

**Minutes of the Management Board meeting  
held on Thursday 15 March 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)  
Jane Hough (Strategy, Planning and Performance Manager, item 4)  
Elizabeth Honer (Director of Savings, for item 5)

**1. Matters arising from previous meetings**

**1.1. Matthew Hamlyn** reported on action two (Head of Internal Audit to ensure report recommendations are open to all audit sponsors once the Sharepoint site is up). The Sharepoint site was now running. There had been a delay, caused by departments not returning reports on progress on recommendations in time. The **Chairman** expressed concern that the deadline had been missed as the Board had committed to giving Internal Audit timely responses.

**1.2.** Further to action six (developing a general policy on working from home during the Olympics and remote access to support it), **Matthew Hamlyn** reported that RMG had just seen revised guidance for managers on working during the Olympics and Paralympics, which included PICT-approved language on remote access when working from home. **Andrew Walker** added that this guidance for managers would be issued the following day. In the wider business resilience context, the OCE had done a lot of work with the business and PICT on identifying business demand for remote working and that was now being matched with information from PICT about capacity and different types of remote working technology. PICT had needed chasing, but the information was now almost ready.

**1.3.** Further to action seven (Andrew Walker to ensure the publication of data, including on invoices worth more than £25,000, by mid March), **Matthew Hamlyn** reported that DHRC was still chasing some information from departments, hence the delay in a paper being sent

to the Board. Further to action eight (Parliamentary Security Director to report twice a year to the Commons and Lords Boards), Peter Mason would be giving a short update at the following month's Board. Further to action ten (DHRC to produce a note on long term sickness absence), a take note paper would be issued the following month. **Andrew Walker** said he had seen a draft of the paper and the overall message was that the Board did not need to be concerned.

**1.4.** Further to action nine (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), **John Borley** noted that the meeting had now been arranged.

**1.5.** Further to action 15 (Andrew Walker to circulate a revised draft of the hospitality section of the Staff Handbook for agreement by correspondence), **Andrew Walker** said that he would send round the revised draft shortly, which he hoped captured all the points raised.

**1.6.** **Matthew Hamlyn** said that most other actions were ongoing or complete.

## 2. Performance and Risk

**2.1.** The Board considered the Performance and Risk Report. **Andrew Walker** reported that HRPPP was now no longer graded red, but amber. The programme had just had a very helpful gateway review, which had been very complimentary about the programme's management and governance, while highlighting the uncertainties about its future. The **Chairman** said that he had been very impressed with the review team. He had explained to the reviewers that the Board would consider the programme's progress in May, but would not take final decisions until October, so that it could take account of time recording data over the summer recess.

**2.2.** **Alex Jablonowski** asked about the emerging risk raised by the Portfolio Manager: misinterpretation of communication in relation to change programmes causing a reduction in morale. The Board considered this issue. In discussion the following points were made:

- The Board needed to put more effort into communication on change.
- Either the message was wrong or there was insufficient support for managers in interpreting and cascading the message.
- The proposed People Strategy was not a solution. It was a long term mitigation – the problem was immediate.

- The Strategy was only intended to be one mitigation of many. One of the big issues in feedback from departments was a perceived lack of clarity about overall direction.
- The HRPPP team had interviewed hundreds of staff over the last month. They had picked up a sense of unease, with half of staff thinking the framework would never be implemented and others thinking it was a done deal.
- That was one of the sources for the Portfolio Manager's comment. The other sources were the market testing change team and the liP teams. Staff had raised fears with these teams about outsourcing, pay and future prospects.

2.3. The Board **agreed** that the new portfolio dashboard in the Performance and Risk report was very useful.

2.4. The Board considered the Budget Forecast Outturn Report. It noted the increased resource underspend and that plans were in place to look at areas with significant underspends as part of the 10% challenge. The Board also noted the increased capital underspend.

### 3. Oral updates

3.1. **Andrew Walker** reported that Victoria Payne had just been appointed as the new head of IRIS.

3.2. **Myfanwy Barrett** said that HAIS training for budget holders had just been advertised and urged the Board to participate. Staff involved in the HAIS implementation would be working very hard over the Easter recess and she asked Board members and colleagues to bear this in mind. She reminded Board members of the deadlines for purchase orders and final authorisations. She thanked Board members for their comments so far on her review of the finance function. The **Chairman** said that once the new system was up and running he would invite the HAIS team to one of his staff recognition parties.

3.3. **John Borley** said that work was progressing on proposals to reconfigure the layout in the Atrium. Initial proposals had been discussed with the Administration Committee and a paper would go to the Committee and the Board in April.

3.4. **Joan Miller** said that the House had just received an invitation to join Oasis, the international standards body for parliamentary data.

3.5. **Matthew Hamlyn** thanked the Table Office for promptly flagging up EDMs and PQs tabled in Commission areas. That was proving very helpful.

#### 4. Corporate Business Plan

- 4.1. The Board considered and **agreed** the draft Corporate Business Plan with amendments.
- 4.2. The Board discussed how best to communicate the Plan to staff. It **agreed** that the initiatives in the Plan should be positively explained, by summarising the six items likely to be of most interest to staff or the Clerk's foreword, and that Board members should agree those communications in advance.
- 4.3. *Action: OCE to draft communications for staff on the Corporate Business Plan, to be agreed by the Board in advance.*
- 4.4. The **Board** noted that the Corporate Business Plan had been very well put together and thanked Jane Hough for all her work.

#### 5. Savings Programme

- 5.1. **Elizabeth Honer** introduced the Savings Programme Definition Document, noting that the afternoon's debate on charging for Clock Tower tours had made it even more important to agree a baseline so that there was a way of managing changes as they occurred. Emma Wharton had done a lot of work to pull the document together.
- 5.2. The Board considered the document. In discussion the following points were made:
  - The details of savings from the Operations strand were not yet known. Without that information current forecasts were showing an increase in the estimate from 12/13 to 13/14. Another risk was that the programme did not yet have full visibility of implementation costs. The risk register would also need to be revisited in light of the Clock Tower debate.
  - The document did not include a vision for the programme. That was very important as in the last few months evidence had arisen that management was not telling a compelling enough story to staff and the media. The Savings Programme Board had just had a very useful session on trying to map out a narrative and the Media Office and Head of Internal Communications were going to develop a draft vision.
  - The drawing together of the agreed aspects of the programme into one document was very useful.
  - The Board was currently using two messages in the savings programme – it was making savings because it had to do so, and it was aiming for improved and cheaper services. If it was possible to develop something more compelling that would be very welcome.

- The current year's underspend showed that it was at least reasonable to assume some of the savings in the Operations strand could be made before the details were known.
- Assumptions should not be made until the outcome of the 10% challenge was known.
- There were a number of high level implementation risks that were not currently captured and which were the responsibility of Board members, such as the risk to the ICT strategy if the House was unable to use Cloud, or if Members disagreed to the plans for Print to Web. These risks and mitigations should be spelt out. Without that assurance, the savings were simply aspirational.
- Figure 6 was misleading as the grey line came down from 2013/14 to 14/15, suggesting it would be difficult to make savings in 2013/14, but easier in 14/15. It would have been better for it to continue going up.
- The graph aimed to illustrate how important it was to keep the momentum going in the following year, but could be amended either by taking out the line from 13/14 or adding an explanation of what it was intended to convey.
- It would be unacceptable for the cost profile to go up in 13/14.
- It would be important not to overreact to the debate, but a message had to be given to the Commission that the overall savings could not be delivered if individual savings were picked off.

**5.3. David Natzler** asked about SCS savings. He did not think they were a separate strand. Savings should be reported in the area they were made. **Andrew Walker** said that SCS reductions were part of the staff and culture strand. **David Natzler** said that he would be counting SCS reductions made in DCCS in the 10% challenge. The same should apply for the VES. Although it had been financed by a one-off sum, savings made should be allocated to departments. The **Chairman** said that there was also a motivational issue – allowing departments to get the credit for savings made. **Myfanwy Barrett** said that it was possible to show both the strand and the department a saving related to. Both would be reflected.

**5.4.** The Board thanked Elizabeth Honer and Emma Wharton for their work and **agreed** the Programme Definition Document as the baseline document for the Savings Programme, subject to it including more detail on the implementation risks and to a minor change to the graph in Figure 6.

## 6. Staff pay

**6.1.** The Board considered the paper on staff pay.

## 7. Staff Pension Scheme

7.1. The Board **agreed** to postpone the considered the Option to transfer the House of Commons Staff Pension Scheme into the Civil Service Pension Scheme paper, given the shortage of time. **Myfanwy Barrett** said that she would inform the Finance and Services Committee that more time was needed before submitting advice to them on this issue.

## 8. Form of annual report and accounts

8.1. **Myfanwy Barrett** introduced the paper on the House of Commons Financial Reporting Manual. The Board discussed the paper and considered the proposal to move to segmental reporting (reporting by department). In discussion the following points were made:

- Segmental reporting would meet the International Financial Reporting Standard 8 and would make the Resource Accounts more informative. The NAO supported the change. The House could report by objective (the goals in the strategy), but that would lead to arbitrary divisions and make the presentation of information less meaningful.
- Reporting by department might go against the goals of unified service.
- The House already monitored budgets by departments without that affecting corporate working.
- There would be a separate line for reporting programme expenditure.

8.2. The Board **agreed** to:

- recommend to the Commission that they continue to produce an Annual Report separate from the Resource Accounts;
- recommend to the Commission that the Annual Report contain additional information, in line with Treasury guidance for reports from government departments;
- move to departmental reporting in the Accounts.

## 9. Data security governance

9.1. The Board **agreed** to postpone the Information and data security paper due to lack of time.

## 10. Any other business

10.1. The **Chairman** asked Board members if they were content with the final draft of the Finance and Procurement rules, which had been circulated as a take note paper. **John Borley** said that he had expected the Rules to be amended to state that awards should be met on a 60:20:20 cost, quality and sustainability ratio. **Myfanwy**

**Barrett** highlighted that the Rules now said that where relevant the ratio should be amended to take account of sustainability considerations. More information was needed about external comparators before a change could be made to the ratio itself. The Board **agreed** that the sentence on sustainability considerations should be strengthened (“must” instead of “should”), but that the ratio should remain 70:30 in the Finance and Procurement Rules for the time being.

- 10.2.** *Action: Myfanwy Barrett to come back to the Board, having consulted with John Borley, with a proposal on how to incorporate sustainability into the criteria in future.*
- 10.3.** The Board **agreed** that it should consider the Safety Assurance paper as a substantive item and that it should meet for an additional one hour meeting the following week to consider the postponed Board papers.
- 10.4.** *Action: Board secretariat to put an additional one hour meeting in the diary to consider the Safety Assurance paper and other postponed Board papers.*

[adjourned at 18.30

**Matthew Hamlyn**  
**Secretary**

**Robert Rogers**  
**Chairman**

March 2012