

**Minutes of the Management Board meeting
held on Wednesday 12 October 2011**

Those present: Robert Rogers (Clerk of the House and Chief Executive)
(Chairman)
David Natzler (Clerk Assistant and 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 HR and Change)
Myfanwy Barrett (Director of Finance)
Joan Miller (Director of PICT, external member)
Alex Jablonowski (external member)

In attendance: Matthew Hamlyn (Board Secretary)
Gosia McBride (Assistant Secretary)
Jane Hough (Strategy, Planning and Performance
Manager, for item 5)
Veronica Daly (Director of Commercial Services, for item
6)
Heather Bryson (Director of HR Services, for item 7)
James Bigwood (Savings Programme Business Partner,
for item 7)
Jill Pay (Serjeant at Arms, for item 8)
Martin Fenlon (Business Resilience Coordinator, for item
8)

1. Matters arising from previous meetings

1.1. Matthew Hamlyn reported that actions 1, 3, 5, 6, 8 to 11, 13 and 14 were now complete and actions 4 and 7 had been superseded. Work was in hand for actions 2 (Andrew Walker and the OCE to agree a broader range of HR indicators) and 12 (HR annual report to be published on internet and quarterly digest of HR information to be sent to the Board).

2. Performance and Risk

2.1. The Board considered the Performance and Risk Report and the 2011/12 Budget Forecast Outturn Report.

2.2. The **Chairman** noted that it would be useful to include information about comparator organisations in the HR indicators. **Andrew Walker** said that work was being carried out to improve the HR information provided for the Performance and Risk Report.

- 2.3. Myfanwy Barrett** explained that the £3.7 million increase in the cost of interest on pension fund liabilities mentioned in the Outturn Report had now been partially mitigated by the decrease in employer contributions. However, it did demonstrate the difficulties of trying to manage a budget with uncontrollable pensions expenditure.
- 2.4. Myfanwy Barrett** added that the finance “flash” report for September, which had not been available in time for the meeting, was very similar to the August report.
- 2.5. David Natzler** asked whether budget holders knew that their budgets were going to be revised to the levels in the forecasts. **Myfanwy Barrett** said that she had talked to all departmental finance leads. The Board would be asked to approve that change formally at its next meeting.

3. Oral updates from Directors General

- 3.1. Andrew Walker** reported that from November there would be a new e-Health and Safety System for accident reporting, known as AssessNet. He would be asking each Head of Department to nominate a couple of staff who would be able to view detailed accident information for departmental monitoring reporting purposes.
- 3.2. John Pullinger** reported that PMQs had been available on YouTube for the first time that day.
- 3.3. Joan Miller** reported that she had discussed the ICT Strategy with PICT staff at open meetings. She had explained that there would be a reduction of 40 posts as a result of the strategy, although 20 of those posts were already being held vacant. Staff were very positive about the new training and upskilling involved.
- 3.4. John Borley** reported that the response to the catering inquiry had been published by the Administration Committee that day.
- 3.5. The Chairman** said that he would be having a discussion with the Commission on Monday to outline some of his priorities, as set out in his message to staff. He would welcome further ideas from Board members. John Pullinger had already made a suggestion.
- 3.6. The Chairman** said that if the Procedure Committee’s report on handheld devices was agreed by the House, work would start on providing more support for IT in the Chamber.
- 3.7. Andrew Walker** reported that Paul Silk had been appointed to chair the Commission on Devolution in Wales.

4. Medium term financial plan

- 4.1. Myfanwy Barrett** introduced the draft 2012/13 Estimate and Medium Term Financial Plan (MTFP) 2012/13 to 2015/16. The Finance and Services Committee had already seen a condensed version and had asked to discuss the Plan at the scheduled informal meeting with Heads of Department. She had had positive discussions with the Lords Finance Director on the impact of their vacating space in Tothill Street. A compromise was close to being reached, which should improve the Commons financial position by up to £0.5 million. There was a lot of volatility on pension costs.
- 4.2.** The Board **agreed** that the MTFP should include a provision for financial risk, based on impact versus probability.
- 4.3.** The Board considered the savings gap and **agreed** the assumption about the outcome of the VE programme. The proposal to set additional targets for departmental budgets and reduce programme budgets was discussed and the following points were made:
- There was no painless way to meet the savings gap.
 - Setting departments additional targets was just salami slicing. It would be very laborious to reduce budgets by a small percentage.
 - The savings strands were currently not expected to make any savings in-year. A more aggressive approach should be adopted. That would be better than asking every department to find additional savings across the board.
- 4.4.** The Board **agreed** that Myfanwy Barrett should review departmental figures in light of the agreed new provision for financial risk and return to the Board with new proposals for closing the gap for 2012/13.
- 4.5.** *Action: Myfanwy Barrett to calculate a new provision for financial risk, based on impact versus probability, review departmental figures in light of that provision, and return to the Board with new proposals for closing the gap for 2012/13.*
- 4.6.** The Board considered whether it was still appropriate to retain a contingency.
- 4.7.** The Board noted that there would be a strong gatekeeper function for the contingency and **agreed** that it should remain. **Myfanwy Barrett** noted that further work was being done to align the approach with the management of contingency funds by PICTAB and PEB.

5. Business and Strategic Planning

5.1. The Board considered the Strategy and Business Planning 2012/15 paper and **agreed** to:

- change from annual corporate and departmental business plans to rolling, three year strategic plans;
- the proposed approach to engagement and communication with staff;
- the proposed approach to reviewing the role of supporting strategies, including considering how it might be more directional and map out a single vision;
- the proposed definition of its role in the planning process;
- present the rolling three-year strategic plans to the Commission;
- the proposed approach to the workshop on 4 November.

6. Procurement

6.1. The Board considered the Procurement paper.

7. Savings programme: HR mechanisms

7.1. The Board considered the Voluntary Exit Scheme paper and **agreed** to:

- the launch of a VES using the same process, and terms, as used for the 2010/11 scheme, subject to the lessons learned on giving managers more support, including additional briefing on applying the selection criteria, issuing standard, but more personal, templates for letters to applicants, and simplifying the application forms;
- the proposed timetable, with applications opening on 17 October 2011, but moving the date for issuing offer letters forward to 15 December and making it clearer that acceptances would not have to be given by 31 December although that would be the date from which they would be effective;
- ensure departmental board meetings to discuss applications were held in time for offer letters to be issued on 15 December;
- approve the continued use of the selection criteria negotiated for the 2010/11 VES;
- note the resource requirements of the project, and accept the requirement to make available the time of senior managers and Heads of department to sit on assessment panels as required, and during the periods indicated on the timetable;
- the proposed standard release date of 31 March 2012;
- note the potential risks relating to the demotivation of staff whose applications might be unsuccessful for a second time, and the longer notice periods; and
- the draft staff notice, with minor changes, for release on Monday 17 October.

8. Business Risk and Resilience

8.1. Jill Pay updated the Board on relocation planning. She then introduced the bi-annual update from the Business Risk and Resilience Group (BRRG), explaining that BRRG had agreed that ensuring departmental business continuity plans were up to date and maintained on the central database was a priority. Workshops had been set up to train and engage the staff concerned. BRRG had also updated its terms of reference and if Board members had any comments on those they should send them to the OCE.

8.2. Martin Fenlon noted that the Houses of Parliament had achieved the Cabinet Office Independent Internal Review award for aligning its business continuity management system to the industry standard.

8.3. The House now had the key building blocks in place. All bar one directorate now had some form of business continuity plan and 25 staff from across both Houses had attended workshops. In hindsight it would have been better to run the workshops earlier. They would continue so staff could keep knowledge up to date. He would send Board members the report of the last IMF exercise if they had not yet seen it. It would be very helpful for the Board to participate in a tabletop exercise before next year's IMF exercise. That could be a bicameral exercise.

8.4. The Board agreed:

- that the Serjeant should consider repeating the briefing for Chamber staff on relocation plans;
- that a short training course should be delivered by the Business Resilience Coordinator, the primary audience being departmental continuity plan authors;
- that the Business Resilience policy should be reviewed and approved by BRRG in November 2011;
- that it would participate in a short table-top exercise before the annual IMF exercise and would decide nearer the time whether it should invite the Lords Management Board to participate as well;
- that Board members should be given feedback from the last IMF exercise.

8.5. Action: *Business Resilience Coordinator to give Board members feedback from the last IMF exercise.*

9. Palace of Westminster modernisation

9.1. The Board considered the Palace of Westminster Modernisation paper. In discussion the following points were made:

- The Board had a duty to safeguard the building for future generations.

- However, the building also had to be fit for a modern Parliament to occupy. The study should therefore be led by a staff member from the “business” side rather than an engineer.
- The work of the UK Parliament 2030 vision group was very relevant and should be reconsidered by the Board at its workshop on strategic planning.
- One of the group could be asked to lead the study. The Board could agree a name at its workshop.
- The Board level sponsor should be John Borley.
- The study should be linked to the network convergence and broadcasting programmes. It would be wrong to have three separate feasibility studies.

9.2. The Board agreed:

- to authorise a Palace Modernisation pre-Feasibility study;
- that an in-house team should be appointed for the study, consisting of a Study Director, the Parliamentary Director of Estates, a Lords representative nominated by the Clerk of Parliaments, and an external expert (capped at £50k from existing budget allocations); and
- that it should agree a Study Director and reconsider the work of the 2030 vision group at its workshop on strategic planning on 4 November;

and **noted** the longer-term planning, consultation and resource requirements.

9.3. Action: *OCE to put 2030 vision group study and name of Study Director for pre-Feasibility study on agenda for Board workshop on strategic planning on 4 November.*

10. Management Board paper guidance

10.1. The Board considered the Requirements for Board Paper Authors paper. In discussion the following points were made:

- The requirements were somewhat intimidating and would add to the burden on Board paper authors.
- They were intended to set a standard and needed to be applied with common sense.
- Financial implications were frequently overlooked at present and that had to be addressed.
- The main aim of the requirements was to improve decision-making – Boards needed clear, accurate and comprehensive information to be able to take good decisions quickly. An introduction should be added to explain that overriding purpose, so that papers did not become disjointed or box-ticking exercises.

- The OCE would continue to advise authors on Board papers.
- It would also be important for Heads of Department to explain the new requirements to their senior managers.
- The guidance should be reviewed again in nine months' time.
- The Director of Commercial Services should not have to clear papers when no purchasing activity was proposed in a paper, but the requirement for all papers to be cleared by the Departmental Finance lead should remain.

10.2. The Board **endorsed** the requirements and **agreed** that:

- an introduction should be added to explain that the main purpose was to improve Board decision-making;
- the Director of Commercial Services should not have to clear papers when no purchasing activity was proposed in the paper; and
- Heads of Department should explain the new requirements to their senior managers.

10.3. *Action: Assistant Board Secretary to make agreed final changes to Requirements and publish on intranet and send to Heads of Department. Heads of Department to promulgate the Requirements at their departmental board meetings or as appropriate.*

11. Any Other Business

11.1. There was no other business.

[adjourned at 18.30

Matthew Hamlyn
Secretary

Robert Rogers
Chairman

October 2011