Finance Committee

Minutes

Wednesday 22 February at 3.45pm in Committee Room 4

Present:

Lord Vaux of Harrowden (Chair)
Lord Altrincham
Earl of Courtown
Lord Davies of Brixton
Lord Lee of Trafford
Lord Levene of Portsoken
Lord Reay
Lord Stoneham of Droxford

Fehintola Akinlose (Finance and Procurement Director), Aisha Bi (Head of Governance) and Andy Helliwell (Chief Operating Officer) were in attendance. Claire Arlington (Head of Finance Business Partnering), Emma Gendall (Head of Employee Experience and Reward), Dom Houlihan (Director of Human Resources) and Jonathan Smith (Head of Finance) attended for the item on the Combined Performance Pack.

Apologies

Apologies were received from Lord Tomlinson and Lord Kennedy of Southwark.

Apologies had also been received from the Clerk of the Parliaments.

The Chair welcomed Lord Reay to his first meeting of the Finance Committee.

Agreeing the minutes of the last meeting, and matters arising

The minutes of the Committee's January meeting were agreed.

The start time of the meeting had been moved back to 3.45pm, it had not been possible to find a time outside sitting hours that worked for all members.

Action Log F/22-23/33 UNRESTRICTED

The Action Log had been circulated, since doing so the Transforming Digital benchmarking data had been shared with the Committee.

The Chair felt that the Home Office should be asked to contribute to the Emergency Service Network project, as it was a requirement from the Home Office.

Q3 Combined Performance Pack F/22-23/34 RESTRICTED

The Head of Finance Business Partnering introduced the Combined Performance Pack. The pack contained the actuals to the end of December. In resource, excluding non-cash, there was an underspend of 3.7% against the revised budget. High inflation, utility costs and recruitment issues were all impacting on spend.

The Head of Employee Experience and Reward informed the Committee that the vacancy and sickness rates had both increased slightly in Q3, in line with expectations for the time of year. A review of vacant posts was underway to ensure the intention was still to recruit to the roles. Anecdotal evidence from managers suggested that stress related illness was still an issue, however the data did not reflect this. Action was being taken to support managers.

The Head of Governance informed the Committee that there were three performance metrics reporting as red, two of which sat in the 'Make Parliament safer, more secure, and sustainable' objective.

Underspends in the Parliamentary Digital Service (PDS) and Strategic Estates were as a result of key vacancies causing slower than expected progress on projects and programmes. There was work ongoing in the HR teams of both Houses and PDS looking at the overall employee offer, including benchmarking pay. In the Lords the focus was on the Commercial Directorate; a strong package had been put together and a recruitment agency engaged. Strategic Estates was looking to do something similar. The Committee noted it was a false economy not to pay sufficiently to attract and retain the right people.

Both Houses were also engaged on workforce planning, both individually and jointly, to reduce current capacity and capability concerns.

The Committee was informed that outside pay, there were no clear themes in the feedback provided in exit interviews, more anecdotally, staff progression was recognised as an issue. Given the size of the Administration there were limited opportunities, however there were more opportunities across both Houses and PDS. Steps had been taken to make moving between the Houses easier.

Improvements to the performance indicators for making Parliament safer, more secure, and sustainable would take time to be reflected in the RAG rating. The appointment of a Parliamentary Director of Security would support this work.

Member attendance numbers had increased, as had the level and cost of member travel, which was reflected in the figures. Around 5% of the members' finance cost was travel costs.

The Committee took note of the update.

House of Lords actions – Morse Review F/22-23/35 UNRESTRICTED

The Chief Operating Officer introduced the paper, it provided an interim update on the recommendations in the Morse report and a sense of scale of what was involved in implementing those recommendations. The first meeting of the Morse Implementation

Group had taken place, it had agreed a detailed action plan and target dates for implementation. Further details could be shared with the Committee in future.

The Committee was informed that the implementation of the report was a three year programme, the changes were wanted and welcomed by the organisation and the people within it. It would not be a tick box exercise, but it would take time for the impact of changes to be visible. Lord Morse would continue to be engaged during the implementation period.

A number of the actions had already started or been planned when the report was published, roughly 65% of the recommendations were new actions. There would be some cost as a result of some of the actions, such as the improved pay offer for the Commercial Directorate, and the cost of staff time.

The Committee recommended that the following areas were prioritised:

- The items under People and Culture, in particular performance management; and
- M6 and M7: the prioritisation of projects.

The Committee was informed that on action M16 - Senior leaders accountable for Financial performance - steps had already been taken in the Lords and from this financial year financial targets had been implemented for senior leaders, with the aim of improving financial estimates and performance.

The Committee requested that a Lords only Morse update was brought to the Committee on a six monthly basis, bicameral matters would be considered at the joint Finance Committee meetings and bicameral teams bringing updates to the Committee would be asked to include details of progress against Morse actions.

Committee operating framework review F/22-23/36 UNRESTRICTED

The Framework had been circulated for its first annual review; there were no proposed changes. The Committee noted that it had no decision making power, other than to be able to report and make recommendations to the Commission. However, it was noted, the discussions had in the Committee were taken on board by officials attending the Committee.

There was limited scope for changing the remit of the Committee at present but there was the opportunity to provide additional updates to the Commission if the Committee required. A member questioned whether there was an opportunity to do a formal assessment of whether the Committee was meeting the requirements set out in the Framework.

The Committee agreed the Operating Framework without any changes.

Any other business

Details of the Restoration and Renewal Programme Board nominations had been circulated. The nominations had since been agreed by both Houses. It was expected that the Programme Board would select options for further exploration by the end of the year.

The Committee would next meet on Tuesday 7 March at 12.30pm, jointly with the House of Commons Finance Committee.

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