Finance Committee

Minutes

Tuesday 12 March 2024 at 12.30pm in Committee Room 3A

Present:

Lord Morse (Chair)
Baroness Buscombe
Earl of Courtown
Baroness Goudie
Lord Kennedy of Southwark
Lord Reay
Lord Redesdale
Lord Stoneham of Droxford
Lord Young of Old Windsor

together with the Clerk of the Parliaments.

Fehintola Akinlose (Finance and Commercial Director), Andy Helliwell (Chief Operating Officer) were in attendance. Jake Vaughan (Clerk of Committees and Executive Sponsor) and Carolina Filippini (Victoria Tower Project Director) attended for item 3. John Hunt (Director of EPMO) and Abiola Babalola (Director of Portfolio Management) attended for item 4. Fran Jeens (Head of Education and Engagement) attended for item 5.

Apologies

No apologies were received.

Agreeing the minutes of the previous meetings and matters arising

The Committee agreed the minutes of the 4th Meeting.

Action Log

The Committee was provided with an updated action log. There would be an update on emergency evacuation drills and Chamber access pre-registration at the next meeting. A decision on whether the Head of Catering and Retail Services needed to attend a future Committee meeting would be taken after the Leader's Group on Catering had produced its findings.

For Information: Victoria Tower Project Update F/23-24/21 HIGHLY RESTRICTED: COMMERCIAL

The Committee was updated on the progress of the Victoria Tower project, which aims to repair and rebuild the exterior of Victoria Tower.

The Committee took note of the update and thanked those involved for producing a timely report. The Committee requested that the Project team return once it had a further update.

For Discussion: Q3 Quarterly Portfolio Report F/23-24/19 RESTRICTED: MANAGEMENT

The Committee was provided with the Q3 Quarterly Portfolio report which outlined progress on the projects and programmes from October until the end of December 2023. The Enterprise Portfolio Management Office (EPMO) would be sending round a survey on the report at the end of Easter recess, and they encouraged committee members to provide feedback on their experience of the report.

At the end of Q3 the average Portfolio Delivery Confidence Assessment was Amber, the same as Q2. The total forecast implementation costs were similar to the previous quarter, with forecast costs for projects in delivery being within 1% of budget, showing good control of finances and accurate forecasting. The HR and Payroll programme was highlighted as having a red rating. This had been discussed at the Joint Investment Board, and JIB were looking at ways to support the Senior Responsible Owner going forward.

The Committee discussed areas for improvement, this included better cost estimation and minimising cost difference between Outline Business Case (OBC) to Full Business Case (FBC). The Committee was informed that there were challenges in keeping up with changes to the market. This had been a particular issue when there was rapid inflation in the construction industry, occurring at a point where lots of projects were between OBC and FBC. Another area that had been identified was ensuring projects had greater clarity on delivery approach. The approach of consulting stakeholders on disruption options had proven effective with the Victoria Tower Project, and the Lords Chamber Roofs programme was now planning a similar approach. However, the Committee noted that given the amount of works ongoing on the estate, disruption was cumulative and would have to be approached holistically. The Committee emphasised the importance of communicating anticipated disruption in advance, in order to mitigate the risk of complaints.

The Committee highlighted the Amber-Red rating on the Wi-Fi Project, this had been due to delays to the rollout of the new Wi-Fi, however EPMO noted that the Project team were confident that they would be able to meet their deadline of Q1 2024.

The Committee noted the importance of finalising the design on a project before the final cost were decided, in order to avoid prices changing and greater costs in the long term.

The Committee noted that Strategic Estates now had a defined annual envelope of £180 million, linked to the capacity of projects which it can deliver in a single year, in order to prevent Strategic Estates from misjudging its capacity and underspending. This had proven effective as Strategic Estates had matched that envelope in the last financial year. The Director of EPMO noted that more accurate forecasting had been one of the biggest improvements in projects over the past year, and that there were aspirations to move to a multi-year forecasting model.

The Committee took note of the Joint Investment Board's assessment of the Enterprise Portfolio Delivery Confidence Assessment at Q3 and discussed Q3 Portfolio themes.

For Information: School Travel Subsidy and Constituency Boundary Changes
F/23-24/20 RESTRICTED: MANAGEMENT

The Committee was provided with an update on the impact of the upcoming constituency boundary changes on eligibility for the Travel Subsidy for schools visiting UK Parliament.

The Committee reviewed the two options, and decided to support Option B, to apply the current bandings to the new constituencies on the understanding that that there would be a deep dive review, considering not only the location of schools but wider factors such as the deprivation index, and that it would return to the Committee at a later date with the outcome of that review.

To Discuss: Forward Work Programme F/23-24/22 UNRESTRICTED

The Committee was provided with an overview of upcoming business. The dates for Committee meetings had been set until summer recess. The rest of the dates for the rest of the 24/25 financial year would be confirmed as soon as possible. The committee clerk also highlighted that there would be more meetings in some months, driven by the timing of data. July would have two meetings, to discuss data from quarter 4 and quarter 1 separately, and there would be virtual pre-meetings before joint meetings with the Commons Finance Committee.

Any other business

The Clerk of the Parliaments gave an update on the staff pay negotiations. The Committee noted that HR had submitted the annual pay offer to the Trade Unions and that were making good progress on a deal with a focus in a raise for staff at lower pay grades. The House of Lords would also be increasing wages on 1 April irrespective of the pay deal in order to meet requirements as an Accredited Living Wage employer. The Committee was informed that there is provision in the budget for the proposed wage increases. It was also noted that the Director of HR was undertaking wider work to reform pay scales for staff alongside this piece of work.

The Clerk of the Parliaments and the Director of HR thanked all those involved in the negotiations.

The Committee would next meet on Wednesday 22 May at 3.45pm.

Small sections of these minutes have been redacted, usually for reasons such as commercial confidentiality and sensitive management information.

Lola Martin
Governance Support Officer

Emma Burke
Clerk

HLFinanceCommittee@parliament.uk