

**Minutes of the Management Board meeting  
held on Thursday 9 February 2012**

**Those present:** Robert Rogers (Clerk 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)  
Dr Ira Madan (Consultant Occupational Health Physician, for item 7)

**1. Matters arising from previous meetings**

**1.1. Matthew Hamlyn** reported that many of the actions were now complete.

Action one (Andrew Walker and OCE to agree a broader range of HR indicators) had been superseded by the new Business Plan which was reviewing all KPIs. Action six (Directors General to give the OCE details of plans to increase effectiveness to feed into the Corporate Business Plan, as well as other drafting comments) was in hand. The latest draft of the Plan had just been sent to the Board.

**1.2.** Action two (DHRC to send a digest of HR information to the board on a quarterly basis) was outstanding. Action three (Joan Miller to find dates to visit the Parliamentary Labour Party, 1922 Committee and Liberal Democrat equivalent) was now complete. Joan would report back under oral updates. Action four (Head of Internal Audit to ensure report recommendations are open to all audit sponsors on new Sharepoint site) would be complete by the end of the month.

**1.3.** Action five (OCE Secretariat to add an action plan for implementing the Diversity and Inclusion Scheme to the Board's future programme) had been superseded by the take note paper for the meeting, which included the plan. Further to action seven, Cloud computing and the increased use of mobile devices would be considered at next month's meeting.

**1.4.** Further to action eight, a meeting had been held on developing a general policy on remote access to support working from home. OCE was currently reconciling lists of staff identified by the business as having a critical need for remote access with those who currently had it. Actions nine, ten, twelve, thirteen and fifteen were complete. Further to action eleven (Andrew Walker to ensure the publication of data,

including on invoices worth more than £25,000 by mid March), a paper was currently being produced by IRIS. Action 14 was complete – the Lords Management Board had now also agreed the terms of reference of the Parliamentary Security Board and had also agreed that the Parliamentary Security Director should report twice a year to the Lords Management Board . The Board **agreed** that the Parliamentary Security Director should also report twice a year to the Commons Board.

**1.5. Action:** *Parliamentary Security Director to report twice a year to the Commons and Lords Management Boards on progress in achieving his objectives.*

## **2. Performance and Risk**

**2.1.** The Board considered the Performance and Risk Report.

**2.2. Action:** *John Borley to arrange for Alex Jablonowski to have a meeting with the non-executive member of the Parliamentary Estates Board to discuss the level of over-programming in PED.*

**2.3. Myfanwy Barrett** reported that good progress had been made in restructuring the Commercial Services Directorate (CSD).

**2.4. Alex Jablonowski** asked about bunching of initiatives. In discussion the following points were made:

- Portfolio management would help.
- New initiatives inevitably put pressure on HR and finance, particularly at the end of the financial year. They also created additional work for many other staff across the organisation. PICTAB was now planning to ensure many more projects finished halfway through the year. The Board was making a number of significant changes; the issue was whether it could achieve all of them at the same time.
- The Performance and Risk Report showed that all projects and programme were on track.
- Adjustments had been made – for example, SPIRE had taken into account the business pressures on different teams in planning introduction of the system.

**2.5.** The **Chairman** welcomed the reduction in levels of sickness absence noted in the report.

**2.6. Joan Miller** noted that the House had a significant number of staff working part time. If services, such as ICT support, were calculating demand on FTE rather than total headcount they might be underestimating costs. In discussion the following points were made:

- Most part-timers shared desks and computers. There might, however, be some scope for organising their work better.

- DIS had a large number of part-timers and got very good value from them.
- In the long term the working environment was likely to change. People would be less likely to have their own desk and computer.

2.7. The Board considered the Administration Estimate Monthly Outturn report and noted the increasing underspend. The Board **agreed** that it would be important to look at areas with significant underspends as part of the 10% challenge.

### 3. Oral updates

3.1. **Andrew Walker** noted that some staff might take leave during prorogation. The Board **confirmed** that all such leave would come out of individuals' annual leave allowance. **Andrew Walker** asked Board members to give Anne Foster any comments on the Diversity and Inclusion Scheme action plan. A key element of the plan was to mainstream diversity and inclusion, for example, it should be included in all departments' business plans.

3.2. **Joan Miller** noted that there had been a lot of publicity recently about use of iPads.

3.3. **Joan Miller** reported on her visits to the 1922 Committee and Parliamentary Labour Party. (She was arranging a visit to the Liberal Democrat equivalent.) The number of attendees had been modest but they had been very vocal. Comments had been consistent with the ICT strategy (Members wanted choice and mobility) but they wanted things done more quickly. Extending wifi to the whole Estate would take until April 2013. She had explained the need to test the security of Cloud. Another issue raised was the speed of connection via vpn, particularly when first logging on. She had explained that this was because the equipment would not connect to the network until antivirus software had updated. PICT had done some work with CISCO in December which had helped towards resolving the problem but it couldn't be resolved entirely without the use of the Cloud.

3.4. The **Chairman** thanked Joan for visiting the political parties and noted the importance of this kind of event. He suggested that she should return in a few months time. He noted that access to wifi across the Estate was very important to Members and asked why it could not be improved earlier. **Joan Miller** said that the speed would depend on the response to tenders. The full tender process would be complete by June, and the plan was to sign contracts in September. If it was possible for the successful company to do it faster than April they would go for that. **John Borley** said that he had just received an email saying that a way had been found of speeding up the wiring process.

**3.5. David Natzler** reported back on the Speaker's dinner for Select Committee chairs.

**3.6. Myfanwy Barrett** reported on IPSA's decision to increase Members' pension contributions in April subject to consultation.

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**3.7. John Borley** said that Sir Alan Haselhurst and Thomas Docherty had agreed to sit on the Palace of Westminster Pre-feasibility Study group. The House of Lords had also just nominated their two Members. Jim Fitzpatrick was doing an excellent job on the Fire Safety Committee. Lift failures were continuing – he was investigating what the underlying problem might be.

**3.8. Matthew Hamlyn** reported on the early emerging findings of the Members' survey. The Board would receive a full report on the survey in April. The Lords Management Board had recently undertaken the same tabletop business continuity exercise as the Commons. Board members would shortly be sent a report of both. **Joan Miller** said the discussions at both Boards had been remarkably similar.

**3.9. John Pullinger** reported on three items: his department was beginning to plan exhibitions for 2015 (the anniversaries of the Magna Carta, De Montfort, Waterloo and 600 years of Serjeantry in the House); the media team would be contacting Board members to discuss their involvement in handling out of hours media inquiries; and John Benger had just been appointed as the new Director of Service Delivery in DIS.

**3.10.** The **Chairman** explained that he had recently met Ken Gall, who had asked if market testing would be subject to equality analyses. **John Borley** confirmed that it would be. **Myfanwy Barrett** said that the Board needed to work to ensure senior levels in the House Service were more representative. The **Chairman** added that he had just held a briefing for the media on financial privilege to address misapprehensions. On Leading for Parliament, he wanted Board members to champion particular modules and the Board to participate in bespoke aspects of the programme as part of assessing its own effectiveness. **Andrew Walker** said that that would be possible.

#### **4. Savings programme: ten per cent challenge**

**4.1. Myfanwy Barrett** explained that all departments had now had their letters about the challenge. She would talk to Joan Miller separately. There was a broad consensus that departments should share their lists of proposals with the unions. **Andrew Walker** added that RMG had also recommended that the process should be open and consultative.

**4.2.** The Board noted that the Speaker's Office and Legal Services Office were participating in the challenge and **agreed** that Andrew Walker

should talk to the Speaker's Secretary about what was involved. The Board also **agreed** that the Office of the Parliamentary Commissioner for Standards should be given an opportunity to participate, although given his independence the decision would be entirely a matter for the Commissioner.

*4.3. Action: Andrew Walker to brief the Speaker's Secretary on what is involved in the ten per cent savings challenge. Myfanwy Barrett to ask the Parliamentary Commissioner for Standards if he wanted his Office to participate in the exercise.*

## 5. Finance and procurement rules

5.1. The Board considered the first draft of the new Finance and Procurement Rules. In discussion the following points were made:

- The authorisation of expenditure limits were too low. Board members and the Parliamentary Security Director should have unlimited authority for orders and payments within their budget. That was distinct from business case approvals which would still involve the Finance Director and/or Clerk of the House depending on the proposed level of expenditure.
- The threshold for authorising expenditure for Band A2s had been raised from £1,000 to £25,000. That was in the interests of decluttering. All goods would be receipted.
- The proposed 70%-price-30%-quality scoring system for evaluating bids was on the advice of procurement professionals and common practice in other organisations.
- There were circumstances where the ratio might not be right, so discretion was needed.
- The ratio could be varied occasionally by agreement in the business case, but the change in the default position was needed to put an emphasis on value for money.
- Staff had to be better at writing tender specifications – that was where you set out the minimum quality needed, not in the ratio.
- A sandwich student in the Department of Facilities had suggested tenders should also be evaluated on sustainability criteria – this was an idea worth considering.
- The draft rules were not trying to stop use of Government Procurement Cards (GPC) cards where it was appropriate, such as select committee visits, but only to ensure purchase orders were raised where it was possible to do so. Use of purchase cards often led to missed opportunities for group purchasing.
- This was welcome clarification but the drafting on this point needed amending ; for instance select committee visits were not “exceptional”, and staff also sometimes used cards to purchase goods on Amazon and from other suppliers where raising purchase orders was difficult or impossible.

- It was also important for the rules to reflect the fact that select committees did not always use the Travel Office as there were deals on non-refundable travel that Hillgate could not offer.
- By aggregating the House was able to get really good deals. Staff booking any official travel should always check what Hillgate could offer before booking.
- Expenses above £25,000 should not be published automatically. A manual process of describing them properly was needed first, in line with previous discussions on proactive publication.
- PICT should not pick and mix between the rules of the two Houses – it should follow either the Commons or Lords rules.
- According to the Joint Department Implementation Board report, PICT's Director of Resources had to be included in decisions on financial and procurement issues. Those issues could not be decided by the House of Commons and Lords' Finance Directors alone.
- That was a misinterpretation of the implementation report. The Lords were content for PICT to follow the Commons Finance and Procurement Rules and that was what should happen.
- A "ten key messages" summary of the rules would be communicated in the HAIS training.

**5.2.** The Board **agreed** the broad principles and changes proposed, with the exceptions that:

- heads of department and the Director of Parliamentary Security should be able to authorise expenditure over £1 million;
- use of GPC cards should be considered again in a general review of use of the cards in 2013 rather than being changed in the Rules;
- as agreed by the Finance Directors of the two Houses, PICT should follow the new Rules in full.

**5.3.** The Board also **agreed** that Myfanwy Barrett should consider with the head of CSD whether sustainability might be a criterion added to tender evaluations and discuss how to word references to use of the Travel Office with the Committee Office Business Manager and the Travel Office Contract Manager.

**5.4.** *Action: Myfanwy Barrett to consider with the head of CSD whether sustainability might be a criterion added to tender evaluations and discuss how to word references to use of the Travel Office with the Committee Office Business Manager and the Travel Office Contract Manager.*

## **6. Alcohol policy/hospitality policy for House staff**

**6.1.** The Board thanked Dr Ira Madan for coming and discussed the issues outlined in her note. In discussion the following points were made:

- A revised House staff policy had to be developed, even if there might be some difficult areas. Any policy would have to take into account the

variety of ways the building was used and the interplay between Members, their staff and House staff.

**6.2.** The Board **agreed** that a revised alcohol policy for House staff should be developed for it to consider further.

**6.3.** *Action: DHRC to develop and consult on a revised alcohol policy for House staff for the Board to consider.*

**6.4.** The Board considered the section on hospitality in the draft Staff Handbook, which had now been revised to allow modest provision of alcohol when hospitality was offered to visitors. The Board discussed the draft and a revised version proposed by David Natzler. In discussion the following points were made:

- The Handbook needed to link to whatever alcohol policy was developed for House staff or else it could be inconsistent.
- It was better to have something in the handbook now, even if it required changing later.
- The proposed revised draft had a style which some staff might find difficult to understand.
- The original text was also difficult to follow. It suggested there might be two ways of registering hospitality.
- The current draft would remove line managers from the process which was a major concern. Line managers were the best police of hospitality and it was extremely important for the approval process to go through them.

**6.5.** The Board **agreed** that it should consider a revised draft, taking account of the need to authorise hospitality via line managers, to agree by correspondence.

**6.6.** *Action: Andrew Walker to circulate a revised draft of the hospitality section of the Staff Handbook, taking account of the need to authorise hospitality via line managers, for the Board to agree by correspondence.*

## **7. Counter fraud activity**

**7.1.** The Board considered the Establishing a Counter Fraud Function paper. In discussion the following points were made:

- The proposed cost of establishing the function was not insignificant so it would be important to look at areas most at risk of losses.
- That was what was planned. The first step was to complete the fraud risk register which would show where best to focus activity. If investigations showed that additional work would not be worthwhile, the full budget might not be needed.

- There was also an educational dimension. Some of the risks identified in the paper were not always perceived as fraud issues, for example, some aspects of poor contract management.
- Fraud had been quite widely defined in the paper. The Finance Director was leading the work because fraud prevention was a finance issue, but a broader definition would cover HR issues also.

**7.2. The Board agreed:**

- that an initial budget of £100,000 should be included in the 2012/13 Estimate for counter fraud activity, with specialist work that year to be covered within the Internal Audit contract with Deloitte;
- that Myfanwy Barrett should report back to the Board in three months' time on the outcome of the preliminary investigative work and likely future costs.

**7.3. Action:** *Myfanwy Barrett to report back to the Board on the outcome of the preliminary counter-fraud investigative work and likely future costs of counter-fraud activity.*

**8. Any other business**

**8.1. The Board agreed that:**

- good progress had been made on the Diversity and Inclusion Scheme action plan;
- the key element was mainstreaming diversity and inclusion in all the House Service's activities;
- it was important to summarise the plan into a page of clear messages;
- invitations to the launch of the scheme should be sent from the Clerk of the House as Diversity Champion and if possible include this summary.

**8.2. Action:** *Andrew Walker to ensure Board members are invited to the launch of the Diversity and Inclusion Scheme on 1 March. Anne Foster to produce a summary of the action plan's key messages for the Clerk of the House to use when inviting staff to the launch of the scheme or, if there was insufficient time, to use in a reminder email.*

[adjourned at 18.35]

**Matthew Hamlyn**  
**Secretary**

**Robert Rogers**  
**Chairman**

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