HOUSE OF LORDS FINANCE COMMITTEE

Minutes

The Committee will meet on Wednesday 10 June at 3:45pm in Committee Room 3A.

Present:
Lord Morse (Chair)
Baroness Blake of Leeds
Baroness Buscombe
Lord Carter of Coles
Lord Massey of Hampstead
Baroness McIntosh of Hudnall
Lord Redesdale
Lord Stoneham of Droxford
Lord Young of Old Windsor

Together with the Clerk of the Parliaments.

Andy Helliwell (Chief Operating Officer), Alix Langley (HR Director) and Jessie Peramal (Finance Director) attended. Jonathan Dewsbury (Managing Director of Strategic Estates (Interim)) and James Deane (Director Finance Business Partnering) attended for item 4, Paul Martin (Director of Security (Interim)) and Ruth Pickering (Business Management Director) attended for item 5, and Andy Smith (Managing Director of PDS; Chief Information Officer for Parliament) and Andrew Martin (Assistant Director of Finance Business Partnering) attended for item 6.

1. Apologies

No apologies were received.

2. Agreeing the minutes of the previous meeting and matters arising

The Committee agreed the minutes of the previous meeting.

The Chair welcomed Jessie Peramal as the new interim Finance Director.

3. Action Log F/26-27/1

The Committee took note of the action log.

The Committee noted the letter to the Chief Commercial Officer and their response. The current status of bicameral oversight of the Parliamentary Commercial Directorate was also discussed.

4. **For information: Parliamentary Security Department (PSD) 6 Monthly Update** F/26-27/2 HIGHLY RESTRICTED

The Committee received an update from the new Interim Security Director, Paul Martin, on the Parliamentary Security Department's financial performance and delivery, including the 2025-26 financial outturn, the 2026-27 budget and an update on projected savings that were part of the House of Commons Savings and Improvement Programme.

The Committee noted ongoing work to reform the governance of parliamentary security. It was noted that proposals, aimed at strengthening how security decisions were developed, scrutinised and approved, were being prepared for consideration by both Houses' Commissions before the summer recess. Members heard that the intent was to establish a more coherent, risk-based and bicameral approach to governance, with clearer accountability from senior risk holders and improved engagement of stakeholders at earlier stages.

The Committee discussed the approach to managing security risks. It was emphasised that security activity extended beyond physical guarding; to include insider threat, cyber risk and personal security for members, including outside the parliamentary estate. Members noted the importance of balancing proportional risk management with operational practicality, recognising that risk cannot be eliminated entirely.

The Committee discussed PSD's relationship with the Metropolitan Police. **REDACTED.** The Committee heard the different types of policing and security provided on the estate.

The Committee considered the ongoing review of the Security Construction Programme. Members noted that projects were being reassessed to ensure that proposed interventions were proportionate, deliverable and affordable. It was acknowledged that some earlier designs had prioritised high levels of physical security at significant cost, and that revised options were being explored, including lower-cost and more flexible approaches. A number of projects had been paused pending this review.

The balance between capital investment and operational deployment was also discussed, noting examples where an increased visible security presence might offer better value than major capital works.

Members noted that security expenditure remained shared between the two Houses, with the House of Commons bearing a larger proportion of costs, and that a significant share of expenditure was attributable to members' personal security, mostly provided to MPs and funded almost entirely by the House of Commons. Members considered members' personal security support, including provision beyond the estate, and noted the increasing level of threat. It was recognised that approaches to support may need to reflect differing levels of risk for individuals.

REDACTED.

The Committee discussed upcoming projects as part of the Security Construction Programme. Decisions were close on some projects, for example the Spine Road Gates, whereas others were more complex and would take longer, for example the Subway and Portcullis House Entrances. The Committee would be kept informed, and consulted where appropriate.

Members discussed an emerging proposal for a comprehensive visitor management system which would be brought to both Commissions. Members noted that earlier proposals for a system had not proceeded due to stakeholder concerns, and that full consultation would need to take place so that the project could be delivered successfully.

The Committee noted the update, encouraged a more holistic approach to considering risks and impacts from the beginning of projects, and invited the Director of Security to return with any further updates on the ongoing review of Security Construction Projects.

5. **For information: Strategic Estates Financial Performance 2025/26 (6 Monthly Update)** F/26-27/3 RESTRICTED

The Committee welcomed Jon Dewsbury as the new Interim Director of Strategic Estates.

The Committee received an overview of Strategic Estates' 2025/26 financial performance and progress across its portfolio. The average capital underspend had been brought down, with a variance of 0.5% in 2025/26. In addition, overall forecasting had improved, and where spend had accelerated in Q1 and Q2, it had been due to projects moving at a faster pace than anticipated.

In addition, the Director of Strategic Estates highlighted ongoing projects of interest to the House of Lords, including Victoria Tower, the MEP&F programme, WiFi project, and the Chamber Roofs project.

Members discussed how financial information was presented, particularly the relationship between delivery progress and expenditure, and in-year spend compared to total budget spend. The Committee emphasised the importance of greater clarity around implementation forecasts, including expected timelines and delivery phases. It was noted that variations between projects often reflect their stage of development rather than changes in overall scope or cost. Members also suggested that there could be reflections once projects had been completed such as how long it took and the challenges faced as well as expenditure.

The discussion also covered challenges associated with delivering works in an operational parliamentary building, including constraints on access, sequencing and health and safety considerations. Managing infrastructure lifecycles, and maintaining services such as mechanical and electrical systems was highlighted as a key pressure, alongside the need to align short-term works with the longer-term Restoration and Renewal programme.

The Committee noted the importance of distinguishing between cost pressures arising from acceleration of delivery and those resulting from cost management issues. There was also interest in strengthening the link between financial performance and delivery outcomes, including improved data on timelines, capacity and what can realistically be achieved over the medium term.

The Committee took note of the update and ongoing work to improve reporting, and indicated that further clarity on delivery timelines, portfolio capacity and future investment requirements would support its continued oversight of the portfolio. The Committee asked to see the expected timeline of future projects in subsequent updates.

6. **For information: Parliamentary Digital Service (PDS) Update** F/26-27/4 RESTRICTED

The Committee received an update on PDS finances at the end of 2025/26 with a look forward to 2026/27 including covering PDS strategic initiatives on savings and efficiencies, AI, commercial strategy and the use of the market, and plans for member engagement.

REDACTED.

The Committee heard that PDS was focusing on delivering value for money through a programme of change, including moving towards a smaller department focused on services to members, alongside the delivery of technical change and new initiatives.

The Managing Director set out that the development of a clearer technology strategy and enterprise architecture would underpin future delivery. A revised commercial approach was also being implemented, moving towards longer-term arrangements with suppliers able to deliver a range of services, with individual pieces of work commissioned through statements of work.

In discussion of Artificial Intelligence (AI), the Committee noted that PDS was piloting the use of Microsoft Copilot. It was reported that industry evidence suggested the primary benefits at this stage were improvements in productivity and staff satisfaction, though risks remained. Members emphasised the importance of maintaining human oversight, including training to ensure effective and responsible use of AI. It was noted that existing practices for producing briefings, including clear standards for evidence and referencing, would remain important in an AI-enabled environment.

The Committee noted that the use of AI tools was currently restricted, with Microsoft Copilot operating within secure environments and safeguards in place to prevent sensitive parliamentary data being used to train external systems.

The Committee took note of the update.

7. **Forward Work Programme**
F/26-27/5 UNRESTRICTED

The Committee took note of the forward work programme and the 2027 meeting dates.

8. **Any Other Business**

The Committee's next meeting would be on Wednesday 1 July.

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

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