Terms of reference

For each strand of work a report will be prepared which will present proposals, including the assumptions and constraints on which they are based, likely business benefits, potential for savings, estimated investment costs, timescales and risks.

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PRINT TO WEB

Owner:
Robert Rogers, Clerk Assistant and Director General, Chamber and Committee Services

Objective:

To identify (a) ways in which the volume of papers printed commercially for the House (and purchased by the House) can be further reduced (b) the possible financial savings and environmental benefits and (c) the scope for electronic delivery and enhanced services, including through the web.

Scope:

The Printing and Publishing Management Group will assess the principal categories of document printed for the House by The Stationery Office (tSO) (Order Paper, Bills, Official Report, EDMs, Select Committee papers, &c) to identify costs, volumes, internal and external users, and web presence. This exercise will also cover users' preferences and the way documents are used in House and Committee proceedings. It will draw upon work being carried out by the future Web and Intranet Service, the Procedural Data Programme and PICT strategy programme. It will take into account the likely requirements of the House of Lords, and the readiness of that House to make similar changes.

Publications purchased for the House (especially Government publications) will be within scope.

Deliverables:

A vision of a future service, and a business case with costs and benefits of its delivery over the period 2011–2015.

Current budget (2010/11):

tSO contract charges £10.95m; other printing, electronic publishing and administration: £1.52m; official publications £1.65m.

Savings already agreed as part of initial savings package:

£1.82m (+ £221k on Government publications) in 2011/12.

Scale of further cost reduction and risks:

The savings already being made have required careful discussion with tSO for whom Parliament is a significant customer. It will be difficult to make further substantial savings within the terms of the current contract, which is due to end in 2016.

ICT STRATEGY

Owner: Joan Miller, Director, PICT

Objective

Traditional ICT services have been based on closed and secure networks which bring with them the requirement to closely control what the user does and the equipment and software that they can use. The new Parliamentary ICT strategy for 2011 seeks to secure and control the data rather than the network and allows the Parliamentary user a more personalised experience of using ICT whilst still ensuring the security of the data used. The other key driver of the strategy is to reduce the overall cost of ICT provision. The fast pace of change and developments in the ICT market make these concepts a possibility.

Scope

The Parliamentary ICT strategy 2010–15 makes the distinction between:

1) Cohesive Parliamentary architecture and the integration of data whether it is held internally or externally. This is the identification, matching and reuse of data to provide seamless services to Parliamentary users. The development of item 1 will ensure that all systems are developed in a manner to ensure that the data is secure and available in a mobile and flexible environment and independent to the equipment or device being used.

2) Services that underpin the core business of Parliament. We define this as the applications and services supporting the papers of the Chamber and Committees and the research and added value products from the Parliamentary Information services.

3) Core advice and fix services for Parliamentary users. These are the service desk, training, IT PC, laptop and other device support.

4) The core email, file store, messaging and collaboration applications. This includes hosting and storage of data and the management of the applications that support this function.

5) The non-bespoke (packaged) applications which support the corporate services, such as Finance, HR, building control, refreshments, etc.

The underlying assumption in the strategy is that items 1–3 will be undertaken by in-house specialist teams who understand the business of Parliament and who have the flexibility to adapt to new demands and requirements in a timely manner.

The underlying assumption for items 4 and 5 are that these elements of the service are in essence generic and that as new services become available in the ICT market these services must be market tested against them, both for function and for costs.

Deliverables

The programme for 1) was established in Sept 2010 and a new architectural framework and data management will be standard by April 2015.

The programme for 2) was established in 2010. Some new products have already been launched. The first substantial phase of the programme will continue until 2012 and then reviewed to assess further benefits to be achieved. The outcome of this programme is to improve efficiency and management of the applications and to be able to enhance the links and information across these systems to facilitate the core business of the Houses and to facilitate publication of the work of the Houses.

The programme for 3) was established in Nov 2010. The first phase, defining the service to be offered and the migration plan, will be completed by the end of 2011. The migration to the new service will be contiguous with items 2, 4 and 5.

The programme for 4) was established in Oct 2010 with the objective to research the new cloud offering of ICT services and to provide options and costs in a feasibility study by Oct 2011.

The programme for 5) is already underway and is departmentally and bicamerally led in partnership with PICT. Three programmes will seek to market test the provision of either end to end transactional services or just the ICT service against our current in-house provision with an assessment of options and costs by March 2012.

Baseline budget:

The budget baseline from which savings are being made is £20.7m.

(Note that budget and savings figures given show the House of Commons share).

Savings already agreed as part of initial savings package:

In 2010/11 PICT expect to have achieved savings of £448k pa. This is largely based on the greater resiliency and security of storage in the old infrastructure.

In 2011/12 PICT will continue to leverage the investment in the current infrastructure to increase savings by a further £610k pa.

Scale of further savings:

By 2014/15 the ICT Strategy predicts that moving to new services in 3, 4 and 5 above will create around a further £3.44m in savings pa giving a total from the baseline of around £4.5m pa.

There is a note of caution. The savings will only result in an overall reduction in budget if the demand for additional ICT services is contained.

ESTATE

Owner: John Borley, Director General, Facilities

Objective:

To identify options for reducing the cost of the estate.

Scope:

All direct costs associated with the ownership or leasing of Commons and shared buildings, to include rates, rents, utilities, maintenance and works. House of Lords will be invited to participate.

Deliverables:

- Policy document (already in hand), establishing principles for occupancy and access to on site facilities.

- Costed bi-cameral programme to achieve disposal of surplus assets and upkeep of retained buildings.

Current budget (2010):

£36m, of which rent, rates, services charges and estate fees are £17m.

Savings already agreed as part of initial savings package:

£2.5m by 2014/15.

Scale of further possible cost reduction:

To be developed as part of this work.

MARKET TESTING

Owner: John Borley, Director General, Facilities

Objective

To identify options for providing services by more economical means.

Scope:

All in-house services that could be provided by industry. In the facilities area this would include the delivery of catering, cleaning, maintenance, reception desks and logistics, but scope would not be limited to facilities services alone. House of Lords will be invited to participate.

Deliverables:

- Scope document: list of services that could be outsourced; those that should be taken forward for market testing; those that should be grouped together under a potential partnering arrangement.

- Proposed market testing methodology.

- At a later stage, an output specification and a proposed commercial arrangement.

The definition of scope, and the approach to market testing, are likely to present considerable political and management challenges.

Current budget (2010):

Current spend on contracted services (excluding tSO—see "print to web" terms of reference) is approximately £44m or 20% of the resource Estimate. This figure includes the following services: security, cleaning, postal services, off-site consolidation centre, estate maintenance, estate projects, audio visual services.

The current budget for services to be reviewed under this strand of work will depend on the analysis outlined under scope (first bullet).

Areas agreed as part of initial savings package:

None.

Scale of further possible cost reduction:

Experience suggests that savings in the range of 10–20% may be achievable, with no loss (and perhaps even an improvement) in service standards through an appropriate partnering arrangement.

PUBLIC ENGAGEMENT

Owner: John Pullinger, Director General, Information Services

Objective:

To identify options for improving the cost effectiveness of activities devoted to public engagement with Parliament.

Scope:

Includes bicameral education, outreach and visitor service plus House of Commons information office and media and communications service.

Includes plans for parliamentary education centre.

Excludes activities of individual Members, work done within offices whose primary role is not public engagement eg Select Committee evidence gathering or Parliamentary ICT and Web and Intranet Service which support offices dedicated to public engagement.

Excludes rules of access (Serjeant at Arms), Hansard, Broadcasting and the bookshop.

Deliverables:

Costed plan for public engagement for the period 2011–2015.

Current budget (2010–11):

£5.76m.

Savings already agreed as part of initial savings package:

£1.29m in 2011–12 rising to £1.37m in 2012–13.

Scale of further cost reduction:

Public engagement is a core part of the work of Parliament which has received increasing emphasis in recent years. Initial savings have already resulted in a budget reduction of 24 per cent. Further savings are possible by increasing income generation to cover some costs and there may be opportunities to improve cost-effectiveness. In view of the savings already made it is likely that further savings would be in the range 0 to £1m. Care needs to be taken to avoid double counting with the income generation strand of work.

PEOPLE & WORK

Owner: Andrew Walker, Director General of Resources

Objective:

To identify options for streamlining the House Service's administrative working practices and decision making processes to release and empower staff to provide a better, more responsive service to Members and the public and reduce staffing costs.

By incorporating a review of senior staff costs and deployment, this strand also demonstrates that the savings programme needs to challenge all aspects of expenditure and that the Management Board and leadership cadre is leading by example.

Scope:

The processes of service delivery with consequential effects on staffing and related costs of the House of Commons administration and PICT, looking at where, when, by whom and how work is done. The following elements will be examined:

- Review of senior jobs and approaches to management, including options for reducing management layers and/or increasing spans of control.

- Identification of the areas of the House where application of work design techniques would result in increased efficiency and effectiveness.

- Developing and supporting ways for staff to work differently including opportunities for paperless working, greater use of alternative contracts (eg job share, reduced hours and/or sessional contracts, other flexible arrangements) and working away from the estate as their permanent place of work (for example, through home working).

This strand has dependencies on other projects and programmes including reducing the size of the estate, IT development, switching from print to electronic information provision, the capability programme, and HRPPP.

Deliverables:

A report on senior staff levels, costs and scope for change.

Options and implementation plan for improving process efficiency and effectiveness.

Costed options for ways staff could work differently.

Current budget (2010):

Salaries (incl ERNIC)	£73 million	of which £6million relates to SCS staff
Other Staff Costs	£2.5 million	this includes training
Pension costs	£43 million	(figures subject to changes in interest rates)

Savings already agreed as part of initial savings package:

£2.8 million by 2014/15.

Scale of further cost reduction:

Potential for further cost reductions and a timetable for realising them will be confirmed as part of the initial work.

INCOME GENERATION

Owner: John Borley, Director General Facilities

Objective:

To identify options for generating additional income.

Scope:

All facilities[1], functions and activities that do, or could, generate income, from any area of the House, including:

- Merchandising.

- Tours and events organised by the House administration.

- Events organised by others (eg conferences, filming, book launches).

- Charges on those who benefit from access to our facilities and services at no cost or at subsidised rates.

- Banqueting.

- Fundraising schemes and sponsorship.

- Provision of services to 3rd party organisations (eg companies bidding for facilities management and/or catering service contracts in Whitehall/Westminster[2]).

Some of these will pose considerable political and management challenges, and/or may provide little income for the effort involved, but we propose to keep options open at this stage. The advice of external experts will be sought. The work will take account of the recommendations for income generation arising from the current inquiry into catering by the Administration Committee.

Deliverables

- Draft principles to determine the appropriate and acceptable means of generating income, and the appropriate and acceptable uses to which the income may be put. They are expected to be along the following lines:

  o Income generation activities must not endanger the reputation of Parliament;
  o Core Parliamentary functions should be publicly funded; income (including sponsorship) should only be used for broader activities such as outreach and heritage;
  o Citizens must retain free access to Parliament for political and educative purposes;
  o Lobby groups or individuals must not be able to be in a position improperly to influence Parliament's work;
  o The two Houses should collaboratively for the benefit of Parliament as a whole.

1. ⎯⎯⎯⎯⎯⎯⎯⎯

1. Control of Westminster Hall is vested jointly in the Lord Great Chamberlain and the two Speakers.

2. The NEC group in Birmingham have developed this very successfully.

- Proposals for establishing a not for profit enterprise vehicle to manage income and disbursement.

Current Income:

£10m, of which £7m relates to catering receipts, £1m to souvenirs and £0.6m to rental income. But with the exception of rental income this is generated at a considerable cost; the net contribution, when these costs are deducted, is small; indeed catering overall runs at a loss.

Income already proposed as part of initial savings package:

Some £2.5m by 2014/15 has already been identified, from catering price increases already made, increased souvenir sales, income from commercial properties on Bridge Street and Parliament Street, rent from 53 Parliament Street and charging for Clock Tower tours. Catering and retail income proposals are being considered by the Administration Committee.

Scale of further possible further contribution:

Early estimates suggest that an additional net annual contribution of no more than £1 million to £2 million should be anticipated: income generation will not provide a panacea for the savings target.