

HOUSE OF LORDS FINANCE COMMITTEE**Minutes**

The Committee met on Wednesday 16 September at 3:45pm in Committee Room 3.

Present:

Lord Morse (Chair)
Baroness Buscombe
Lord Carter of Coles
Lord Kennedy of Southwark
Lord Massey of Hampstead
Baroness McIntosh of Hudnall
Lord Stoneham of Droxford
Lord Young of Old Windsor

Together with the Clerk of the Parliaments.

Andy Helliwell (Chief Operating Officer), Jessie Peramal (Finance Director) and Alix Langley (HR Director) were in attendance. Claire Arlington (Head of Finance Business Partnering) attended for item 4. Gill Wright (Transformation Director), James Whittle (Chief of Staff), and Hannah Bryce (Director of Delivery, House of Commons) attended for item 5. Sarah Rayner (Chief Commercial Officer), Jo Scott (Deputy Director, Strategy and Enablement), and Giles Mason (Head of the Independent Review of Financial Management Implementation Team) attended for item 6.

1. Apologies

Apologies were received from Lord Redesdale and Baroness Scott of Bybrook.

The Committee thanked Baroness Blake of Leeds for her service to the Committee and welcomed Lord Kennedy of Southwark back to the Committee.

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

Members suggested changes to the minutes of the previous meeting. The Committee approved the amended minutes.

The Committee noted that the Commission had considered proposals earlier that day to place the Finance and Services Committees within a clearer governance framework as Commission sub-committees, the change would require approval on the floor of the House. A revised Terms of Reference would be brought forward for the Committee's consideration.

3. Action Log F/26-27/15 (recirculated)

The Action Log was noted.

4. For information: Q1 Finance Update F/26-27/16 RESTRICTED

The Committee considered the Quarter 1 Finance Update and noted updates since publication of the paper, including progress on negotiations of the parliamentary policing contract and updated forecasts for bicameral shared services.

Members discussed forecast variances across shared services and sought further clarity on staffing levels, including the balance between permanent, temporary and interim posts, and the impact of the House of Commons Savings and Improvement Programme (SIP) activity on workforce numbers. Questions were also raised regarding governance, accountability and financial transparency within bicameral and shared service arrangements.

Officials advised that lower than planned staff exits from the SIP in the Parliamentary Digital Service had contributed to increased staff costs against budget, after the budget had been set. This was because after the proposals for cuts had been brought forward it had been found that higher levels of staff than anticipated were needed to maintain the level of service. The Committee was informed that expenditure on scaffolding for Victoria Tower had been brought forward from later years and did not represent an additional project cost. Members also noted that the Health and Wellbeing Hub business case remained under review and would return to the Accounting Officers for approval following further work on costs and value for money.

Members discussed the timetable for the review of the Security Construction Programme (SCP) and oversight of associated expenditure. Officials advised that work was underway to identify savings and reassess elements of the construction programme, with the review expected to complete early in the new year.

The Committee requested a breakdown of permanent, temporary and interim staff across the House of Lords and bicameral services and asked to receive an update on the review of the SCP and associated financial implications before the end of the year.

The Committee thanked the Finance team for their work, in particular their work with the Commons Finance team on bicameral finance, and took note of the report.

5. For discussion: Strategic Estates Functions Implementation F/26-27/17 HIGHLY RESTRICTED

The Committee considered an update on progress to restructure Strategic Estates into a Parliamentary Estate Sponsor and Programme Delivery Team. Officials reported that detailed design work was underway, informed by extensive engagement with staff and stakeholders. Formal staff consultation would shortly commence with the intention of providing colleagues with clarity about their roles in the new structure before Christmas. The Committee noted that the new arrangements were intended to strengthen governance, improve member engagement and support better value for money.

Members discussed the proposed governance arrangements and sought clarification on decision-making responsibilities between the sponsor and delivery functions. Officials advised that the Programme Delivery Team would hold the budget agreed at the Business

Case stage, whilst the Parliamentary Estate Sponsor would need to agree any scope changes. Members also discussed accountability arrangements, including the role of Senior Responsible Owners and the importance of clear ownership of programme benefits.

REDACTED.

Members questioned whether sufficient capacity existed to deliver the restructuring programme while maintaining business as usual activity and programme delivery. Officials acknowledged this was a risk but advised that implementation would be carefully phased to minimise disruption, with planning focused on ensuring that priority projects and core services could continue throughout the transition period.

The Committee noted that the new teams were expected to be operational by April 2027, with implementation phased to minimise disruption to ongoing work. The Committee requested a further update on progress as the restructuring programme develops.

The Committee took note of the report.

6. For information: Parliamentary Commercial Department Quarterly Update on the Strategic Intent F/26-27/18 HIGHLY RESTRICTED

The Committee considered the first quarterly update on the Parliamentary Commercial Department's (PCD) progress against its Strategic Intent. Members discussed performance against the Department's key objectives, including value for money, commercial controls, contract management and workforce capacity.

Members questioned PCD's target of achieving a 100 per cent return on investment through procurement activity and sought clarification on the distinction between cashable and non-cashable savings. Officials advised that the focus was on ensuring that the commercial function at least covered its costs through savings, cost avoidance and improved specifications, while seeking opportunities to exceed this target in future years. Members also discussed PCD's social value objectives and modern slavery responsibilities, noting that social value requirements applied to all procurements above £50,000 and supported wider economic and community benefits. Members highlighted the importance of major procurement activity delivering benefits across the United Kingdom where possible.

REDACTED.

Members discussed PCD's capacity and capability, noting the continuing reliance on interim staff, and the scale of recruitment activity required to support Parliament's commercial ambitions. **REDACTED.**

The Committee requested further information on workforce composition, including permanent, interim and vacant posts, and sought continued reporting **REDACTED.**

The Committee took note of the report.

7. Forward Work Programme F/26-27/19 UNRESTRICTED

The Committee took note of the Forward Work Programme.

8. Any Other Business

Members discussed the ongoing consultation on proposed changes to House sitting times. Officials advised that work was underway to consider the operational, financial and programme impacts of any potential changes arising from the consultation, which was due to conclude in November. The Committee asked for updates as the consultation progressed.

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

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