



Finance Committee

Minutes

Wednesday 21 April 2021 at 4.15pm on Microsoft Teams

Present:

Lord Vaux of Harrowden (Chair)
Lord Campbell-Savours
Lord Colgrain
Lord Collins of Highbury
Earl of Courtown
Lord Davies of Brixton
Lord Lee of Trafford
Lord Levene of Portsoken
Baroness Noakes
Lord Stoneham of Droxford

together with the Clerk of the Parliaments.

Fehintola Akinlose (Finance and Procurement Director) and Carl Woodall (Director of Facilities) were in attendance. Claire Arlington (Head of Finance Business Partnering) attended for the item of financial monitoring; Beverley Weston (Director of Capital Investment, IHSE) attended for the items on the impact of COVID-19, the Masterplan and the project delivery lifecycle; and Isabel Coman (Managing Director, IHSE) and Paul McCarthy (Head of Property Portfolio, IHSE) attended for the item on the Parliamentary Asset Management Plan.

Agreeing the minutes of the last meeting, and matters arising

The minutes of the Committee's March meeting were agreed, subject to the addition that future iterations of the Portfolio Performance Report should ensure the font size was legible.

Following a request from the Committee at the last meeting a department overview note had been circulated setting out the staffing levels and budgets of a number of bicameral and Lords only departments. Members discussed the note and noted the importance of considering the resource cost when additional services were requested of the Administration. All new staff posts are assessed by the Finance Director and HR Director who advise the Clerk of the Parliaments on approving new posts.

A member commented on the importance of a strategy set by the management team, for output to be measured against. As raised in previous meetings, the Committee should have a more strategic focus, with documents such as the Property Asset Management Plan providing the opportunity to measure performance against.

A member requested further detail on the budgets for House of Commons departments for comparison. The Committee was told that there was a considerable amount of joint working between the two Houses but they existed and ran as two separate legal entities.

The addition of the new Chief Operating Officer role would provide the opportunity for additional focus and oversight on such areas.

The Committee agreed to move future meetings forward to start at 3.15pm and reconsider the day and timing of the meeting once the Committee was in a position to meet in person again.

House of Lords Estimate 2020-21: Financial Monitoring Report – Quarter 3 (updated) (F/19-21/57) [HIGHLY RESTRICTED]

The Quarter 3 monitoring report had been updated to include figures up to the end of February 2021.

The Committee questioned whether the Catering and Retail Services response to COVID-19 had been as successful as possible. The Committee was told that the biggest expenditure had continued to be staff costs. There had been a freeze on filling vacancies since the start of the pandemic, menus had been simplified to reduce food waste and suppliers had been proactively contacted to ensure the House was getting the best deal. [REDACTED]

The costs for Members' Finance had halved compared to the previous year, this was due to a combination of the reduced allowances available and the reduction in travel expense claimed as a result of members working remotely. It was noted that Members' Finance policy was a matter reserved for the Commission.

It was noted that overall it looked as though the impact of COVID-19 would have a net saving against the budget, but that underspends were not always a positive thing and that the report may benefit from further detail on the impact of underspends on future years.

In ensuring that projects and programmes had not attributed additional costs to COVID-19 the projects had been rebase-lined against the position they were at when the sites had to be shut in March 2020. The underspend on the Security Programme had been in part due to the impact of COVID-19 and in part the decision to pause and review a number of projects following the appointment of the new Security Director to review the requirements and proposed solutions.

The Finance Director agreed to provide the Committee with a note on the budget setting process, given new members had not yet seen the full financial planning cycle.

The Committee took note of the update.

Update on Financial Impact of COVID-19 on In-House Services and Estates Projects (F/19-21/58) [HIGHLY RESTRICTED]

The paper set out the ways in which IHSE had undertaken to mitigate the cost of COVID-19. When all sites were closed in March 2020, IHSE took the opportunity to set out how it would deal with the financial impact through the resolution framework annexed to the paper. As an unknown event the financial impact was the employer's responsibility and

therefore fell to Parliament, but the contractors maintained a duty to mitigate losses where possible.

BDO had been engaged to audit the application of the resolution framework, the outcomes so far had been positive with a couple of outstanding queries.

[REDACTED]

None of the contractors had been able to claim on their insurance to reduce the losses, IHSE had encouraged this where possible.

The Committee took note of the paper.

Briefing on the In-House Services and Estates Project Delivery Lifecycle (F/19-21/59) [RESTRICED]

Following the introduction to the project delivery lifecycle received at the last meeting this paper provided further detail of the various stages involved. The lifecycle was based on the industry standard RIBA stages and the annexes detailed how these interacted with the various stages in the parliamentary process.

The Committee noted the update.

Introduction to the Parliamentary Estate Masterplan (F/19-21/60) [RESTRICED]

The Committee received an introductory presentation on the Parliamentary Estate Masterplan and would have the opportunity to consider it in more detail at future meetings.

The Masterplan set out the long term vision for the Parliamentary Estate and would provide a basis from which to take decisions on future projects and programmes. The Masterplan would cover a 5 to 30 year period, with Restoration and Renewal (R&R) responsible for delivering part but not all of it.

The Committee discussed the Masterplan:

- It questioned whether consideration had been given to a permanent exhibition space; the Masterplanning team had consulted with the Visitor Services and Education teams and were considering options; the team had also engaged with the catering departments in both Houses and were looking at ways to create a central production kitchen (offsite or onsite) in order to make best use of the space, whilst maintaining the identities of individual catering outlets;
- It asked whether R&R would be required to implement the Masterplan, the Committee was told that parts of the Masterplan would be mandated to R&R to complete but that the Masterplan went wider than the remit of R&R and looked at the future use of buildings and the Estate as a whole rather than just the Palace;
- It was told that member engagement was taking place through various committees and member workshops and that the team welcomed any suggestions of groups that would want to feed into the plans. The strategic direction and endorsement of the plans would be the responsibility of the two Commissions.

The Committee took note of the update.

Draft In-House Services and Estates Parliamentary Asset Management Plan (F/19-21/61) [RESTRICTED]

The Committee was updated on the Property Asset Management Plan (PAMP), the Committee had last seen the plan in September 2020 but had since had a significant change in membership.

The PAMP formed part of the suite of documents that made up the Masterplan; it focussed on the present condition, looking at how best to manage the Estate to meet the demands of both Houses. It covered the design standards, building layouts, space allocation and maintenance of buildings.

The Committee discussed the PAMP:

- It felt that the PAMP required further work to feel like a document speaking on behalf of the Commission;
- It questioned how the questions listed in the PAMP would be answered, the Committee was told that there was further work to do on the PAMP to reflect the Masterplan and the R&R Strategic Review.
- It was confirmed that IHSE were working closely with R&R on the work to create a digital twin of the Palace, and efforts detailed in the PAMP to create a digital twin of the whole Estate would not duplicate that work. Confirmation was provided that work was underway to ensure the data linked up and once R&R had completed its work the data from the digital twin would be inherited and used by Parliament.

The Committee took note of the update.

Any other business

The Forward Work Programme had been circulated for the Committee's information; the Chair suggested that it would be helpful for the Committee to have a discussion on the future direction of the Committee at its July meeting.

It was suggested that an update on the Archives Relocation Programme should be added to the Forward Work Programme.

To better align the next meeting date with the release of the end of year figures, it was agreed that the Committee should bring forward its next meeting date to Wednesday 9 June at 3.15pm.

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

Gabrielle Longdin
Clerk
HLFinanceCommittee@parliament.uk