

**Minutes of the Management Board meeting  
held on Thursday 11 October 2012 at 3.30 pm**

**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)  
Barbara Scott (external member)

**In attendance:** Matthew Hamlyn (Board Secretary)  
Ben Williams (Assistant Secretary)  
Elizabeth Honer (Director of the Savings Programme, for item 4)  
Alix Langley (Head of HR Operations, for item 5)  
Lucy Tindal (Head of Pensions, for item 6)

**1. Matters arising from previous meetings**

**1.1 Andrew Walker** reported that 91% of PDMs had now been sent to DHRC. This was above the target response rate of 90%. The Board agreed that this action was now closed.

**2. Performance and risk**

**2.1 Joan Miller** updated the board on the Procedural Data Programme. All of last month's actions had been delivered on time so the picture was looking better than had been reported. The challenge now was to sustain this improvement in future months. The PDP was to be discussed at PICTAB the following Monday.

**2.2 Andrew Walker** updated the Board on HAIS. Both the information management boards dealing with the outstanding data and reporting problems were confident that the situation would be greatly improved by Christmas.

**2.3 John Borley** reported to the Board that the refurbishment of 53 Parliament Street was likely to be delayed by about a month.

**2.4 John Borley** updated the Board on progress in recruiting project leaders in PED. A number of new project leaders had started recently and two interim positions had been filled. The quality of the staff recruited was high, and the risk posed by a lack of skilled staff in PED was diminishing.

**2.5** The **Chairman** noted that the refresh of the Board-level risk register by Board members and the Corporate Risk Management Team had been completed. He had recently discussed risk management with the House of Lords, who had recently refreshed their own risk on House of Commons dependencies.

**2.6 Myfanwy Barrett** reported that the backlog of unpaid invoices that had built up in April had now been dealt with and the problem with reporting had been resolved. This had been achieved by close working between the HAIS and accounts payable teams and the OCE. She expected to see this figure for each month improve over the course of the year. **John Borley** noted that the payment of catering invoice was more frequently delayed by the rejection of substandard goods that other department in the House service. The **Chairman** emphasised the importance of meeting the target, as prompt payment greatly benefited small and medium sized businesses.

**2.7 Andrew Walker** informed the Board that DHRC was still closely monitoring the figures for full-time equivalent staff, as it was not clear exactly why this figure appeared to be increasing, although a contributory factor was the extra staff who had been appointed to support the Banking Commission.

**2.8 Myfanwy Barrett** spoke to the Financial Performance Report. This was the first detailed report of the year where information from HAIS has been fully available. The current forecast was for an underspend of £4.5 million. Some of the reasons for the projected underspend were positive, for example the savings being delivered through the Operations Strand. The Board agreed to rename the Project Provision budget line the "ICT portfolio", to clarify what it covered.

### **3. Oral updates from Directors General**

**3.1 Joan Miller** reported to the Board on the network refresh.

**3.2 Andrew Walker** informed the Board of a proposal to invite the London Mutual Credit Union to provide financial support and advice to staff. The purpose was to provide access to an alternative lender for lower paid staff, who might otherwise turn to payday loan companies. This would add to the support already offered by the Safety, Health and Wellbeing Service who were able to direct staff to sources of professional advice on developing household budgeting skills. The Board agreed to this proposal.

**3.3** The Resource Management Group had agreed that House and PICT staff should move towards the use of multifunctional devices in place of local printers as the default option. A pilot would be run on the third floor of 7 Millbank. Particular care would be taken to ensure the needs of staff with mobility problems were addressed. The saving arising from the change would form part of the Operations Strand.

**3.4 Andrew Walker** updated the Board on the draft alcohol policy.

**3.5 Action:** *Andrew Walker to come to the November Board meeting with a paper on the alcohol policy, including a plan for communications with staff.*

**3.6 Matthew Hamlyn** noted the OCE had been in touch about a possible date in November for a senior leaders' event on people issues. The Board agreed to hold a senior leaders event, and that it should include all SCS as well as the usual participants. The Board also agreed to hold another round of all-staff meetings the New Year.

**3.7 Joan Miller** reported that a dedicated PICT team was investigating the cause of the current low network speed. This could be due to problems with SPIRE, with individual PCs or with the network itself. Joan was receiving daily reports on the issue.

**3.8 David Natzler** reported that two new House-wide fast streamers had started and that the new Assistant Serjeant at Arms was due to take up her post soon. The appointment process for a new Parliamentary Security Director would be completed in the next few weeks. A new programme had been launched as part of the Diversity & Inclusion scheme to allow SCS1 staff to gain experience of clerking in the Chamber as Associate Clerks at the Table.

**3.9 John Pullinger** reported on an event he had attended organised at the Work Foundation on unlocking female talent. An important message from the event was that poor management practices were a main reason organisations did not maximise their talent. Two practical examples given were: ensuring that meetings finished on time, as a culture of late running meetings discouraged staff with caring commitments (who tended primarily to be women) from applying for senior positions; and setting up a sponsorship system so all staff had someone other than their line manager who could champion their career development. The Head of Diversity would circulate a note of the event.

**3.10 Myfanwy Barrett** reported that IPSA would launch the second stage of its consultation on Members' pay and pensions on 15 October.

**3.11 The Chairman** reported back on his meeting with the Head of Diversity on flexible working, which he had found very useful. At the invitation of the Cabinet Secretary, he had attended one of the Wednesday morning meetings of Permanent Secretaries, which he had used to explain the work of the House Service and discuss how the Civil Service's understanding of Parliament could be increased.

#### **4. Savings programme/draft Estimate and MTFP**

**4.1 The Chairman** outlined the decision-making timetable for the savings programme and Estimate. The Finance and Services Committee would

agree its report on the Estimate, MTFP and savings programme on 24 October, which would inform the planned debate in the House. The Finance and Services Committee was then expected to agree its advice to the Commission on the medium-term financial plan and 2013/14 Estimate on 5 December, with the Commission taking final decisions on 10 December.

- 4.2 John Pullinger** introduced his paper on income generation. He noted that the Commission had already agreed in principle which activities to pursue for income generation; the task was now to agree the income target. The Board was also asked to consider what detail of information on income generation to include in the papers to be annexed to the Finance and Services Committee's report.
- 4.3 John Borley** introduced the papers on market testing and business improvement. Business improvement plans had now been finalised and the Commission would be asked whether, on the basis of these plans, it wished to proceed to market testing or accept the business improvement plans. The Commission would receive advice from the Finance and Services Committee, who would themselves receive recommendations from the Management Board. The Board needed to decide whether it wished to make a strong recommendation to the Finance and Services Committee or to present the evidence neutrally and allow the Committee to come to its own decision. The business improvement plans were very professional. The Board was very impressed by the standard of the material its staff had produced. **Alex Jablonowski** and **Barbara Scott** praised the high quality of the improvement plans.
- 4.4** The Board considered the papers.
- 4.5** The Board agreed to send an amended version of the paper on the market testing strand, with its recommendations, to the Finance and Services Committee.
- 4.6** The Board agreed to the three recommendations in the paper on residential accommodation and agreed that the review of residential accommodation should be submitted to the Finance and Services Committee for information, together with the previously agreed review of third party occupancy.
- 4.7** The Board agreed that it was not necessary to send a separate paper to the Finance and Services Committee on income generation, as sufficient information was already being provided in another paper to inform their report for the savings programme debate.
- 4.8 Myfanwy Barrett** introduced the Medium Term Financial Plan which set out how the Estimate would be reduced to £220m in 2013-14 and to £210 in 2014/15. The savings targets set out were challenging; all departments needed to deliver their commitments. The information on capital spend was still a very early draft as the Estate and ICT portfolios were still being developed and would need updating before the debate.

**4.9** The Board considered the paper.

The following points were made during the discussion.

- The **Chairman, Andrew Walker** and **Alex Jablonowski** commended Myfanwy for her excellent paper.
- The budget line for the market testing strand of the savings programme was discussed. It was agreed that its name might need to be reviewed depending on what decision the Commission took on market testing.
- The governance of the Members Estimate was discussed.

**4.10 Elizabeth Honer** informed the Board that the draft report from the Finance and Services Committee was due to be circulated to the Committee on Wednesday. The draft would be sent to Board members for a factual accuracy check; comments would be needed by the end of Tuesday. The information on income generation activities would be updated, with a caveat that they would only be taken forward if they were economically viable.

**5. Recruitment restrictions**

**5.1 Alix Langley** reminded the Board that this paper arose from the decision the Board took in principle in July to relax the central controls on recruitment and to allow managers to consider making temporary promotions and fixed term contracts permanent.

**5.2** Analysis had shown that it would be possible for managers to confirm temporary promotions in Bands A, B1 and D without affecting the organisation's ability to redeploy staff at these grades. However, managers would need to evaluate each case on its own merits and assure themselves that there was a business benefit from granting permanency. The benefits of granting staff permanency were: giving staff security and certainty; ending the long and complex chains caused by temporary promotions; making any future restructurings easier, and providing more opportunities for promotion as posts became free. Those staff on temporary promotion who accepted a permanent promotion would need to agree to give up their right to return to their original post. Instead, at the end of their current post they would be deployed to a new position at their new grade.

**5.3** The Board considered the paper.

The following points were made during the discussion:

- The central controls on recruitment restrictions were no longer adding much value. It made sense to delegate these decisions to heads of departments, who would be supported by their HR business partners
- Thought should be given to how this interacted with other changes that would affect staff, particularly the outcome of HRPPP

- Agreeing to these proposals would reduce the risk of talented staff currently on temporary promotion leaving because their future in the House was uncertain
- The possibility of including all staff, not just those in the pay bands set out in the paper, should be considered
- This was not a new HR policy, but an operational change

**5.4** The **Chairman** summarised the discussion. Alix had delivered what the Board had asked for in July. It was important that managers did not apply this mechanistically but worked through the consequences of each individual case. It would be important for colleagues, especially business development managers, to consult each other carefully. Guidance should be provided to managers to help them make these decisions. The Board **agreed** to the recommendations in the paper.

**5.5** *Action: Andrew Walker to ensure that managers are issued with guidance on the implications of this change, and how to decide which temporary promotions and fixed term contracts to make permanent.*

## **6. Staff pension scheme**

**6.1** The Board congratulated Lucy Tindal on her promotion to be Head of Pensions.

**6.2** **Myfanwy Barrett** explained that an extensive consultation had been undertaken with the staff, pensioners and trade unions to explain the change. The main issues that had been raised were the abatement rules. These rules existed to protect public money, but it was recognised that joining the Civil Service scheme would lead to a change for some people. Before the House agreed to join the scheme it would be necessary to negotiate a participation agreement with the Cabinet Office and Treasury, so that the House could retain its current level of autonomy in the way it ran its exit.

**6.3** **Lucy Tindal** explained how deferred scheme members and had been consulted. There had been a delay sending them the consultation letter to pensioner; when it was issued, the date for responding had not been updated, although a note clarifying the correct, later, deadline had been included in the mail-out. Only two members of the scheme had mentioned this in their responses and both had been contacted.

**6.4** **David Natzler** declared an interest, as he was married to a former House employee receiving a pension under the scheme. He supported the proposed negotiation of a participation agreement with the Cabinet Office and requested that the issue of the pensionability of additional payments be included in these negotiations.

**6.5** **Andrew Walker** said it would be important to ensure that the House's constitutional separation from the Executive was maintained, and that the terms on which we contracted with the PCS and the CSCS should

recognise this. The Cabinet Office could be reassured, however, that the House would not seek to exploit this position

- 6.6 Myfanwy Barrett** clarified that there would be no impact on current pensioners, except those were planning to work as a Civil Service Employee after 2014. These individuals would be affected by the new abatement rules.
- 6.7** The Board **agreed** to the action in the paper, subject to the successful outcome of the negotiations with the Treasury and Cabinet Office, which should include the issue of pensionability.

## **7. Departmental performance indicators**

**7.1 Matthew Hamlyn** reminded the Board they had seen a first draft of this paper in September. Board Members' comments had been reflected in the revised text.

**7.2 David Natzler** requested that Board members be informed, as a matter of courtesy, if the OCE was intending to raise performance issues for which they were responsible (e.g. as a Head of Department or SRO for a programme) in the Performance and Risk Report. He was not asking for Board Members to have a veto, but to be given the chance to explain the situation. The Board agreed this approach, while noting the importance of maintaining an independent reporting mechanism. Subject to this point, the Board **agreed** the proposals in the paper.

**7.3 Matthew Hamlyn** reminded the Board that they would be asked, as part of the forthcoming Board effectiveness review, to consider the management information they wanted to receive. This would provide an opportunity to reflect on whether the Board currently had the right corporate performance indicators.

## **8. Any other business**

**8.1** The Board noted the following papers

MB2012.P.109 – SPIRE: update on usage of shared drives

MB2012.P.110 – PCH Atrium remodelling: update

MB2012.P.111 – Quarterly projects and programmes dashboard

[adjourned at 18:33 pm

**Matthew Hamlyn**  
Secretary

**Robert Rogers**  
Chairman

October 2012