

**Minutes of the Management Board meeting
held on Thursday 22 July 2010**

- Those present:** Malcolm Jack (Chief Executive) (Chairman)
Robert Rogers (Director General of Chamber and
Committee Services)
John Borley CB (Director General of Facilities)
John Pullinger (Director General of Information Services)
Andrew Walker (Director General of Resources)
Joan Miller (Director of PICT, external member)
Alex Jablonowski (external member)
- In attendance:** Philippa Helme (Board Secretary)
[s.40] (Assistant Secretary)
Elizabeth Honer (Director of Savings)
[s.40] (Head of Saving Reviews)

1. Matters arising from previous meetings

- 1.1.** Further to item 1 (reporting of risks to the Commission) **Philippa Helme** said that this had been resolved through the Board's agreement with the Commission that risks which the Board could not manage itself would be plainly reported to the Commission.
- 1.2.** Further to item 4 (improvements to FOI handling) **Andrew Walker** said that some changes had been made to ensure that senior staff were more aware of potentially high profile request. An outline of the revised process for handling FOI requests would be brought to the Board in the autumn.
- 1.3.** Further to item 7 (publication of civil service pay) **Andrew Walker** said that Government proposals for the publication of information on SCS pay had been circulated in draft. The principles set out were similar to those which had been initially proposed by the Board in dealing with a recent FOI request for salary information. He agreed to bring firm proposals on how the House should respond to the September Board meeting, once the civil service scheme was finalised.
- 1.4.** *Action: DG Resources to bring papers on an outline revised process for the handling of FOI requests and on the publication of SCS salary information to the September meeting of the Management Board.*

2. Risk and performance

- 2.1.** **Philippa Helme** said that the Corporate Risk reviewed in detail for this meeting was CR2a (Disruption to the work of the House, or serious

damage to its fabric, as a result of fire, flood or other environmental event). **John Borley** said that he was the owner of this risk. The fire protection work undertaken on the Palace in recent years, though expensive, had been overdue and obviously necessary. Future works, particularly those on the dispersed Estate, which already had some level of protection, were more likely to be discretionary. **Alex Jablonowski** asked what level of protection the fire protection system provided. **John Borley** said that life safety had been achieved for the Palace the previous summer, by providing detection and alarm in some important, vulnerable areas; and work to complete compartmentation of the Palace over the forthcoming summer recess would mitigate the risk of a comprehensive fire causing damage throughout the building. Fire protection in the Palace had been inspected by the relevant regulatory body and the House was now delivering against the action plan they had proposed. The focus to date had been on the Palace which, although a heritage building, had historically had a low level of protection.

2.2. Philippa Helme noted that four of the corporate risks were currently scored red. **Alex Jablonowski** said that the possible over-scoring of corporate risks had been raised at the last meeting of the Administration Estimate Audit Committee. **John Borley** said that as the newly appointed Board Risk Champion he had been working with the OCE to standardise risk scoring and ensure that the highest areas of risk were reflected in the scorecard. The identification and scoring of corporate risks would inform the plans developed to deliver the new strategy agreed by the Commission. **Alex Jablonowski** noted the importance of identifying any potential areas of reputational risk.

2.3. Andrew Walker said that the MEC would consider a paper the following Monday asking them to decide how to proceed following IT problems with scanned Members' expenses data. The data was now due to be published in December 2010. This represented the crystallisation of a risk with potential financial and reputational consequences.

2.4. Alex Jablonowski said he would have expected the Board to have been able to consider a revised financial forecast against a line by line budget. **Andrew Walker** said that although a revised overall budget had been agreed following the Commission's decision to amend the budget in year, the detail was still under discussion with departments. Some departments were currently underspending against budget and some were overspending.

2.5. Andrew Walker said that the red scoring of the indicator for the timeliness of invoice payments was partly due to the high standard set for itself by the House Service. Directors General should remind their Departments of the importance of making arrangements to ensure that invoices were paid in a timely fashion during the summer recess when many staff would be taking annual leave.

3. Oral up-dates from Directors General

3.1. Andrew Walker reported that:

- the Government had announced that the Civil Service Compensation Scheme would change with effect from October when it was expected that the Superannuation Bill would become law.
- [s.36(2)(b)] and [s.36(2)(c)]
- [s.36(2)(b)] and [s.36(2)(c)]

In discussion the following points were made:

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

The Board expected to receive a paper from HRM&D at its September meeting, setting out a package of HR measures to support the savings programme. The Board agreed that it did not, at this point, wish to endorse any change to the House's current policy on staff departures. Any staff choosing to leave in the interim should not expect severance terms, though they could in some circumstances seek AER under the terms of the Staff Handbook .

- the Senior Pay Panel would meet again in September or October to conclude its consideration of various issues. It had proved difficult for the Panel to come to firm conclusions as a number of SCS annual reports had not been received. Staff concerned would be informed of this delay.

3.2. Robert Rogers reported that:

- the Deputy Serjeant at Arms was now responsible for operational security with the Serjeant responsible for longer term strategic security issues.
 - the "Democracy Village" on Parliament Square had recently been evicted, although some of its inhabitants had remained in the area.
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- the Institute for Government report on the House Service had been published and received little media coverage or political attention.
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- the Backbench Business Committee had started its work. This had the potential to lead to greater unpredictability of business and longer sittings. Sitting times had extended in recent days. The business which had been announced for the two sitting weeks in September was reasonably contained but it was possible that the

House would sit in Committee of the whole House for a number of days during the autumn, with potential for late sittings and corresponding HR implications.

3.3. Alex Jablonowski reported that:

- the Audit Committees had met twice in July. He had taken up his new position of Chairman and two new members had joined the Committee. Other new members had not yet been identified.
- the Administration Estimate Accounts 2009-10 had been agreed and a clean NAO opinion had been secured.
- the Administration Estimate Audit Committee had considered internal audit reports on risk management, information assurance, financial controls, the balanced scorecard and value for money in learning and development.
- the Members Estimate Accounts 2009-10 would be laid after the summer recess because of the time it would take parties to provide Short Money audit certificates. The Members Estimate Audit Committee (MEAC) had written to the Members Estimate Committee to identify risks associated with the publication of the Accounts.
- the MEAC had received a paper on the future amalgamation of the two Parliamentary Estimates.

3.4. Joan Miller reported that:

- PICT would test the switch-over to the remote data centre over two weekends in August. There would be some disruption to services.
- PICT would be running a lighter service during August to enable staff to take annual leave.
- she had attended a meeting of IT-related All Party Parliamentary Groups whose members were interested in the international governance of the Internet.

3.5. John Borley reported that:

- a new non-executive member of PEB and the M&E programme board had been appointed.
- the Commission would consider a paper on the House's accommodation strategy.
- as noted in the media, it seemed that some Members had begun sleeping in their offices. The Clerk had written to the party Whips reiterating that this was against the rules.

3.6. John Pullinger reported that the Speaker's Advisory Council on Public Engagement had met. The Speaker had encouraged the Council to pull together its ideas to date over the summer.

3.7. The Chairman said that:

- the Speaker had given him positive feedback on the Commission's informal meeting with the Board. Another informal meeting might be useful in the autumn to discuss savings proposals.
- [s.36(2)(b)] and [s.36(2)(c)]

4. Savings programme and Strategy development

- 4.1. Elizabeth Honer** said that the savings team were currently going through the Departmental submissions to the savings programme. She thanked Departments for their detailed and high quality work. She recommended that a programme board be established to provide governance to the savings programme.
- 4.2. The Chairman** said that while it was important to avoid excessive bureaucracy he understood the rationale for establishing a programme board. It was agreed that John Pullinger should fill the vacant Director General position on the board.
- 4.3. Elizabeth Honer** asked whether the Board wished to align the timetable for the House's savings programme (a three year programme from 2010/11) with the timetable which had been set for government departments (a four year programme from 2011/12). The Government wanted to achieve an average of 25% savings across all government departments over that four year period. **The Chairman** said that he supported this proposal. It would be important for the Leader of the House to be able to present the House's savings activities in a comparable form to government activities in Cabinet. The Board agreed that the House's savings goal should be re-presented in the same terms as the government's figures. It was too early yet to determine whether that goal would need to be adjusted if the timescale for the savings programme was extended to 2014/15.
- 4.4. Elizabeth Honer** said that she held a monthly meeting with the TUS to discuss the savings programme. She asked the Board how it wished to take forward its relationship with the TUS. **The Chairman** said that he was keen that management should engage more closely with the TUS. It was agreed that management should seek to engage with a senior group of TUS representatives over savings proposals.
- 4.5. Robert Rogers** said that the timetable for the savings programme set out in the paper needed to take account of the likely Member response to any decisions that were taken. The domestic committees would be involved. The process would need to be iterative and reactive to Member input.
- 4.6. Philippa Helme** said that there would be a Director General-level workshop on the savings proposals in the second sitting week in September before the Management Board meeting on 22 September. If Directors General were not available it would be important for them to

authorise senior staff to act on their behalf. There would be a lot of work involved for the Board in making savings decisions. The savings team would require support from board members if they were to achieve their goals to the exacting timescale which had been set.

5. Review of corporate services

5.1. [s.40] said that his review had determined that savings could be achieved in the area of corporate services, but that these would require time and effort to achieve. There was a question about whether this was the right time to pursue them. There were more immediate questions about the capacity and capability of corporate services to be addressed. His review supported Alex Jablonowski's findings in his review of the implementation of the Tebbit Review that the OCE should continue to be responsible for business planning, and increase the priority given to this area of its work.

5.2. Andrew Walker said that, whatever the current capability of the House's corporate services, it was clear that different and improved capability would be required to meet the challenges facing the House Service in the future.

5.3. In discussion the following points were made:

- The public sector seemed to be focused on finding reductions in the area of corporate services, looking towards private sector benchmarks. Therefore it was possible that the public sector benchmarks identified in the paper would shift in the future.
- The potential savings which had been identified were not insignificant. As the Board had previously agreed, no area of the business should be ring fenced from the savings programme.
- The ratio of HR staff to overall staff numbers identified as a goal for the Remodelling Programme (1:53) had been achieved.
- The NAO had recently issued a report which found that government departments were reporting savings which had not in fact been achieved. A strong finance function would be required to enable the business to show that it had achieved what it said it would achieve.
- While staff numbers were comparable with other organisations, staff costs were low. However it might be difficult to advocate an increased number of more senior HR staff in the organisation at a time when savings were being pursued across the House Service.
- It was clear that Departments could not continue to expect bespoke solutions to all their HR issues, which could reduce costs overall.
- The savings programme would need the HR and finance functions to provide better quality data in a timely fashion in order to enable the Board to make well informed decisions in the autumn. It should not be for the savings team to produce this data. The

programme board would need to examine whether there was a need for additional resource to facilitate this.

5.4. The Board agreed that there should be a focus on improving capability and capacity in the corporate services of HR, finance and business planning. These areas should not be exempt from the savings programme and it was hoped that savings would be identified in the course of this strengthening work.

6. HR policies, processes and procedures programme

6.1. Andrew Walker said that the Board had asked for a blueprint to take forward work to examine HR policies, processes and procedures in order to deliver the agreed vision, but it was clear that a fully-agreed blueprint would require further time, owing to the different requirements of stakeholders. He had spoken to each Director General to establish what work could be taken forward. He proposed a programme board which would address priority areas first in the context of a corporate approach. In the current economic conditions it would not be possible to solve problems by throwing money at them.

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

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

6.3. Andrew Walker said that a programme manager would be appointed to manage the programme. The members of the programme board would need to command the confidence of their Director General and have sufficient time to devote to board activities.

6.4. The Board agreed the way forward proposed in the paper, subject to the priority work streams which had been identified focusing on job descriptions rather than on departmental issues. The programme should develop a business-focused approach based on a single set of governing principles. This approach should be used to develop a blueprint in the autumn, pulling together views from across departments and the TUS. The Board would consider a paper from the programme

board setting out the progress which had been made at its October meeting.

6.5. *Action: Directors General to confirm participation in HR PPP programme board and Director General, Resources to appoint Project Manager, by the end of August 2010.*

6.6. *Action: HR PPP programme board to bring a paper to the October Management Board meeting setting out progress on the programme.*

It was agreed that comments on item 7 (Parliamentary Offsite Consolidation Centre) should be made offline and that item 8 (Freedom of Information) should be deferred to the following meeting of the Management Board. There was no other business.

[adjourned at 18.15

Philippa Helme
Secretary

Malcolm Jack
Chairman

5 August 2010