

**Minutes of the Management Board meeting  
held on Thursday 18 September 2009**

- Those present:** Malcolm Jack (Chief Executive) (Chairman)  
Andrew Walker (Director General of Resources)  
John Pullinger (Director General of Information Services)  
John Borley CB (Director General of Facilities)  
Joan Miller (Director of PICT, external member)  
Alex Jablonowski (external member)
- Apologies:** Douglas Millar CB (Director General of Chamber and  
Committee Services)
- In attendance:** Philippa Helme (Board Secretary)  
[s.40] (Acting Assistant Secretary)  
Heather Bryson (Director, Human Resources Management and  
Development, Department of Resources, for item 4)  
Chris Ridley (Director, Financial Management, Department of  
Resources, for item 5)  
[s.40] (Corporate Risk Facilitator, Office of the Chief  
Executive, for item 6)  
Tim Jeffes (Director of Broadcasting, Department of Chamber  
and Committee Services, for item 7)

**1. Matters arising from previous meetings**

- 1.1.** Further to item 2, **Andrew Walker** reported that the launch of the Equality Scheme had been deferred until January in order to allow Mr Speaker to participate.

**2. Risk and performance**

- 2.1.** The Board considered the latest balanced scorecard.

- 2.2.** **Philippa Helme** noted that a number of enhancements had been made to the Scorecard: in particular information was included on the state of the House Service's budget with respect to whether resource and capital spending was on track. Directors General were asked to encourage their staff to engage with the Scorecard's development.

**2.3.** *In discussion the following points were made:*

- under "Critical Success Factor 1", the recent Survey of Services had, like the previous Survey, indicated that the majority of Members and their staff had a favourable perception of the House Service; notwithstanding the low response rate, the indicator should therefore be green;
- the results of the survey suggested that more appropriate "bell-wether" indicators were needed to monitor the House Service's performance in meeting Members' key concerns;

- more information on project delivery was required under “Critical Success Factor 3”, including a regular update on the works to replace the cast iron roofs;
- while “Critical Success Factor 7” had been enhanced by the forecast outturn data, this had only been made available half way through the financial year and was still inadequate given the size of the budget. The Board agreed that further work was required to provide it with improved financial information, given that it expected sharply to increase its focus on financial matters in the months ahead.

**2.4.** The Board considered the latest risk management information. It noted a risk escalated by the Department of Information Services regarding leave entitlement in relation to the next Dissolution, and agreed to consider this under item 4.

**2.5.** The risks associated with the Legg review of Additional Cost Allowance payments were considered. The Board agreed that a communications strategy was required, to ensure consistent messages to Members, staff and the media.

**2.6.** The Board agreed that there was likely to be a high level of media interest during the period after Sir Thomas had started the process of informing individual Members of discrepancies, as well as after the publication of the report. There needed to be a coordinated communications and media strategy so all those whom the media might contact (including MEC members) had the same brief.

**2.7.** The Board also discussed how best to mitigate the risk of reputational damage which the Legg review might cause to the House Service. Members were likely to become more sensitive to any poor performance by the House Service; the pending General Election would add to an unsettled atmosphere. It was essential that every effort be made to provide excellent service to Members during this period, and to plan to meet the expectations of new Members in the new Parliament.

**2.8.** *Action: John Pullinger to oversee the formulation of a communications strategy in response to the Legg review.*

**2.9.** The Board discussed whether the Department of Resources required additional staff resources to meet current pressures. **Andrew Walker** reported that the support of other departments had been helpful, but that further assistance would be required to help prepare for the release of information on Members’ allowances for 2008/09 and the first quarter of 2009/10.

**2.10.** *Action: DGs to identify staff in bands A to C to assist DR with FOI publication work.*

### **3. Oral up-dates from Directors General**

**3.1.** **Andrew Walker** reported that:

- 3.1.1. a Staff Notice had been circulated earlier that day on the subject of the Civil Service Compensation Scheme. The Government had proposed significant changes which it wanted to implement quickly. The House Service would maintain a watching brief on developments.
- 3.1.2. details of Members' allowances for 2008/09 and the first quarter of 2009/10 would be made available under FOI at the same time as the publication of the Legg review. PICT was working closely with DR on technical issues regarding the online publication.
- 3.1.3. on the staff survey, the team was working with the survey company to improve the online analysis tools, which were expected to be ready by 29 September. Some handover issues from the former to the current survey contractor had been resolved.

**3.2. John Pullinger** reported that:

- 3.2.1. DIS had had a very busy summer, with a significant increase in visitors to the Summer Opening, and 9,000 school children expected to visit in September. Given Mr Speaker's enthusiasm for outreach, this area was expected to be an area of increased attention.
- 3.2.2. the two-day European Parliamentary Research Services conference had opened earlier that day, with representatives from some forty legislatures.

**3.3. John Borley** reported that:

- 3.3.1. some House of Lords and PICT staff had already moved into 14 Tothill Street. There had been positive feedback on the building and the catering services, which had been outsourced.
- 3.3.2. the summer works programme was on track overall. Of the 46 projects, two were running behind schedule.

**3.4. Joan Miller** reported that:

- 3.4.1. the server migration was 50% complete: this was a complicated task requiring thousands of reconciliations.
- 3.4.2. the new desktop would be rolled-out to DR (excluding the Operations Directorate) shortly, with the process completed for other departments by February or March next year. For each user affected, PICT had to freeze any software changes three weeks before the roll-out.
- 3.4.3. PICT was currently underspending its capital budget, because there was uncertainty at this stage over how many PCs it would need to replace during the desktop roll-out.
- 3.4.4. the Sharepoint pilot was experiencing difficulties, which might require it to be rolled-out centrally at a later date rather than as part of the desktop roll-out.
- 3.4.5. PICT was reviewing the equipment offered to Members. iPhones and Blackberries could now be linked securely to the Parliamentary Network. Work was underway to allow remote access to shared drives, and PICT was confident that this would be secure.

**3.5. The Chairman** said:

- 3.5.1. he had accompanied Mr Speaker on an official trip to Rome.

3.5.2. [s.36(2)(b)] and [s.36(2)(c)]

#### 4. HR and staffing issues

- 4.1. Heather Bryson** presented her paper on the three-year HR plan, which set out the strategic issues that the Board should consider rather than a comprehensive account of HR activities. **Andrew Walker** stated that the Board should determine the general direction on HR, by setting out its vision of the future capability of the House Service. **The Chairman** said that the Board needed to be confident that HR understood business needs.
- 4.2.** The Board discussed whether the introduction of targets would help give assurance that HR was meeting the Board's goals. There could be measures in respect of particular HR workstreams, and these measures should feed into the Balanced Scorecard.
- 4.3. Heather Bryson** assured the Board that HRM&D recognised the particular nature of working for the Commons; a "best fit" approach would probably be more suitable than "best practice". However, there were differences between departments, and within departments, in how staff were redressed for having to work the hours demanded by the sittings of the House, and this was perceived as unfair by staff.
- 4.4.** The Board discussed the implications of the economic environment and the likelihood that it would need to achieve savings in the cost of staffing. While the Board would need to determine exactly what it wished to achieve (whether a cut in staff numbers or simply in costs, and over what time period), it would require advice from HRM&D on the available mechanisms for reducing staff numbers or costs. Once the mechanisms were known, then efficiency programmes could factor in realistic proposals for headcount reduction with full cost/benefit and savings analysis.
- 4.5. Action:** *Heather Bryson to work with RMG in developing advice for the Board on the available mechanisms for reducing staff numbers and costs.*
- 4.6.** The Board then turned to a number of other HR issues. On IiP reaccreditation, **Heather Bryson** reported that advice would be made available in October to assist managers. There had been substantial progress; for example, DF had now formulated its staff plan. **Andrew Walker** added that the timetable for reaccreditation was tight, and it would be important for the Board to show enthusiasm and leadership.
- 4.7. Heather Bryson** said that the mid-year staff reviews would provide an opportunity to check manager satisfaction with the new Performance and Development Management (PDM) system. The Board noted that a drive for greater efficiency would give the correct assessment of performance greater significance.
- 4.8.** On the new Performance Award System, Board members had received negative feedback on the time required to complete forms and the

motivational impact on staff whose bonus applications had been turned down. **Heather Bryson** said that the operation of the scheme would be reviewed at the end of the year. It had been reported that in some cases the panels lacked sufficient information to make decisions.

**4.9.** The Board then considered the issue of dissolution leave, in relation to which DIS had escalated a risk to the Board. With the General Election pending, and the need to ensure the House Service provided a first-class induction for new Members, it was important to address the issue straight away, rather than waiting for it to be addressed by the Common Ground project.

**4.10.** The Board agreed that the dissolution should be viewed as normal working time, in which staff might be required to assist in the delivery of the General Election plan. This did not preclude some staff from taking annual leave or in using the dissolution period to undertake training or other opportunities that would normally be unavailable to them when the House was sitting. It was incumbent on those planning services for new Members to estimate how many staff would be needed, in order to inform DGs how many staff would broadly be required.

**4.11.** *Action: Internal Communications team to liaise with HRM&D in preparing a message to staff on dissolution arrangements.*

## **5. Business planning**

**5.1.** The Board discussed the political and economic context of the business planning round, including recent statements by the party leaders on future government expenditure. The outcome of the General Election might lead to greater focus on Westminster or on the constituencies, which would affect patterns of spending by the House Service.

**5.2.** The Board considered the required level of the Estimate for 2010/11. It agreed to propose a level budget to the Finance and Services Committee in October, absorbing the staff pay increase already agreed and inflation uplift, with resource expenditure on a downward trajectory in subsequent years. There should be a clear commitment to reduce the costs of operating Parliament over a five year period. The Committee should also be given the options of enhancing services at increased cost, or of reducing expenditure further and faster by reducing services. It would be preferable to cut low-priority services than to reduce the quality of services provided.

**5.3.** It was agreed that the focus of investment in 2010/11, and in the remainder of the current year, should be to spend to save, in order to deliver savings in future years. Claimed savings should be accepted only if they had a short pay-back period.

**5.4.** The Board discussed possible approaches to achieving savings. Suggestions included:

- hiring “lean management” consultants;
- using a “Star Chamber” challenge process;

- distinguishing essential services from those which were discretionary;
- taking a top-down approach to efficiency savings: the appropriate level of services should be identified, from which headcount and expenditure would flow.

**5.5.** It was agreed that reductions in headcount had to be carefully planned in order to ensure they were sustainable and cost-effective in the long-term. The strategy should be to reduce staff costs as part of an overall reduction in the costs of operating Parliament. This would require control of staff costs, but also control of use of the Estate. It was noted that a paper on accommodation costs would be presented to the October Board meeting.

**5.6.** The Board agreed the following:

- outreach was now a core service, but there would be a need to manage demand;
- the prioritisation of Estates projects should be reviewed, though it was recognised that some lower priority works (for example, stone works in Westminster Hall) were important from a heritage perspective;
- opportunities for extending shared services with the Lords should be explored;
- it would not be appropriate to set an upper limit on ICT expenditure: the case for business-led ICT programmes should be assessed alongside other departmental investment bids;
- the Finance and Services Committee should be informed of the impact of eliminating the catering subsidy. It would be important to assess substitution effects, as more staff might be expected to bring in their own food rather than pay higher prices.
- external bodies which received grant-in-aid should be expected to constrain their budgets in step with changes to the House Service's resource budget.
- DCCS and the Commercial Services Directorate should explore whether the printing contract could be renegotiated, and there should be analysis of the practice of other parliaments in respect of printed matter, to enable the Board to consider how printing costs might be reduced. One option might be no longer to print and distribute Hansard overnight (although it would be available online the next day).

**5.7.** The Board discussed possible areas for action arising from the results of the Survey of Services. These included:

- increasing services provided in the constituency, including training for constituency staff (responsibility for which might pass to IPSA in future);
- improved ICT services for Members, for whom VPN access and the reliability of the broadband provider had been particular issues of concern;
- greater attention to environmental sustainability — the Board agreed that all business cases should cover this point;
- improved customer service. Departments should focus on delivering immediate improvements in services, with the forthcoming General

## 6. Risk management audit

**6.1. Rachel Harrison** presented a draft management response to the Internal Audit review of risk management. The Corporate Risk Management Team strongly supported the Board's initial view that the House Service should continue to aim to become a "risk enabled" organisation, but proposed that this should be achieved in stages: aiming to achieve "risk managed" status by March 2011 and then, subject to review at that point, to "risk enabled" status by 2012.

**6.2.** The Board approved the draft response, subject to the following points:

- responsibility for the risk agenda should continue to lie with the Board, and not the Audit Committee;
- it would in future consider reporting to the Commission risks which were outside the Management Board's control;
- the principle of moving in stages to "risk managed" and then to "risk enabled" was appropriate, but it was important to achieve this as soon as possible, and to synchronise this process with the development of corporate strategy and the balanced scorecard;
- rather than appoint a Board-level "risk champion", the Head of the OCE should be tasked with promoting risk management more actively; responsibility for managing risk would continue to rest with departments.

**6.3 Action:** *Board Secretary to discuss with the Commission Secretary a mechanism for reporting risks to the Commission.*

## 7. Broadcasting

**7.1. Tim Jeffes** asked the Board to endorse the proposal made by the Copyright review to allow the onward embedding of Parliamentary television coverage in wider public websites. It was noted that the Scottish Parliament and Welsh Assembly already allowed such embedding, and that the head of the BBC "Democracy Live" project was keen for Parliament to allow embedding.

**7.2.** There was some reputational risk in allowing embedding. While the Broadcasting Service could control the contents and availability of parliamentary material, it could not control the contents of the rest of any webpage in which Parliamentary television coverage was embedded. However, this risk already existed as people could already embed parliamentary material without permission. It was proposed to mitigate the risk by requiring those wishing to embed material to agree to a "click-through" licence which would set out the terms of use. If necessary, the stream could be withdrawn, but it would be withdrawn from all those who had embedded it and not just the offending website. The opportunities for legal proceedings were limited given the global nature of the internet.

**7.3.** The Board endorsed the proposal, subject to negotiations with PARBUL and Parliamentary Counsel from both Houses to ensure that appropriate licence conditions and variations could be drafted for consideration by the appropriate committees in both Houses.

**8. Any other business**

**8.1.** The Board took note of the update paper on the Independent Parliamentary Standards Authority (IPSA). Once IPSA had been formed, it was noted that it could be appropriate to undertake a strategic review of DR and its place in the wider House Service.

**8.2. Andrew Walker** said that legal advice was that DR staff moving to IPSA would not be subject to TUPE. He expected most staff at band C and below to transfer to IPSA, but only some of the staff at band B and above. It was suggested that any remaining junior staff from the Operations Directorate could be absorbed by other projects, such as digitisation.

[adjourned at 17.50]

**Philippa Helme**  
**Secretary**

**Malcolm Jack**  
**Chairman**

29 September 2009