



Finance Committee

Minutes

Wednesday 2 February at 3.15pm in Committee Room G and on Microsoft Teams

Present:

Lord Vaux of Harrowden (Chair)
Lord Altrincham
Earl of Courtown
Lord Davies of Brixton
Lord Lee of Trafford
Lord Levene of Portsoken
Baroness Noakes
Lord Stoneham of Droxford
Lord Tomlinson

together with the Clerk of the Parliaments.

Fehintola Akinlose (Finance and Procurement Director) and Carl Woodall (Director of Facilities), Claire Arlington (Head of Finance Business Partnering), Jonathan Smith (Head of Finance) and Andy Helliwell (Chief Operating Officer) were in attendance. Ian Dougal (Head of Security Projects, PSD) attended for the item on the Streetscape Project; Isabel Coman (Managing Director, IHSE), Jake Vaughan (Executive Sponsor, Victoria Tower Project) and Joanne Stevens (Senior Project leader, IHSE) attended for the item on the Victoria Tower; Tracey Jessup (Chief Digital and Information Officer), David Smith (Managing Director, PDS) and Libby Kurien (Director of Business Change, PDS) attended for the item on the Digital Service; and Chloe Mawson (Clerk Assistant) and Philippa Tudor (Clerk of Committees) attended for the item on Staffing Reviews.

Agreeing the minutes of the last meeting, and matters arising

The Chair welcomed Lord Altrincham and Lord Tomlinson to the Committee and thanked Lord Colgrain and Lord Campbell Savours for their service.

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

The Chair updated the Committee on a decision taken by the House of Commons Commission. **REDACTED**

Verbal update: R&R

The Chair welcomed Andy Helliwell, the new Chief Operating Officer, who provided an update on Restoration and Renewal (R&R).

Following a meeting of the Commons Commission at which it discussed R&R User Requirements, initial cost estimates and timescales, and work on a continued presence, the Sponsor Body had decided to withdraw its Estimate. The Commons Commission had met the previous evening and the Lords Commission was expected to meet early next week. Both Commissions would be required to agree a way forward.

Given the decision to withdraw the Estimate it was unlikely that the Finance Committee would have the chance to comment on any Estimate before it was put to the Commission, as originally planned. The CEO of the Sponsor Body had written to the Speakers of both Houses to seek direction on the next steps.

The Committee was informed that if an Estimate were not approved by the end of March it would be possible for the Sponsor Body to continue to operate until the end of July through a mechanism in place for all government departments and Parliament to continue to receive funding until the final agreement of Estimates in July.

The Chair noted that future meeting schedules may have to be adjusted depending on the decision of the Commissions.

Parliament Square Streetscape Project F/21-22/31 HIGHLY RESTRICTED

The paper provided further information since the Committee had last been updated on the Streetscape Project. Funding for the design concept phase had been agreed by both Commission in December. Subject to the approval of the business case the design concept phase would begin in March 2022 and would take a year to complete with engagement across both Houses. This stage was being funded entirely by Parliament with a final decision still to be taken on the split of costs between Parliament, Westminster City Council (WCC) and Transport for London for subsequent stages.

The governance of the project was led by a political oversight group including the Speakers of both Houses, political leadership of WCC and the deputy Mayor of London for Transport. It was expected that the project would be led by WCC with a Senior Responsible Owner from Parliament.

Whilst understanding the reason for the initial funding coming solely from Parliament the Committee felt strongly that all parties involved should contribute to the next stages in a fair way. This should be agreed at the earliest opportunity.

The Committee took note of the paper.

Victoria Tower update F/21-22/32 RESTRICTED

Following stone falls in 2018 and 2020 the project is necessary to reduce the risk of further falls and prevent further deterioration. It was determined that a full scaffold would be required to do this and therefore plans have been developed to make appropriate use of the scaffold to complete works to make safe and conserve the exterior of the tower.

Although lessons would be learned from the Elizabeth Tower project, there was difference in both size and scope. The Victoria Tower was three times the size of the Elizabeth Tower and had around two and a half times the surface area of stone. The project would also be focussed on the exterior of the tower only.

The costs in the paper would continue to develop as the project moved into the detailed design stage. They had been produced by a qualified cost consultant and benchmarked on

internal and external projects. This information would be used to go out to market for a competitive price.

The next stage of survey works would be undertaken before the tender documents were completed. It was expected work would start on site in October 2023, taking 9 to 12 months to complete the scaffold. The level of risk and optimism bias would continue to be refined as the project progressed towards the full business case, expected in April 2023.

All works were required to undergo an R&R test to confirm that it is appropriate for Parliament to complete the work and it cannot be left until it could be handed over to R&R. It was found that there was a clear demarcation in this case. The CEO of the R&R Sponsor Body sits on this project's Sponsor Board to ensure R&R continues to have clear sight of the works. R&R currently expect any internal works to be completed internally and not to require scaffolding.

The length of time the work was expected to take was questioned: the Committee was informed that it was a tight site in close proximity to the Chamber which posed a challenge given the type of work and the noise it generated. The project needed to test working assumptions of when work could be completed.

The project was in contact with the Archives Relocation Programme which expected to have vacated the tower by mid-2025.

In response to a request, it was agreed that the Committee would receive an update on the Elizabeth Tower. The Committee would receive a further update on the Victoria Tower before the full business case was concluded.

The Chair noted the importance of clarifying what would be done with the interior of the tower in the longer term.

The Committee did not support the option of wrapping the tower whilst the works were conducted.

The Committee took note of the update.

Quarter 3 Combined Performance Pack F/21-22/33 RESTRICTED

The Committee received an update on the Quarter 3 Combined Performance Pack. The pack continued to be improved and developed.

The £3.5m variance was linked to the valuation of Millbank House. Works currently underway in the basement were due to finish around the end of the financial year at a cost of several million pounds a month. The sum was an accounting adjustment to reflect the valuation of the building at the year end.

In House Services and Estates' (IHSE) optimistic forecast had impacted on figures. The Lords' Finance Director had spoken to the Managing Director, IHSE, about the impact this had on forecasts. Staffing issues including vacancy rates and recruitment delays had also impacted on IHSE numbers.

In the Lords the turnover of staff had been higher than expected in Q3 with the average number of applications per post dropping. Q3 had also seen higher levels of stress-related absence and the average number of days of sick leave increase from 3 to 5. Last year had seen a particularly low turnover rate; current levels were round average for a normal year.

The Committee requested a further paper on staff turnover. The Committee took note of the update.

Parliamentary Digital Service and Transforming Digital Programme: six-month update F/21-22/34 RESTRICTED

The Managing Director, PDS, updated the Committee that a £1.2m resource underspend was forecast in PDS as well as £1m on capital. COVID costs had been absorbed within the current budget but in future those costs, from areas such as support for increased home working, would be included in business as usual costs.

Over the last six months there had been a significant focus on coaching and support for members, particularly on the continued reliance on PeerHub and Microsoft Teams. A project had been mobilised on the replacement of Polycom handsets to provide a system that was more intuitive. The pass reader voting project had been re-mobilised to begin preparatory work ahead of a decision being taken by the Procedure Committee later this month. Should approval from the House be agreed it was expected that pass reader voting would be in place for after the Easter recess, however the project team is striving to deliver by the end of March.

The Network Communications Hub had been moved **REDACTED** whilst works on its final location were completed. Failover testing was expected to be completed later this month. Work had been delivered on the Security Vetting Programme, digitising the process and allowing individuals to take more accountability for their own clearance. Challenges around supply chains continued with strategic and tactical decisions being taken on stock levels.
REDACTED

The Committee received an update on cyber security. **REDACTED**

The outline business case of the Transforming Digital Programme had been signed off by both Houses in October 2021; this covered the first 18 months after which the business case would be updated and resubmitted. The work was set to reduce PDS operating costs by £3.7m a year from 1st April 2023 onwards. The total spend of the programme to date was £7m. There had been significant investment in the IT Service management system which would be rolled out to improve the service to members. The onboarding process was also being overhauled: looking at security clearance, pass issuing and hardware allocation.

The Chair noted it would be helpful for a more tangible description of the transforming Digital Programme to be included in future updates. The Committee took note of the update.

The Chair thanked PDS for all the team had done to keep Parliament operating throughout the pandemic and thanked Tracey Jessup, Chief Information and Digital Officer, for her work following the announcement she would be leaving Parliament.

Parliamentary Services Staffing Reviews: Update F/21-22/36 HIGHLY RESTRICTED

The Committee was being asked to take note of the increase in headcount recommended by two external staffing reviews of resources in the Committee Office and Lord Speaker's Office. The reviews commissioned had focussed on ensuring there was sufficient resource in those offices for current work programmes and did not expand on the roles of the offices. It was recommended that two additional posts were added to the Lord Speaker's Office and eight additional posts added in the Committee Office.

The Committee queried the incremental addition of items to the already approved budget. The Committee was reminded that the Finance Department had committed to undertaking a more zero based approach to the budget, where appropriate, in the coming year.

The Committee took note of the update.

Any other business

The Committee Forward Work Programme [F/21-22/35] was circulated for information.

The Committee would next meet on Wednesday 9 March at 3.15pm.

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

Jen Mills
Clerk
HLFinanceCommittee@parliament.uk