



Finance Committee

Minutes

Wednesday 9 June at 3.15pm 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

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 items on the Budget Setting Process and Financial Monitoring Report; Richard Blake (Director Parliamentary Procurement and Commercial Service) attended for the item on Procurement; and David Smith (Managing Director, Parliamentary Digital Service), Tim Youngs (Director of Resources), Gbenga Samuel (Senior Finance Business Partner) and Daniel Cook (Programme Director – Transforming Digital) attended for the item of the Parliamentary Digital Service.

Apologies

Apologies were received from Baroness Noakes and Lord Stoneham of Droxford

Agreeing the minutes of the last meeting, and matters arising

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

Oral update from the Chair – Addition to Finance Committee remit: Restoration & Renewal

The Chair updated the Committee on discussions at the Commission about the way the Phase One Expenditure Limit which the Commission is asked to approve is scrutinised. Consideration had been given to this Committee taking on a role in the scrutiny of the figures and reporting on these to the Commission in future. Legal Counsel had been sought on the compatibility of this with the legislation. The Committee were invited to share thoughts on the potential addition to the Committee's remit.

Whilst supportive in principle members were keen to ensure that the Committee would have sufficient resources and time to undertake the additional work. A member suggested that the Committee's focus should be on cost of the works required in the intervening period before R&R commenced.

The expenditure limit for the current year had been signed off so there was time to consider the best method for scrutiny of figures in the Lords before the next annual consideration in early 2022. The Committee would be kept informed.

Budget Setting Process F/21-22/1 [RESTRICTED]

The paper was produced following a request from the Committee and set out the annual budget setting process. The Medium Term Financial Plan was produced on a rolling three year basis covering both capital and resource. In normal times the baseline from the previous year was used as the starting point for Year 1 with all budget holders going through a challenge process. The financial remit had been suspended in 2019/20 to allow it to be reviewed the following year, this review had been paused in the light of COVID-19. A paper on the 2022/23 financial planning assumptions would be brought to the next meeting.

The annual process ran to strict timelines with many elements being bicameral. In normal times the process should be completed and signed off by the Commission in December.

There had been a couple of examples of a zero-based approach to budgeting being used, the Finance Director highlighted that it was important that the drivers for such work were understood to fully realise the benefits.

The role, process and outcomes of the financial challenge meetings were discussed; the Committee agreed it would be helpful to see an example of the challenge review papers.

A member commented that the paper provided a useful reference for the Committee as it carried out its work throughout the year.

The Committee took note of the paper.

House of Lords Estimate 2020-21: Financial Monitoring Report – Quarter 4 F/21-22/2 [RESTRICTED]

The committee received the provisional Year End figures; the National Audit Office was currently auditing the figures and the Committee would be made aware of any significant variances. The final results were expected to be laid before the House before the summer recess.

The underspend in the Parliamentary Digital Service (PDS) had been as a result of pausing non-critical work in 2020 in order to be able to respond to the needs of both Houses during the pandemic. PDS had since started to work on more non-critical projects and was using a series of prioritisation measures in restarting work. Where capital costs had not been spent they would not be rolled forwards into the next year.

Looking into the next year the potential increase in the cost of building supplies and hospitality staff would be considered in the challenge meetings to ensure sufficient funds were requested.

The Committee took note of the update.

Parliamentary Procurement and Commercial Service (PPCS) Report F/21-22/3
[HIGHLY RESTRICTED]

PPCS was overloaded in the ICT category and it was expected that the capacity of the team would be increased to respond to this. There was also significant work expected from the drive to increase the direct evaluation of the social value of contracts: diversity and inclusion, anti-slavery and carbon neutrality.

The re-letting of the Broadcasting Contract had been delayed due to the workload of the Broadcasting Team at present to facilitate the hybrid sittings of both Chambers and House Committees. A six month extension to the contract was to be agreed to allow the full competition to take place. This contract was for the business as usual broadcasting services and not the additional support provided over the last year to facilitate the hybrid House. The delay would also allow for any changes to the regular level of broadcasting after the pandemic to be incorporated.

In response to a question on the prevention of fraud, it was confirmed that there were procedures in place for the prevention and detection of fraud in both PPCS and the Finance Department.

The Committee took note of the update and agreed to take the report on a six monthly basis in future.

The Finance Director highlighted the success of PPCS completing work on Modern Slavery, with Parliament being seen as one of the best in class in this area.

Parliamentary Digital Service and Transforming Digital: annual update F/21-22/4
[HIGHLY RESTRICTED]

The paper covered the work of PDS over the last financial year and plans going forward. As the first time PDS had attended the Committee since the change in membership, the Managing Director offered that individual briefings for the new members could be arranged via the Committee Clerk if they would find this helpful.

2020/21 had been dominated by the response to the pandemic and had proved challenging. PDS had provided logistical support in ensuring members and staff had the equipment to carry out their work, coaching and guidance to support new ways of working and significant work on key systems to enable the hybrid sittings of Chambers and Committees. This had resulted in a number of projects being pushed back including the Parliamentary website and Committee work.

The Transforming Digital Programme had also been paused in response to COVID-19 but was now underway again. The Programme was focussed on changing the way digital was delivered in Parliament to provide sustainable and scalable digital capability. The outline business case was currently in progress and was expected to be submitted to the Accounting Officers in August. [REDACTED]

Of those projects delayed the most concerning were aging legacy systems that were due to be replaced, it was expected that it would take the next two financial years to resolve the backlog. PDS had implemented a prioritisation process which had given clarity to what was

most important and had enabled the triaging of requests. The process was developed following consultation with the Cabinet Office and its approach to Brexit.

A member noted that there was limited opportunity for members to provide direct feedback on the parliamentary website, particularly those areas that had not yet been moved to the new system. PDS was working on increasing its software development capacity and the newly created Enhancement function in that area, but it was noted was carrying a number of vacancies at present.

The Committee noted the impressive response PDS had provided to the pandemic to enable the House to continue its business. The Committee agreed that it would be beneficial to receive a six monthly report from PDS in the future.

Any other business

At its next meeting the Committee would have the opportunity to discuss what it would like to focus on and achieve going forward. A member commented that it would be helpful to see an annual schedule of regular papers that the Committee should expect.

The Committee would next meet on Wednesday 14 July at 3.15pm.

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

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