Finance Committee

Minutes

Wednesday 14 July 2021 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
Baroness Noakes
Lord Stoneham of Droxford

together with the Clerk of the Parliaments.

Fehintola Akinlose (Director of Finance and Procurement) and Carl Woodall (Director of Facilities) were in attendance. Alison Giles (Director of Parliamentary Security) and Elaine Thain (Business Management Director) attended for the item on the Parliamentary Security Department; Bev Weston (Director of Capital Investment, In House Services and Estates), Daniel Walder (BDP), Georgina Vlasveld (Design Manager) and Jo Merry (Design Manager) attended for the item on the Parliamentary Estate Masterplan and; Gavin Woods (Head of Enterprise Portfolio Management Office), Isabel Coman (Managing Director, In House Services and Estates), Sam Jones (Head of Governance and Assurance) and David Smith (Managing Director, Parliamentary Digital Service) attended for the item on the Portfolio Performance Report.

Agreeing the minutes of the last meeting, and matters arising

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

Parliamentary Security Department update F/21-22/7 [HIGHLY RESTRICTED]

The paper provided a look both back and forwards, covered the work over the past year to keep parliament safe and open during the pandemic, and the plans to work towards a target operating model. A strategic review was undertaken at the beginning of the year considering the threats and vulnerabilities facing Parliament and identifying strategic objectives which formed the basis of the Parliamentary Security Department (PSD) Business Plan.

The Security Programme was made up of 15 projects recommended in the Murphy Review. PSD was undertaking a review of what the Programme would deliver, whether it provided a comprehensive approach and the impact on ongoing operational costs. PSD was also working closely with Restoration and Renewal (R&R) on a shared vision for delivery of security requirements when the building is handed over to R&R. This work and other R&R

work requiring input from PSD leadership was taking up considerable time.

The Committee discussed the content of the paper:

- Zero Based Review of the Metropolitan Police Service (MPS) Contract: the review had been superseded by work to develop a target operating model.
- Streetscape project: the project was a collaboration between Westminster City Council, the Greater London Authority and involved a number of stakeholders in the area. It had been on hold for the past year due to the mayoral elections. Conversations between all parties had recently restarted. If it were to go ahead it would require significant investment from Parliament.
- The Commission approves the overall spending envelope for Parliament, included in that is budget for security and security projects. The security risk sits ultimately with the Accounting Officers for Parliament who will sign off spend as they see fit within that budget. All projects and programmes go through a governance process to be approved.

The Committee welcomed the continuation of the biannual updates, with more regular updates on specific topics as required. The Committee felt it would benefit from an update on the Security Programme.

The Committee took note of the update.

Discussion on future work of the Committee F/21-22/8 [RESTRICTED]

There had been a significant change in membership of the Committee in January, including a new Chair. Since then the Committee had had the opportunity to hear from all of the departments who regularly attend the Committee and experience the various forms of quarterly reporting. The Committee discussed how it wished to work going forwards, suggestions raised included:

- An opportunity to review the outcome of the Elizabeth Tower Refurbishment and ensure lessons learned were passed on to the Victoria Tower project;
- The chance to systematically review all expenditure in the remit of the Committee through a series of in-depth reviews, with consideration given to the potential for zero based budgeting;
- The Committee should continue to look at how best it can support the Finance Department and wider Leadership Team;
- A review of plans for getting business going again after the pandemic including income generation in Catering would be welcomed;
- Given the level of planned expenditure, the Committee may wish to take a more in depth look at the Transforming Digital Programme.
- An update on the Archives Accommodation Programme

Consideration of the best methods for the House to maintain oversight of R&R were still under consideration, it had not yet been determined whether the Finance Committee would play a direct role.

In response to questions on the role of the Chief Operating Officer, it was agreed that the job description would be recirculated to the Committee.

Parliamentary Estate Masterplan: update F/21-22/9 [RESTRICTED]

The Parliamentary Estate Masterplan aims to ensure the business of Parliament and health and safety is at the centre of everything, there are currently around 150 projects ongoing and that work can be disjointed at present. The Masterplan will provide a strategic direction and joined up approach. This will allow capital investment to be targeted and create a coherent estate.

Having the Masterplan will allow Parliament to be clear on which R&R proposals represent value for money. There was further work to be done over the summer recess to articulate the strategic objectives. It was expected that the Commission would be asked to endorse the Masterplan in the autumn, it would have an introduction to the plan later this month.

When R&R puts forward its Outline Business Case in 2022/23 it would be assessed against the Masterplan, the Masterplan was much wider than the work expected within the remit of R&R. R&R may plan to diverge from the Masterplan in areas, once the Masterplan has been agreed any such plans could be assessed against it before Parliament takes a decision. R&R was not expected to deliver the whole of the Masterplan, rather be guided by its principles.

The Masterplan was not costed but would be used as a measure of value for money in future projects. The Masterplan had initially been being developed internally by R&R, last year it was decided that the work should be completed within Parliament with resource being provided by R&R. Engagement with members would be taking place after the summer recess.

Members highlighted that the Masterplan needed to take into account the importance of minimising the environmental impact of the estate, ensuring that the public are catered for appropriately, and the need for a media centre and improved education centre. The Committee was supportive of the increase in green space proposed.

The Committee took note of the update.

Portfolio Performance Report F/21-22/10 [RESTRICTED]

Since the Committee had last received the report improvements had been made based on the feedback received, with further developments planned.

Members questioned what was done to measure the benefits of projects once they were completed. The Committee was informed that when a project closed the Senior Responsible Owner (SRO) completes a closure report and an external gateway review is conducted. At present there was no standard method for looking back at projects at regular intervals after completion. Lessons learned were discussed regularly at Audit Committee and actively embedded into processes and procedures. The new Executive Sponsor role could be used to conduct a later review as part of the terms of their role.

The Outline Business Case for the Victoria Tower project had been approved and work was underway to produce a Full Business Case, this included some ground investigations taking place in Black Rod's Garden. The project would require full scaffolding and as such the team planned to use it fully to complete all required works to the exterior of the Tower.

In House Services and Estates (IHSE) had not yet seen any significant impact from the increase in cost of building materials. However, for those contracts currently out to tender it had been noted that increases were beginning to be seen. Regular financial monitoring was in place for the whole supply chain, including the monitoring of delinquency scores.

IHSE was working on introducing baselining for RAG ratings on all project and programme updates in the future. It was hoped this would increase the Committee's confidence in the data presented to them, at present the ratings were based on the opinion of the SRO.

The Chair welcomed the offer of an opportunity to be walked through the report in full and extended the invitation to the rest of the Committee.

The Committee took note of the update.

Any other business

The Committee would next meet on Wednesday 21 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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