

**Minutes of the Management Board meeting
Wednesday 22 September 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)
Matthew Hamlyn (Board Secretary – designate)
[s.40] (Assistant Secretary – acting)
Elizabeth Honer (Director of Savings – items 4, 5 & 6)
[s.40] (Head of Savings Reviews – items 4, 5 & 6)

1. Matters arising from previous meetings

1.1. Further to action points 3 and 4 **Andrew Walker** thanked Directors General for their nominations to the HR PPP programme board, which was now up and running. Workstream leaders were being identified and discussions would be taken forward with the Trades Union Side. A progress report would be brought to the October Board meeting.

2. Risk and performance

2.1. The **Chairman** noted that the risk score for security (CR1) had increased from 12 to 16. **Robert Rogers**, the risk owner, reported that this was in part due to the Pope's visit but also reflected recent incursions onto the Parliamentary Estate.

2.2. [s.38] and [s.36(2)(b)] and [s.36(2)(c)]

2.3. **Joan Miller** reported under CR3b (disruption as a result of failure to develop IT services) that the number of initiatives planned was such that departments might not have the capacity to manage that volume of development work effectively.

2.4. **John Pullinger** noted that the staffing gaps resulting from recruitment restrictions were causing genuine difficulties for delivering services in some parts of his department. **Robert Rogers** reported the same problem in parts of the Committee Office.

2.5. Philippa Helme said that the Corporate Risk reviewed in detail for the meeting was the fraud aspect of CR5 (loss of reputation and/or financial loss through failing to comply with legal requirements, audit and accounting requirements and/or through demonstrably poor value for money in the delivery of its service). The **Chairman** asked whether the Board could be confident that the right safeguards were now in place. **Andrew Walker** reported that the new Internal Control Framework, which incorporated the fraud policy, was due to be signed off very shortly. Plans were being developed to ensure relevant staff were aware of it. Once this had been done, he was confident that fraud prevention arrangements would be robust.

2.6. Alex Jablonowski raised the audit of the Members Estimate. He noted that because of missing documentation to support Members' expenses claims the forthcoming accounts were likely to be qualified. It was acknowledged that there would be bad publicity for the House.

2.7. Andrew Walker reported on preliminary results of the half-year forecast outturn. It seemed likely that further savings could be made beyond the £9.2 million already identified by departments, and that the full in-year target of £12 million was attainable.

3. Oral up-dates from Directors General

3.1. Robert Rogers reported that:

- He had recently attended a meeting with the Speaker, Leader of the House, Deputy Leader and Parliamentary Secretary at the Cabinet Office at which parliamentary reform issues had been discussed.

With regard to public initiation of legislation, the Government was currently considering the collection of signatures by a third party, rather than the House doing this directly. The Government was also keen to establish a new committee similar to the Jopling Committee of the early 1990s to look at sitting patterns in the light of the establishment of fixed-term Parliaments.

From the Board's perspective it was agreed that it would be desirable to have a greater degree of certainty about the dates of recesses to assist in planning annual leave for staff and for building and maintenance work.

3.2. Joan Miller reported that:

- PICT had been very busy over the summer, both at Westminster and in constituencies. Member feedback indicated satisfaction levels of around 85% for the refresh of Members' ICT, which was expected to be completed by the end of October.

- Work on developing the ICT strategy was progressing well and would be reported to the Board in October.
- *Sharepoint2010* was being investigated by PICT. It incorporated a new EDRM product which might offer considerable benefits (and cost savings) to the SPIRE programme. More information would be available at the end of October.

4. Strategic planning

- 4.1. The Board noted the development of a draft strategic plan and welcomed the progress that had been made. **Philippa Helme** emphasised that the content still required some work, but the intention was that the draft plan should help inform decisions on savings. It was also vital to ensure the plan reflected the need to maintain day-to-day services alongside new development activities.
- 4.2. The Board discussed how to structure the new balanced scorecard in line with the Strategy. This needed to be clear before detailed performance indicators were developed. The Chairman invited Board members to give their views on the form of the balanced scorecard to the Office of the Chief Executive.
- 4.3. It was agreed that a revised version of the strategic plan should be produced, in careful alignment with the Savings Programme, and then shared more widely, involving managers and staff in developing the detail.
- 4.4. *Action: The Office of the Chief Executive to consult Board members and the Resource Management Group on the form of the balanced scorecard and the content of the draft strategic plan, prior to consultation with staff in November.*

5. Savings Programme

- 5.1. **Elizabeth Honer** proposed that the Board should work through her paper focusing on the points requiring a decision.
- 5.2. It was acknowledged that the original target of 9% savings to be achieved by 2012/13 was no longer appropriate: it was important for the House to work to the same timescale as the rest of the public sector. This implied a target of 17% by 2014/15. The argument was whether to take what was primarily a “belt-tightening” approach, or a more ambitious “transformational” approach. It was emphasised that both approaches would involve difficult decisions and that change would be painful. The Board would need to emphasise that the end objective was to achieve the strategic vision and not simply to save money.

5.3. In discussion the following points were made:

- There was a risk that adopting a transformational approach could be interpreted as meaning that there was no longer an immediate need to deliver savings.
- The political aspects of savings and change would require sensitive handling, and each step of the process would need to be firmly anchored politically. There was a risk that Members – either collectively or individually – might seek to ring-fence certain services, making the savings target difficult to achieve.
- Given that the October meetings of the Finance & Services Committee and the Commission were scheduled for before the Government's announcement on the Spending Review, it was possible that the Board would not have a clear steer until November at the earliest.
- It would be important to explain the role of Member Committees in decision-making to staff and to the unions.

5.4. The Board agreed that:

- The savings programme should adopt a four-year planning horizon (to 2014/15) in line with the approach being adopted by the Treasury's Spending Review of central government and the Board's Strategy for the New Parliament.
- It would present two options to the Commission in October: a target of 17% by the end of the Parliament, by belt-tightening, or by making more fundamental changes in the way Parliament operates.
- The Savings Team would work with Resource Management Group members to draw a picture of the impact of the two options, and to review the line-by-line proposals in more detail.
- The Board itself would need to consider the outcome of that work. This might be progressed through a Board workshop.
- Planning for the Resource Estimate for 2011/12 should aim somewhere between £219 million and £231 million, with a clear explanation of why it was higher than the revised 2010/11 Estimate.
- The non-Estates investment "pot" for 2011/12 would be set at approximately £6 million (Resource budget).
- ICT programme teams would be asked to propose how they would collectively achieve a budget reduction of £3 million for 2011/12. The work would be overseen by PICTAB who would report back to the Board's October meeting. However the Procedural Programme and CPIMF teams would only be asked to confirm their financial projections for 2011/12.
- An all-staff communication should be issued shortly, updating staff on the timetable for decision-making on savings.
- A series of all-staff meetings should take place in November to engage staff in developing the strategic plan and savings proposals.
- The Finance & Services Committee should be shown the paper prepared for the Commission meeting on 18 October.

- The terms of reference for the Savings Programme should be amended to reflect the change in target and to bring capital expenditure into scope.

5.5. Action: *The savings team to arrange a meeting of the Resource Management Group to examine the savings proposals and the OCE communications team to consult Board members on the terms of a message to staff.*

6. Savings Programme: HR mechanisms

6.1. Andrew Walker introduced a paper from the Director of Human Resources Management & Development outlining HR mechanisms that could be used to reduce the overall cost of staffing and thereby help achieve the savings target.

6.2. It was noted that staff turnover in the House was currently around 4% per year, and the review had assumed that such a low level would continue. The work undertaken to date suggested that to achieve any of the savings targets discussed by the Board would require staff severances to some extent.

6.3. A small management/union steering group was proposed to oversee the TUS consultations on savings, downsizing, HRPPP and related matters.

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

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

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

6.6. The Board agreed that:

- Every effort should be made to avoid compulsory redundancy.
- The project team should be prepared for the possibility of both voluntary and compulsory severance schemes, in case they were required, and should discuss with the unions procedures for severance arrangements.
- The possibility of running a voluntary severance scheme later in the current financial year would be considered when budgetary plans were further advanced.

6.7. Action: *Department of Resources to explore setting up a small joint steering group with TUS to oversee consultation on savings, HRPPP and related matters.*

7. 2010 Staff Survey

7.1. The Board considered the results of the staff survey. In general terms, the results were better than might have been expected in what was a difficult year, but recurrent concerns were evident in the free-text comments, such as the low visibility of the Board, officer status and the perceived lack of genuine consultation. It was accepted that tackling these issues would be a necessary (but not sufficient) step in achieving the type of transformational change that might flow from the Savings Programme. The **Chairman** said that the comments about bullying – though small in number – were nevertheless worrying.

7.2. The Board discussed how its visibility could be improved. Some advantage might be achieved from having more structured team briefing, with messages coherently communicated throughout the organisation. This would also offer the benefit of providing staff with the opportunity to pass their views back to senior management. There was, however, a risk in this approach of messages being distorted as they were passed down the line.

7.3. The Board agreed:

- To note the findings of the 2010 survey and to take forward discussions within their departments.
- That the corporate issues identified (leadership, capability, and fairness and respect) were correct and should be taken forward at a corporate level; the details of this needed to be developed.
- That the communication being planned for staff on savings should demonstrate that the Board was taking note of the staff survey.

7.4. *Action: OCE Communications team to bring proposals on improving the cascade of information to staff to the November Board.*

8. Offsite Consolidation Centre

8.1. The Board noted that the contract for the offsite consolidation centre was expected to be awarded very soon. After that, departments would all need to be involved in ensuring the project progressed to plan. It would be incumbent on departments to ensure that the service was used properly so that efficiencies were achieved and the benefits fully realised.

8.2. It was noted that interest had been expressed in the project by Whitehall departments, and there might be scope for generating income by extending the service to other users.

9. Parliamentary Accommodation Programme

9.1. **John Borley** said that, following the House of Commons Commission's decision to halt the existing accommodation programme, work was in

hand to develop a new accommodation policy. This could, if wished, drive some of the options for new ways of working being considered under the Savings Programme.

- 9.2.** The Board agreed that an accommodation policy for the House of Commons should be developed, and that the current Accommodation Programme Board should be reconstituted as a bicameral Parliamentary Accommodation Programme Board (PAPB).
- 9.3.** *Action: Board Members to confirm by correspondence their agreement to the membership of the Parliamentary Accommodation Programme Board, as proposed by the paper.*

10. Freedom of Information

10.1. Two papers on freedom of information were considered. **Andrew Walker** explained that the FOI issues paper was partly to fulfil a remit issued by the Board some months ago, but also to respond to changes in the Government's policy on openness. It was proposed that the House should proactively publish items of expenditure over £25,000, and SCS salary information, in line with Government policy. A second paper proposed that, as a signal of change, the Board's own agendas and papers should be published, apart from any section to which an FOI exemption applied.

10.2. In discussion, the following points were made:

- There was a risk that the publication of invoice data would affect commercial arrangements with suppliers.
- The need to check invoice data before monthly publication would add to the complexity of existing processes and place additional burdens on staff time.
- Government departments had already adopted this publication regime and it would be difficult for the House not to follow suit.
- Some short-term pain might be necessary in order to achieve the longer-term strategic aim of having an open and transparent way of doing business.
- With regard to the publication of salary data, the House should follow Civil Service practice and only publish information about SCS staff – not staff in lower pay-bands whose salaries might fall within SCS ranges.
- It was unreasonable to expect other management groups to follow the proposed publication arrangements, since it would place significant demands on the secretariats of these groups. Wider publication might be possible in the future.

10.3. The Board agreed the following points in principle, subject to the Commission's endorsement in October:

- All Management Board agendas and papers would be published on the intranet and internet (on the day of the meeting), apart from any paper or section where an FOI exemption applied.
- It would be the responsibility of the person drafting a paper for the Board to identify any sections which would be subject to an FOI exemption.
- The House would publish items of expenditure over £25,000 on a monthly basis.
- The House would proactively publish salary band information for SCS staff on a regular basis, in line with the Government's guidance to the Civil Service.

10.4. *Action: Department of Resources to circulate the draft paper to the Commission on FOI to the Board early in October for agreement by correspondence, and OCE to revise the guidance on Management Board papers.*

11. Any other business

The Board recorded its thanks to the Board Secretary for her work over the past three years.

[adjourned at 12.50 pm]

Philippa Helme
Secretary

Malcolm Jack
Chairman

September 2010