over £175 million and 100 ongoing capital projects. In the last 10 years, the size of its portfolio has increased from £44 million to £175 million.

Sean Woodcock: You mentioned that you have 2,900 reactive—

Marianne Cwynarski: In maintenance, yes.

Sean Woodcock: By reactive, I assume you mean someone calling to say that the toilet or a lift is broken and so on.

Marianne Cwynarski: Yes.

Q15 **Sean Woodcock:** A lot of that will be relatively small scale in terms of cost. Okay, plumbers are expensive, but they are not going to account for a large chunk of that budget. How is the budget managed? You said that things come up urgently, but with proper asset management, you can prevent things from becoming urgent. Can you explain how that is done? When something is urgent, it is often a lot more expensive.

Marianne Cwynarski: That is a really good point. The maintenance team has largely operated as a reactive team, and we are shifting our stance to focus more on proactive, planned maintenance. I have brought in a different leadership team to lean into that challenge and do things differently. They have developed a really solid target operating model and they are implementing that now.

Q16 **Sean Woodcock:** Is the idea for that to bring down costs going forward? It clearly cannot deal with inflation and stuff like that, but if you are doing things more proactively, you could be doing less reactively, which means you would shift the resources that way or even remove some of them. Is that the longer-term aspiration?

Marianne Cwynarski: That is an aspiration, but I have to highlight the fact that the estate is deteriorating, so any gains that we get from proactive planned maintenance will not be realised—to break even would be a good picture on the maintenance front.

Q17 **Sean Woodcock:** The largest saving you have proposed for Strategic Estates is capitalising staff costs. Could you explain how that would work?

Vicky Rock: Yes. With Strategic Estates, we have two or three quite large-value savings. Probably the largest one is deciding the future of Tothill Street and what we can do. The numbers on that are not yet fully costed, so the numbers we have developed so far are a partial picture, but we know that if we change our approach to Tothill Street, in addition to looking at—

Q18 **Sean Woodcock:** Changing your approach?

Vicky Rock: Sorry; 14 Tothill Street is one of the 14 buildings that we rent. That lease has an end date of October 2030. The CEB has already decided not to renew the lease past 2030, but it will be taking a paper next month, which will then come to the Finance Committee, to say that, broadly, there are three options for what we could do with Tothill Street if we ignore the status quo. One option would be to mothball it, and doing so would save the security, maintenance and cleaning costs. Another option would be to sublet it. Although it would be for a very short period of time, which would not normally be desirable, the Government are doing a lot of moves and they might have a use for it for swing space, so the team is talking to the Government Property Agency. The third one would be to negotiate an early exit with the landlord, which would be subject to negotiation. Broadly, those are the three options for Tothill Street.

Q19 **Sean Woodcock:** That is one example.

Vicky Rock: Yes, that is one large area of saving, and then you asked about the capitalisation of staff costs. We have teams in Strategic Estates who work on delivering the major capital projects. At the moment, we are putting a lot of those costs to resource where, really, they are capital in their nature. What we do not want to do is just capitalise them and put up the capital budget, because there would be no saving in the amount of money going out the door for the taxpayer. This is our way of saying that capital is a really large element of Strategic Estates—the £175 million that Ms Cwynarski referenced a moment ago is its capital budget.

How can we put some incentives on making capital more efficient? One way we could do that is to say that we will capitalise more staff costs, but we will not put up the capital projects budget by a corresponding amount. We will give that as a value engineering challenge to Strategic Estates and ask, "When you look at how we use risk and optimism bias, how can we drive down the cost of delivery and save that amount of budget from the capital budget?".

Q20 **Sean Woodcock:** My last question is about the proposed saving of £3 million by absorbing risks. We have seen throughout our tenure as a Committee that the risk allowance is often used in full and sometimes needs more added on. Could you talk about that?

Vicky Rock: Yes. This £3 million relates to the fact that we think that Strategic Estates can find savings of £3 million from their operations and underspending areas to make the budget really taut. The two risks that we would be looking for them to absorb are business rate increases and rent increases. Those are risks to the resource budget. We are saying that, without going into every pound in Strategic Estates, we think it is a good challenge for them to find £3 million in savings to be able to cover the business rate and rent increases. That is partly based on past experience. At the moment, they are our largest underspending team. It is about how we can make sure that that budget is taut and has the right incentives in it to make sure that they focus on absorbing risks rather than looking for an increase in budget to cover risks.

Q21 **Sean Woodcock:** Are you very confident on that?

Vicky Rock: Yes.

Q22 **Chair:** May I slightly challenge that? Your biggest saving is coming from basically switching from resource to capital and then saying, "We'll in essence be having £5.6 million less on the capital but doing the same amount of capital work." That is what the position is, without any evidence to support how that is achieved, presuming that the original capital budget was correct, so suddenly there is going to be an efficiency there, which is unspecified. Then you are saying, "In addition, our second biggest item is £3 million a year on risk," and yet every project that has come from Strategic Estates to this Committee has fully used its risk and optimism bias contingency.

Vicky Rock: I have used risk with two different meanings, so I apologise if that was confusing. The £3 million says that what we want Strategic Estates to do is to be able to absorb from their day-to-day spend budget, not their capital project budget—to be able not to come to us, or the taxpayer, for an increase in budget to cover rent increases or business rate increases, but to make savings from the resource budget in order to cover those. I apologise, because I do not mean risk and optimism bias in the terms of a capital project; I mean it in terms of a financial pressure on the resource budget.

Q23 **Chair:** But both are without any evidence. Again, the biggest saving is, in essence, coming from an accountancy change; you are just putting it from one line, resource, into another line, capital, without any detail as to how that is achieved.

Vicky Rock: That is a very fair comment. One of the challenges we have with Strategic Estates is to make sure that the financial savings are right-sized. They have been through a lot of change, and they have made staff reductions already. That is why, when it comes to the savings ideas, we are seeing them more related to capital and to non-pay, but we want to be able to come back around this area to see if there are other untapped opportunities.

Q24 **Chair:** I just gently point out that it is the biggest budget, and the biggest saving item within that budget.

Finally, because I know Nus wants to come in on security, you yourself pivoted to Tothill Street, but just to be clear, because we have a contract with no termination clause before 2030, we are picking between three options: paying rent on a building we are not using because it is mothballed; subletting it at a loss; and paying early to get out. Either way, your three options are not particularly great. Is there a lesson there for thinking about termination clauses in such contracts moving forward?

Vicky Rock: I think we can only say from the position we are in, against the counterfactual; that is the position that we are in. There are, of course, lessons in property, but it is worth bearing in mind that it was a very different situation when these leases were entered into. They were entered into before the covid pandemic, when restoration and renewal was seen to be very imminent, and the delivery authority was expected to scale up. There was a real urgent need for extra accommodation in close proximity to the estate, and there was a real shortage of that. To be fair to the team, I think it would have been quite hard to negotiate terms and the most favourable terms. I completely agree that the flexibility would be really welcome, but now, with the benefit of hindsight, we are saying, "What's the best we can do to get the best value from the estate?".

Chair: We will move on, but I simply remind colleagues that Lord Maude and others were looking to streamline the Government property estate at that exact time, so one would have thought there would be capacity.

Q25 **Ms Ghani:** I have some questions on security. Ms Cwynarski, along with estates, security is the fastest growing area of expenditure. I do not want to have a conversation about the value of it—we want to keep ourselves safe—but how do you expect the expenditure to change in the coming years? I am really anxious about unintended consequences of decisions and that it could just spike going forward. Can you explain the expenditure on security coming down the line?

Marianne Cwynarski: I will share as much as I can with the Committee, but this is a public session. I am not obfuscating, but my answers will be deliberately high level, as I do not want to inadvertently share something that will compromise our security.

As you will know, Parliament and parliamentarians have experienced a number of events that have necessitated changing our security posture and, consequently, resourcing over the years. There has been a strong requirement to do things differently on the parliamentary estate and in constituency offices. The security team are now responsible for co-ordinating security measures in Members' homes and constituency offices. Prior to 2016, when Jo Cox was murdered, we did not do that, so that is a big area of growth. The murder of Sir David Amess in 2021 also prompted a review of those security measures, which led to a further expansion to the services that we offer in support of constituency events. We also brought in local security advisers.

I totally understand that there is not a blank cheque for security, but as well as that pressure to provide a new set of services for constituencies we have had to strengthen the technical and physical security measures on the parliamentary estate. As you are all aware, in 2017 PC Keith Palmer was murdered and we had the Murphy review, which recommended a very big programme of physical security construction works, many of which are happening now.

It is different from Strategic Estates, in that we have strengthened security a great deal; I cannot say that that is not going to continue. The

Committee and the Commission and the CPPS will all be involved in advising and scrutinising our spend in this area.

Q26 **Ms Ghani:** Can you share some expenditure numbers, so that we can gauge what the broad figures have been and what they may be going forward?

Vicky Rock: Certainly. Security's baseline budget is £82 million a year. Within security there are two main areas of spend: what you would think of as the traditional role of security on the estate, but then also the Members' security measures—the new functions that transferred from IPSA. We spend around £21 million a year on Members' security.

Q27 **Ms Ghani:** Within the overall £82 million?

Vicky Rock: Within that—exactly. Then the other £61 million is for the work on the estate. Members' security measures was not a function of ours five years ago and we do not have the same track record of information. Given the very new intake post the general election, I would say that we genuinely find that number a bit more uncertain and it is a little bit harder to forecast how it will be in future. The security on the estate is the one that we have actually delivered consistently over many years.

Q28 **Ms Ghani:** Would you say that the security investments on the estate have been successful? I am sure that Members will have raised the difficulty of accessing the estate, whether on foot or in cars; I am thinking about the entrance to Westminster Hall and other bits and pieces. So that has been successfully delivered within budget and scope?

Vicky Rock: Sorry—I was referring to the resource budget: the costs of our security operatives and of the Metropolitan police. Over the last five years, that budget has been a lot more stable. It has increased by around 5% to 6% in real terms. When you consider the background of the security, that is intended to demonstrate that there is a lot of control, scrutiny and challenge on that budget. We are still looking for efficiencies in that budget and we have savings proposals, particularly focused on that bit of the budget.

When it comes to the capital works, we will not—and you haven't asked me to, so thank you—go into the details of any individual projects, but it is about having the right physical infrastructure integrated with the right people. I know that there can be some areas where we also need to ensure we have the right accessibility, and Member feedback is being brought in at a much earlier stage on new projects that are coming through now.

Marianne Cwynarski: If I can come in there, Ms Ghani—

Ms Ghani: Yes, because you will have had a lot of feedback from Members.

Marianne Cwynarski: I have had a lot of feedback and a lot of lessons have been learned. We are very much looking to transform how we work with stakeholders to establish project requirements in a different way. For example, on Peers' Entrance, Lord Morse has carried out a review and made a number of recommendations that we will adopt. I am doing a piece of work around the transformation of Strategic Estates, how we do major projects and how we work with our stakeholders, and I will be involving the Committee with that in the new year.

Q29 **Ms Ghani:** Ms Rock, you said you hope to see some operational savings and efficiencies with some of the capital security projects. Is that correct?

Vicky Rock: There are some savings coming from the capital projects, but there are also some savings that are not dependent on capital investment. Savings have already been delivered in vetting, through automation, and some savings have come through enhanced physical and technical measures, but we also have options to put to Members on things such as the number of entrances and exits that we run at different points in the day, because there can be options available that can increase security and save costs.

What we want to do through the savings and improvement programme is engage with Members on some of those trade-offs and options, and be able to put those forward to the Commons but also to the Lords, because of course they are a bicameral team. We are very conscious that the number of people who will be impacted by these decisions is very large.

Q30 **Chair:** On Westminster Hall, what was the total cost of the gates that went in there?

Marianne Cwynarski: Peers' Entrance.

Vicky Rock: Oh, Peers' Entrance?

Chair: No—well, there are really two issues behind my question. We know that it is in the public domain now that Peers' Entrance cost, I think, £10 million. Initially, security was used as a reason not to disclose that figure, and there is a concern that security is sometimes used to cover up some of the transparency.

The second point is: given that that figure was made public and the world did not end—there was not a huge problem with it being disclosed—what is the equivalent figure for the work that was done in Westminster Hall?

Vicky Rock: For Westminster Hall north—I am afraid I do not have that. I do not recognise that project title, Chair. I don't know—

Chair: New Palace Yard? Is that the technical term?

Vicky Rock: Oh—yes. If that is something that we could provide to the Committee in a private session, then we gladly would.

Chair: Okay, I will not push that further now, but the wider point I want to raise is that the figure for Peers' Entrance was withheld for quite a long time, due to alleged security reasons, and when it was made public, it quickly became clear that there was not a security impediment to being transparent. When we look at similar programmes, such as Derby Gate, where I think there is an intention to do work, and the work that was done near Westminster Hall, those sums are not in the public domain. It would be interesting to understand, given the lessons from the Lords, why there is no transparency on those costs, when it is in the public interest that there is.

We will turn to the next item, which Clive will lead.

Q31 **Clive Jones:** Thank you very much for coming again; it is very nice to see you both again in front of the Committee. Several meetings ago, I asked, and the Committee fully agreed with me, to have sight of a break-even budget for catering, which we have not really seen yet. We have already missed an opportunity for this current year to get towards a break-even budget. We need to see that soon. Prior to covid, catering made a bit of a loss but was much closer to break-even than it is now. We really want to know not just when the Committee might be able to see a break-even budget, but when you will be able to enact a break-even budget.

Marianne Cwynarski: Thank you very much for the question. I share the Committee's aspiration to come back to you with a break-even proposition. We have already banked £1.9 million in savings this year as a result of the catering review, and we are planning to reduce our costs further, by £2.5 million in '26-27. That is meaningful progress, and it is going to continue. We very much aim to achieve those savings without reducing the offer too much to users on the estate. We will keep pushing for that break-even point. The reality in catering, across both the public sector and the private sector, is that it generally represents a cost rather than a profit centre, but we are committed to achieving break-even. Unfortunately, I do not have a date for when we will do that.

Q32 **Clive Jones:** The figures you have just given are good; we are going in the right direction. I am sure that you think that you have identified an awful lot of savings, but if we continue at that pace, it will be well into the next Parliament before we get a break-even budget.

Marianne Cwynarski: Just to cast our minds back, I commissioned the catering review before the Committee was set up in 2024, and we presented the recommendations to you. We are implementing all those recommendations at the moment. Those recommendations involve absolutely transforming every part of the operation of catering. It is managing the goods and services, reducing interim staff, increasing productivity, bringing in new systems, reviewing the offer at every outlet and driving up sales. It is doing things in a completely different way. I am really hoping that we can achieve break-even sooner than the next Parliament, but I do not want to set myself up in this meeting to say I will do that and then not achieve it.

Clive Jones: But that is what you are working towards.

Marianne Cwynarski: I am working hard on it, and I would like to give a shout-out to the team. We are working really hard to make this happen. I think we have banked some really decent savings. I know that we have to go a lot further, but we are trying.

Q33 **Clive Jones:** As I said, you are to be congratulated for what you have done; the deficit, loss or whatever you want to call it was getting a bit out of control, but now you are getting it much more under control. If you are aiming to continue the pace of the savings and stuff, we could do it by the end of this Parliament. It would be nice if we did.

Vicky Rock: We can certainly return to pre-covid levels. It is a really rapid delivery from the team. I think £1.9 million in-year is genuinely very impressive, and with more to come next year as well.

Q34 **Ms Ghani:** Labour costs—it was the same for retail, I think; even though you talked about other impacts, there was an issue of staff costs and flexibility in retail, which is probably driving the loss there.

When it comes to catering, Marianne, labour costs again seem to be the biggest challenge. I might have misread this, but is it true that labour costs are £5 million over turnover? Is that correct?

Marianne Cwynarski: I would prefer to get my colleague Richard Shoreland in from HR to answer that.

Q35 **Chair:** It depends on what figures you are willing to disclose, but my understanding is that the cost of labour is £5 million more than the entire turnover of the catering operation. Is that correct?

Vicky Rock: If you take the revenue less the cost of the goods sold, less the catering, yes—it is a £5 million deficit.

Q36 **Ms Ghani:** Is that last financial year? Is it regularly at that number or has it crept up recently?

Vicky Rock: It crept up over covid, because during covid there were a lot fewer transactions and staff pay rises still happened. Even coming out of covid, there was some reluctance over price increases. Prices were frozen during covid, and if you have two years of no price increases, you fall behind inflation.

Over the covid period, there was also really high catering inflation. It meant that the loss grew. Marianne and her team are now, with support, reducing it. That has come down by £1.9 million this year. Part of the driver of that rise in cost is agency and overtime costs. That has been one of the early areas for prioritising. In 2024-25, agency and overtime spend was £1.7 million. That is coming down to £1.2 million this year, so that is a 30% reduction. Actually, we are trying to halve it from last year to next year.

Q37 **Ms Ghani:** One would assume that agency staff are brought in because there are not staff available for a shift. I am just trying to get to the nub of this. Is this also because of the inflexibility of contracts in place for catering staff at the moment?

Marianne Cwynarski: I do not recognise that. The agency staff are used to bolster the banqueting team. That is my understanding.

Ms Ghani: Which team, sorry?

Marianne Cwynarski: The banqueting team, which operate in the events that occur in the dining rooms in the evenings.

Q38 **Ms Ghani:** If it is the banqueting team, why is the cost of labour not absorbed in the cost that is given to the customer who is booking out?

Marianne Cwynarski: I will be completely honest: we do not have the right shape of the workforce in that area. We need to look at how we deploy our staff both across the catering outlets and the banqueting team. Vicky has mentioned that we have an ambition to reduce that cost, and we have reduced it a bit, but there is a lot further that we can do. We have, for a number of years, not looked at the shape of the workforce and what we are trying to achieve with that workforce. I have brought in a different director to come in externally, bringing private sector experience to look at how we can work in a different way.

Q39 **Ms Ghani:** Five million pounds is quite substantial. I was not sure whether your challenge is that the staff we have in place have particular kinds of contracts that reduce your ability to make them flexible, and make the whole exercise more cost-efficient.

Vicky Rock: Fundamentally, it is a slightly difficult operation to staff, because it has irregular hours and recess periods, but there is obviously a need to maintain a service when Members are on the estate, and because we have a 24/7 security and supporting workforce. It is inherently more complicated than a normal 9 to 5 business, but that does not mean that we do not think it can break even, because you have banqueting being able to generate income.

Part of the issue is about the flexibility of deploying staff around different venues at different peak times. It is about having controlled use of agency staff to meet demand, but not relying on them so heavily in a way that becomes cost-inefficient, and about doing things like digital rostering and making use of technology to deploy staff. Those are all examples of what the team are working on to reduce the deficit further.

Marianne Cwynarski: The external catering review did say that we need to reduce our reliance on interim staff and increase productivity with the staff that we employ.

Chair: Again, I think the case for transparency is very clear there, not least to explain to staff where changes may be required. I will turn to Paul on the savings and improvement programme.

Q40 **Paul Davies:** In your written evidence, you refer to your aim for the savings program to be "bold and transformative". That is quite a bold statement, isn't it? How would you define "bold and transformative"? What does that look like?

Vicky Rock: We want to use the savings and improvement programme as a catalyst for change and see it as a real opportunity. What we do not want to do is salami-slice budgets or pretend that we can achieve the same with less. We are really proud of the excellent services provided to Members. We want to continue to provide excellent services to Members, their staff and those working on the estate, but we want to see how we can use technology differently and use different ways of working to make step changes in delivery, and how we can stop things that do not add as much value.

There is a risk in any organisation that the things it does accumulate over time. A new initiative may get added, but an organisation does not always look to see what is not a priority any more. What we want to do through the savings and improvement programme is focus on things that help us to deliver excellent services in the most efficient way, and to say, "What is not helping us in the way that it may have 10 or 20 years ago that we can do differently?".

We are trying to see this as a positive opportunity to come up with more innovative ideas; hence we gave teams the challenge of coming forward with ideas for 20% savings. That was to prompt creativity, because we did not want them to say, "I'll skim 1%, 2% and 3%", and for nothing to change. We are trying to say, "Let's really think about what our strategic priorities are. Let's update the strategy at the same time." Then we can focus our resources on where they really help to achieve the organisation's objectives and in that way deliver value for money.

Marianne Cwynarski: I want to add that we want to embed a value-for-money culture here. I commissioned Lord Morse to look into our financial management in 2021. He pressed me at that time to come up with an annual savings target, but I felt that, as an organisation, we were not ready for that challenge then because we needed to put our house in order in terms of financial management. Ms Rock has focused on that for the last four years. Now we are in a really good position to make some immediate savings, but also to think about value for money currently and in the future. We should be talking about value for money and savings every year as we go forward.

Q41 **Paul Davies:** I absolutely applaud the ambition, but how do you get to a point where you can validate and measure that? What are the key indicators that you will be looking at?

Vicky Rock: In refreshing the House strategy, we will seek the Commission's agreement on what our priorities are. How can you articulate, in a really precise, quite crunchy way, what we are here to do and define the purpose? If you were to look three years forward from now, what would you want to be different? What do you think the administration should focus on in order to support you as Members, be ready for restoration and renewal and all of these things? The aim is to start with that definition of where we want to be and to define outcome measures for that.

When it comes to defining measures for savings and improvement, we have done a lot of work as a result of the independent review of financial management that says, “What does good financial management look like?”. Being able to do the savings and improvement programme immediately after the independent review of financial management gives us the continuity to say that we are trying to achieve a good value-for-money culture where capital projects are delivered on time, on budget, and where very good management information is produced by modern systems.

We have done so much over the last three years, and this allows us to build on those foundations, to ask how we translate that into budgets that fall in real terms—that has to be one of our success measures—while still maintaining excellent services, and to define those excellent services and those metrics.

Q42 **Paul Davies:** How is the work to pull that together being facilitated? That is key to what you are talking about, isn’t it?

Vicky Rock: The Commons Executive Board has spent time working both on refreshing the strategy and on the savings and improvement programme together to make sure that they make sense as a whole. The initial priorities will be tested with the Commission at its meeting next month because we want to check that we are all on the same page regarding the priorities of the organisation, and that we orient ourselves correctly.

We will bring budget plans to the Finance Committee at your next meeting. When we get to the new year and we come to you to sign off the budget plans, there will be a strategy and a direction of travel on workforce, which I know will be very important to the Committee. We will provide those in a joined-up way: this is a single plan and a golden thread that runs from the strategy through the savings and improvement plan and the workforce plan. You will see that coming together, ultimately, through the Commission decisions in January and February next year.

Q43 **Paul Davies:** So that will be clearly linked; we will be able to see that very clearly.

Marianne Cwynarski: Yes. We will share that with the Committee.

Q44 **Paul Davies:** So we will be able, very quickly, to understand what outcomes you are looking at, the impact and the changes.

Marianne Cwynarski: Yes.

Q45 **Paul Davies:** Thanks—that is great. I have one other thing to ask about the plans. A number of proposed savings are marked green. Does that mean that those proposals will immediately impact savings?

Marianne Cwynarski: Yes. They are the savings that teams are implementing straight away.

Vicky Rock: There are so many savings ideas, so we do not want people to get bogged down and lost in a bureaucracy. We want teams to be very empowered to deliver. For those ideas that we think can be progressed immediately, we are trying to make sure that we make the route for teams as smooth as it possibly can be, so we are engaging with the trade unions and we will engage with the Finance Committee and the Administration Committee. We will just try to clear the way so that those proposals can be delivered really promptly.

We want savings as early as possible. We then have ideas that are less self-contained—they require more discussion. We want to be able to then focus our attention on those. Where we have ideas that impact services to Members, or that might have bicameral implications with the House of Lords, those are the ones on which we want to spend our time engaging, doing a delivery plan, and trying to make sure that we do not overwhelm teams or governance structures with how we work through.

We are trying to clear the way for self-contained, uncontroversial ideas to be delivered quickly, with just local engagement involving customers where needed. With the savings programme, we can then focus on those things that are more intricate or those things that are cross-cutting. In addition to team-by-team savings we think that there are cross-cutting opportunities, so we want to be able to make sure that we focus on those. We feel that they might otherwise be at risk of not happening.

Q46 **Paul Davies:** One final question from me: what are the key barriers to achieving that?

Marianne Cwynarski: I would say it is the capacity of colleagues to keep the business as usual running—especially when it comes to change across all our services—and have capacity to raise our eyeline and do the more ambitious things. That tension is the challenge.

Q47 **Irene Campbell:** Ways of working have changed in the last five years to include much more flexible working and some working from home. How are we reducing our spend on office space to reflect these changes?

Vicky Rock: We have been looking at our office utilisation. We have an oversupply of office space, and that is why, when we look at decisions like Tothill Street, we certainly will not extend and we are asking whether it can work to exit earlier. We also have significant capital works planned on the northern estate. We have done modelling that shows that we have the space that we need to use as swing space: when Richmond House has its capital works, Members will move to Norman Shaw North; they will not have multiple moves, but they will move to Norman Shaw North.

We have a lot of staff based in Richmond House, and we are looking at how they can be accommodated in Dartmouth Street and Victoria Street. That will push up utilisation in those buildings, which is a real positive. In the St James's estate—in Victoria Street in particular—we also look at subletting. We sublet to the Delivery Authority, so we will stay in very close co-ordination with them about their plans and how much space they want to use. We still have spare capacity in Victoria Street, and if we can get subletting income from it, we definitely will. Certainly we will also be using that space as swing space for capital works.

Q48 **Irene Campbell:** What are the chances of achieving the subletting arrangements? Are these under way?

Vicky Rock: Yes. 50 Broadway is more or less fully sublet. I think there is some empty space on the ground floor, which is a little harder to sublet because of shared fire escape routes—I think that is correct. We work closely with the Government Property Agency. With Government doing a lot of work to decrease their central London footprint, they are finding it useful that we have some space for them, either for swing space or for smaller teams. In Victoria Street, we now have more civil servants who are subletting, I think from Westminster city council. We work with the Government Property Agency and our own property advisers to see where there are good tenants and good opportunities.

Q49 **Irene Campbell:** Thank you for that. We have received written evidence about areas where changing demands have led to pressures for services. Where do you think the pressures will emerge in the next five years?

Vicky Rock: For the budget overall?

Irene Campbell: Yes.

Vicky Rock: The biggest area where we will have pressure is maintenance. Maintenance is an area where we will be more efficient, but, as Ms Cwynarski indicated, that will be reinvested. Maintenance has seen year-on-year growth in tasks of 12% to 14%. We are increasing our capital investment in maintenance—we are doing more proactive works—so we have increased its capital budget each year. It is overdelivering, which is really positive. When we have spare capital budget, we are allocating to maintenance so that it can bring forward work and do it quicker. That is a real positive. The truth is that it is an area where you sort of have to run to stay still.

In recent years, we have also invested a lot in cyber, safety and services for Members and Members' staff. I think all of those will be sustained. Those are areas where, if you look back from where we are now to where we were three years ago, it was probably unsustainable before and it is probably right now. I do not expect those areas necessarily to grow but, thinking about how we have changed recently and where we might need to continue to put those efforts, I would highlight those areas.

Marianne Cwynarski: I do not have anything to add.

Chair: Thank you very much, Marianne and Vicky, for your evidence today. Could you write to us over the next week on the cost of the security capital programmes that we discussed, particularly New Palace Yard and Derby Gate? While being mindful of any security issues, I am keen to learn the lessons from the Lords door. Certainly it seems perfectly reasonable to publish the total costs, without getting into individual contractor breakdowns.

Examination of witnesses

Witnesses: Richard Shoreland and Andy Smith

Q50 **Chair:** I welcome the second panel, and I invite Andy and Richard to introduce themselves.

Andy Smith: Thank you, Chair. My name is Andy Smith, the managing director of Parliamentary Digital Services and CIO. I have been a CIO for more than 20 years, with most of my experience being in the private sector, but I have also had some other public sector roles.

Richard Shoreland: Good afternoon. I am Richard Shoreland, managing director of people and culture and the chief people officer. I have been with Parliament since 2019, and I have been in this role since March 2023. My background is predominantly private sector, until I joined Parliament six years ago. I cover the HR groups, but they cover the joint departments and parliamentary health and wellbeing, which supports the Lords, as well as safeguarding, which is also a parliamentary department.

Q51 **Luke Akehurst:** Thank you, Mr Shoreland and Mr Smith, for coming to give evidence today. A key reason that led to this inquiry was that earlier this year, when we looked at headcount across the organisation, we could see that, over a 10-year period, it has grown by over 90%. What do you think are the key drivers for that? How much of it was actually due to decisions made collectively by Members of Parliament, such as bringing security in-house?

Richard Shoreland: A number of decisions have been taken by the House Administration over the past 10 years that have increased the growth. One is the provision for Members and Members' staff, and one is around doing things differently—there has been a trend of going towards a more insourced model from an outsourced model. As was mentioned earlier in the session, another one is the decaying estate and the work of supporting a UNESCO heritage site, as well as the preparation, pre and post covid, for restoration and renewal.

The growth has been broken down into two particular areas, one of which is new activity, which accounts for around 64%. We have already mentioned the Parliamentary Security Department, which was created from a team of six and now contains 550. I understand that happened after the Jenkins review back in 2015, and we TUPE-ed in around 350 people from the Met police. Another area of huge expansion was the Parliamentary Digital Service; 18.3% of that increase was to bring the capability of digital from where it was, and to bring all the departments together.

We have mentioned Strategic Estates, which is the third highest in new activity, and a lot of that was the increase in capital projects from about £44.3 million up to about £153 million. There is a whole load of other smaller ones that link in there, such as a lot that relate to Members' services, as well as other ones that have been agreed by either Committees or the House of Commons Commission.

The second area of growth is the increases in existing functions, including increasing services to Members and increasing services across digital. One of the biggest ones is also Strategic Estates, which had an increase of 183 full-time-equivalent staff—for example, the programme office went from three to something like 43. When you are increasing the capital projects, you need the project office to support that.

Digital has also been a big increase in that growth area, such as raising the capability of things like cyber-security, which we have already talked about, and the new technologies, pre and post covid, that we have needed to deploy. Select Committees have increased by about 78 FTE—I understand that relates to social media and engagement post covid, as well as the Liaison Committee authorising additional resources for resilience across Select Committees.

We have also had increases in CPT, which is the Chamber department, and they relate to things around visitor assistants around the Elizabeth Tower and other aspects around that. Earlier, we mentioned the safety of colleagues across the estate and what a huge priority that is with the safety transformation programme. We have centralised the safety team and also increased the capability of that safety team significantly to make sure that we have those measures in place to try to ensure that we can effectively protect the day-to-day around the estate and some of the activities.

I have mentioned Members' Services before. One of the ones that sits in my team is the creation of an HR advice service in the Members' services team, which provides advice on training and helps Members to run their constituency offices. That increase was a new capability and is around about 20 FTE. We then further expanded that after the Speaker's Conference to have guidance for Members' staff as well. I am seeing a huge increase in demand year on year from a baseline of around 500 queries all the way up to about 4,500 at the end of the last financial year.

Q52 **Luke Akehurst:** That was looking back at what has happened already. Looking forward, what major changes to the skills requirement and headcount in this place do you anticipate over the next five years? I assume there might be drivers that would continue to push the need for more staff. There might be projections of further increased security risks, but there are also things going on in wider society and technology, such as the adoption of AI, that might mean that in some areas we do not need so many staff because there are other ways of doing things.

Richard Shoreland: I will pick up the skills aspect and perhaps Andy can pick up on technology and AI. Obviously, we have changing generational demands that people are looking at. Hybrid working is a hugely important and attractive benefit that we see now from different generations, and it can be deployed differently to different services in order to provide flexibility—for example, in speaking to Members outside normal hours.

We choose to have cyber and digital skills and all that sort of thing in-house. That is an important one that we did not have pre-covid. We are also seeing a need in the Strategic Estates space to make sure that we can bring in and attract project managers and people from that sort of area into the organisation. As well as that, we need to build on what was said earlier around making sure that we support our line managers in areas such as catering to be able to manage the different capacities that we have throughout the estate.

Andy Smith: On AI, the question is the same one that is out there everywhere: what will the impact of AI be on jobs? Obviously, we need to think about that in a parliamentary context. In many ways, it is too early to say. What we want to make sure is that we equip all parliamentary staff with the skills they need to be successful in using that technology to enhance the work they do and the service that they provide.

We are running a number of proofs of concept in different areas of Parliament about how the technology can be harnessed. We have high hopes that they will deliver productivity gains; the next step is operationalising those experiments, seeing how they work live, understanding the benefits they realise and then thinking about how they may scale up in the future, but it is a big question.

Q53 **Luke Akehurst:** Sometimes we have seen business cases that involve really quite expensive capital spend—this building and organisation is quite famous for some extremely expensive capital programmes—and do not necessarily seem to look at turning that capital spend into a revenue or resource saving. This may not have been one of the ones that was thought of as a business case, but I am thinking of the fact that new physical bits of security have been put on entrances, for example. If people are using technology to enter and exit a building, that presumably means that you do not need so many staff. Going forward, are you going to push to ensure that business cases should look at resource savings that can come from capital spend?

Andy Smith: That is a great question. I think we absolutely should. Some of this comes to what Marianne Cwynarski said earlier about how we get a culture in place, where with every business case we bring forward we are looking very carefully for the return and what it means for the overall operating costs of our organisation. We are being very rigorous about how we look at each of the cases, whether that is a technology case, security case or whatever kind of case it may be.

Q54 **Luke Akehurst:** One final question from me: when you are looking at increasing productivity and efficiency, do you go out to the people on the frontline to get their ideas? I assume that the staff in this place are most aware of what could be done better day to day, and how we could get better value for money. What kind of consultation with staff is there to get their ideas on improving efficiency and so on?

Andy Smith: Thank you for the question. In technology, in my space, you really want to work with the end user. For example, we are working with *Hansard* and the reporters in the *Hansard* team to say, "How can technology help you to do your job better, more efficiently?". We are not working with senior leaders, who might hypothesise about what that looks like; we are actually working on the ground, hand in glove with the teams who use the technology.

The same is true in maintenance and in Select Committee teams. I guess our technology model is to try to make sure that technology really embeds in all the different House services; it is not some different and separate thing along the road, but part of how we deliver really good service. Every quarter, every year, we try to make that service work better, working with the people who actually deliver the service.

Richard Shoreland: Commons Executive Board members do a lot with their teams directly. We work with trade union colleagues as well. We get a lot of feedback from different groups, including Member groups.

Q55 **Irene Campbell:** Will you clarify? Do we offer staff flexibility of roles? For example, you mentioned bringing in project managers. Are you offering developmental opportunities for current staff to move to other roles, so that we are not constantly having to recruit from external organisations?

Richard Shoreland: Absolutely. We have a number of development routes for employees across lots of different levels in the organisation. It is hugely important for us to make sure that we maximise the potential of our current workforce across all different levels and, at the same time, to recognise that if there is a skillset we do not have, we go out to market—we could go out for a limited period on different levels of engagement, but we do attempt to make sure of that. A huge number of our line managers and supervisors have worked their way up through the organisation through structured career-development routes.

Q56 **Paul Davies:** You have talked a bit about technology, IT and its role as an enabler of efficiencies and improvements, so I will not dwell on that. I think you covered some of that. To achieve it, however, do we have the resources internally to help us to do so, or are you focusing on external resources? If there are external resources that you look at, what kind of resources do you plan to bring in to achieve those changes?

Andy Smith: In my role, you always look to find the right balance between internal and external resources. In the team that I run, I want to make sure that it is a team that is very technically capable, future-focused and engaged in terms of where the best ideas are, whether public or private sector. We are changing the balance of our workforce. We are making it a bit more technical. We are bringing in some modern delivery skills and we are trying to do a bit less of the administrative work—to give more of our resource to frontline delivery.

But our needs are always going to be variable. We will go up and down with the work, so we also need to have really good external relationships, partner relationships and flexible relationships with the marketplace to deliver particular initiatives. It is definitely both: it is a skilled, future-focused and modern organisation, which would be analogous to what you might find in a FTSE 100 company—I hope—supported by strong and enduring partnerships.

Q57 **Paul Davies:** Is that an active recruitment process that you are running?

Andy Smith: I have been in Parliament for a year. As part of that, we looked at what we need to be as an organisation to support Parliament's needs. There is some reshaping. For us, the savings and improvement programme is a little bit of reshaping the workforce, and giving it a more technical edge and a stronger delivery edge to what we do. That is under way at the moment.

Paul Davies: And that is part of the cost-saving plan?

Andy Smith: It is.

Q58 **Paul Davies:** What are the key cost savings to be achieved through technology change and advances in using technology?

Andy Smith: We are working very closely with Savings and Improvement. We ran workshops with the different teams across Parliament, and 14 of the more material ideas have a strong digital element to them. If you look at those, there are three major areas.

One is about reduction in administrative overhead that we can automate. A second area is about increasing self-help. For example, in my world, our service desk gets 50,000 phone calls a year. We want to provide a way for administrative staff and Members, where they can, to solve their own problems in line with modern approaches to service. More broadly, an area where I would say that private sector is ahead is how we use technology to support customer service across a whole set of functions in the House of Commons.

Q59 **Paul Davies:** What will that look like in the next year in cost savings? What will that achieve?

Andy Smith: I cannot separate it out. It is really part of the set of ideas that yield the 10%. It is embedded in savings that are in different teams across Parliament.

Paul Davies: Okay, so this is an enabler that is crucial to achieving the overall plans?

Andy Smith: Yes.

Chair: Unless there is anything else from the Committee, I have a couple of questions to wrap up. First, Richard, you said that the third highest increase in headcount was Strategic Estates. The Committee was very surprised to discover that one Strategic Estates contract had four contract changes a day on average—that seemed a staggering number—and that the average of the ones that have come before the Committee was one change a day, in what is a very manual process. How much is that driving the increase in headcount? How concerning is it, not least with R&R to come?

Richard Shoreland: Could I just clarify the earlier part of the question?

Q60 **Chair:** We were told that one of the reasons for Strategic Estates burning through their risk and optimism bias so much was that there were so many changes to the contract being made. When we looked at that, the average was one a day; we had one contract, unbelievably, where there were four contract changes on average a day. We discovered that that was a very manually driven process. In your evidence, you said that the third highest headcount increase was Strategic Estates. I would just like to tease out to what extent that additional headcount is driven by the huge number of contract changes that are then done in a very manually driven way.

Richard Shoreland: I may need to come back to the Committee on that, Chair, to be honest. The reasons for the growth I have for Strategic Estates are around the PMO expansion and the heritage collection, and a lot with the project management delivery, but I do not think I can answer that.

Q61 **Chair:** Perhaps you could write to us on that.

Secondly, I think the current House of Commons policy for working from home is that people attend the office two days a week. Do all teams comply with that?

Richard Shoreland: At the moment, we have a couple of teams that are not hitting the 40%. I wrote on 24 July to the Committee on this: CEB have been basically trying to push the attendance figures up for certain teams. We found that there was one team—I think we mentioned ICGS—that had a lower threshold.

Q62 **Chair:** What is their attendance, currently?

Richard Shoreland: It is now up to 30%.

Chair: But earlier in the year it was lower?

Richard Shoreland: It was around about 13%. That is a bicameral team; in the letter, I think we talked about sensitivities around that team, which I can take in a private session.

The other piece of work we are now doing with onsite attendance is testing the threshold of the other areas that are not included in those figures. We know offsite training—people attending Committee visits and that sort of thing—are not included. We are also doing that now for three departments.

I did it as a manual exercise for my department in March, and moved my figures from 38% to 45%, so we would like to validate what that threshold is for attendance. We are committed as an executive board to making sure we are getting people attending the site and being productive. We have not had any feedback to say that people are not delivering services as a result of that lower threshold, but we have committed, as I have stated in the letter, that we want to make sure that that figure is reached.

Q63 **Chair:** In terms of the point Luke was raising around the overall increase of more than 90% in a decade, in your evidence you said that in essence two thirds of that—64.8%—was due to new things that the House was being asked to do. Two points arise. First, that still leaves 564 additional posts just for doing the same as before. Secondly, it doesn't net off any of the things in the last 10 years that will have been stopped or become more efficient to do. Is it not reasonable to think the numbers will be worse if you factor in the fact that there should have been some efficiencies on the existing work as well?

Richard Shoreland: I totally understand that point. What we have done a lot of the time in the organisation is looked at needing to do new capability or add extra work into the system. What we have not been as efficient at historically is looking at saying, "Can we do that out of existing budgets?", and those sorts of things.

Having said that, the workforce is working extremely hard to deliver services on a day-to-day basis, under sometimes quite difficult circumstances. As an administration, we have committed to looking at those savings and really looking at it department by department to try and get those areas from the position we are in now to the position we would end up in at the end of a savings improvement programme.

Q64 **Chair:** But as an HR professional, are you not surprised that we got so many additional posts just on additional work?

Richard Shoreland: I have to say that when I saw the 90% figure, I was hugely surprised and wanted very quickly to understand what was driving that, coming from my background in the private sector. With all the CEB colleagues, we tried very quickly to get our heads around what was driving it. I have been through this in quite a bit of detail, as you can imagine.

Now we do seem to understand how we have moved from A to B to C. What we have not done, as I said earlier, is challenged ourselves as an overarching organisation. We have looked at it department by department. What CEB is now committing to is looking at it as a cross-cutting function so that we can get to the stage of saying, "We do this in HR, we do this in other areas", making sure that we collectively have responsibility and own whatever it is we sign up to do in the next three years.

Q65 **Chair:** I have a final question, following up on Paul's point. Andy, you flagged, and the papers had the point about, digitising the basics, team level productivity and digitally enabled change. What I could not see were any outcomes. You mentioned a specific user case, *Hansard*, where automation can reduce the resource requirement, but I struggle to see what the other ones are.

You will have seen in the news companies such as Amazon making very significant changes based on technology. Do you have a list of user cases, and what can we as a Committee do to turbocharge that? At the moment, what is missing for me is any sense of what the outcomes that will be delivered by technology are and when operationally we can expect to see them.

Andy Smith: First, as I said, there are 14 ideas from savings improvement that use digital to save heads and to save money. I am sure the Committee will see those in closed session as those get further developed.

I come back to the point made by my colleagues around strategy. One of the key things that we need, based on private sector experience, is a really clear set of outcomes in the strategy. We can then tie a very specific set of use cases that deliver those outcomes. That is the golden thread that takes us to how digital can really help realise both savings and improvement.

Chair: Great. There are no colleagues looking to come in. Thank you, Richard and Andy for your evidence this afternoon. That concludes all evidence sessions for today. Thank you everyone for attending.