

**Minutes of the Management Board meeting
held on Thursday 11 July 2013 at 3.30 pm**

Those present: Sir Robert Rogers KCB (Clerk and Chief Executive) (Chair)
David Natzler (Clerk Assistant and Director General of
Chamber and Committee Services)
John Borley CB (Director General of Facilities)
Myfanwy Barrett (Director of Finance)
Andrew Walker (Director General of HR and Change)
John Pullinger (Director General of Information Services)
Joan Miller (Director of PICT, external member)
Alex Jablonowski (non-executive member)
Barbara Scott (non-executive member)

In attendance: Dame Janet Gaymer DBE (incoming non-executive member)
Matthew Hamlyn (Board Secretary)
Ben Williams (Assistant Secretary)
Gavin Berman (Staff Survey Team) (item 4 only)
Jo Regan (Staff Survey Team) (item 4 only)
Alix Langley (Head of HR operations) (item 4 only)
John Greenaway (Programme Director, HR Delivery
Programme) (item 4 only)

The Chair welcomed Dame Janet to her first meeting of the Management Board.

1. Actions arising

- 1.1 **Andrew Walker** updated the Board on the “Unlocking Potential” pilot. A number of teams wanted to postpone their involvement in the pilot until their workload decreased and the use of the competency framework had become embedded. It was therefore likely the start of the pilot would be postponed by a few months.
- 1.2 **Matthew Hamlyn** confirmed that all other actions were either completed or in hand.

2. Performance and Risk

- 2.1 The Board discussed the Savings Programme. The Savings Programme Board had met and its confidence level had improved in light of the positive development on the delivery of income generation and business improvement plans. The Programme Board had therefore reduced the overall RAG status of the Programme from Red to Amber. This progress was attributed to the effectiveness of challenge meetings and successful engagement with Member bodies.

- 2.2 The Board discussed the network refresh programme. An agreement to sign a contract with a supplier had now been concluded, subject to the successful negotiation of a service level agreement. Lessons needed to be learnt from the experience of this tender process about how risks were escalated, the realism of information provided to the Board and the frankness of discussion at Board meetings. A Gateway 3 investment decision point review would be conducted before the end of July.
- 2.3 The Board discussed the reactive maintenance performance figures. A problem had been identified in the software which meant that tasks that were completed on the same day as they had been raised were not being logged as completed. This problem should be resolved before the next meeting. **Action: Matthew Hamlyn and John Borley** to ensure that the reactive maintenance performance figures were only included in the next performance and risk report if they accurately reflected the situation; if they did not, this section of the report should be replaced by an explanation of the steps being taken to resolve the data accuracy problems.
- 2.4 The Board discussed the Hansard reporting suite. The delay to this project was affecting a number of projects in DIS that were dependent on a new system being implemented. PICT had examined the software and did not believe that the current approach would be able to deliver the required business benefit; it would be necessary to reframe and restart the project with a new feasibility study. This study would also consider interdependencies. It might be necessary for some projects that were dependent on the new system to proceed independently. The Hansard reporting suite was one of four projects within a wider programme and the other strands were progressing well. **Action: David Natzler and Joan Miller** to update the Board on progress with the Hansard reporting suite at the next meeting.
- 2.5 The Board discussed health and safety issues.
- 2.6 The Board noted that the risk associated with staff shortages for Estates projects had decreased, as this area of the business was now at full staff complement.
- 2.7 The Board noted the new activity measures and thanked staff in DCCS for providing information on Chamber and Committee business. It was helpful to have sight of the whole range of the organisation's activities.
- 2.8 The Board discussed the procurement figures. It was acknowledged that there was further work to do; the intention was to use the figures to identify opportunities for savings and rationalisation rather than purely focus on compliance. Specialist Library staff would be willing to assist with the presentation of the data.

- 2.9 **John Pullinger** introduced his paper on reputational risks. The House had three main mitigations to manage this risk. The first was the reactive service provided by the Media and Communications Service (MCS). Handling of media inquiries was improving but the MCS was still experiencing some difficulties in agreeing media lines at short notice with business representatives, especially in areas that were not frequently the subject of media enquiries. The second mitigation involved proactive activity, including the promotion of positive new stories about Parliament and the work of the outreach and education services. Good progress was also being made in this area. The final mitigation was the identification of potential risks to allow mitigation action to be taken before an issue escalated.
- 2.10 The Board considered the paper. In discussion the following points were made:
- It was important that the MCS were brought into policy discussions at an early stage.
 - In some instances the most that the House Service could achieve was to draw an issue to the attention of Member bodies.
 - A member of the media team attended the weekly Freedom of Information meeting. Often risks relating to the release of information could be reduced through proactive publication.
 - Thought should be given to how to raise the profile of adjournment debates both on the floor of the House and in Westminster Hall.
- 2.11 **Myfanwy Barrett** spoke to the Budget Forecast Report. The House was facing a number of upward financial pressures and significant areas of uncertainty about the delivery of savings, pension costs and the outcome of the pay progression court case, as well as technical changes to the accounting treatment of fixed assets. On the other hand, there were some emerging departmental underspends. Departments were urged to give a high priority to accurate forecasting and to report any emerging underspend to the finance team as soon as possible. The accounting changes and capital requirement might require a supplementary estimate.

3. Update from Board Members

- 3.1 **Andrew Walker** informed the Board that a number of pre-negotiation meetings had taken place with the Trade Union Side on pay and reward and it was judged worth entering formal talks in September. The outcome of the staff discussion groups on pay would be communicated the following week. **Action: Andrew Walker to consult the OCE on the communication of the staff discussion group outcomes.**

- 3.2 **Andrew Walker** updated the Board on the redeployment of staff following the job match process in the Accommodation and Logistics Service, which formed part of the business improvement plan. The House's policy remained to avoid compulsory redundancies if possible, and the House did not need to invoke redundancy procedures at this stage.
- 3.3 **Andrew Walker** reported that he had been the duty Gold when the Incident Management Framework had been invoked to deal with the denial of water incident. He noted that the IMF arrangements had worked well overall. The **Chair** reported that he had been impressed with the speed of the response and the creativity displayed in developing contingency plans.
- 3.4 **David Natzler** reported that the co-location pilot of Committee Office and Library Research staff was being extended to a number of other teams; and it was possible that the scheme would be extended to all teams in the future. DCCS was also making progress in establishing the new print production unit. **John Borley** confirmed that the Estates team were keen to facilitate both projects.
- 3.5 **David Natzler** noted that there had been a request for resources to support follow-up work on the Government's implementation of the recommendations from the Banking Standards Commission. **David Natzler** provided a review of Chamber business.
- 3.6 **Myfanwy Barrett** reported on the meeting of the Finance and Services Committee.
- 3.7 **Alex Jablonowski** reported that the Audit Committee had agreed its annual report. While noting the improvements in control environment, the Committee did not believe the House Service would achieve a level of performance that could support a "Substantial" level of assurance by the deadline that it had set itself, without further efforts. The House had good policies and procedures but their use by managers was inconsistent. Areas for improvement included risk management, procurement, contract management, data quality and ICT controls. The pace of improvement needed to increase. The Head of Internal Audit had been asked to provide an outline of what he would expect to see if key controls were properly implemented, which would be shared with the Board in September.
- 3.8 **Joan Miller** reported that the use of SPIRE on iPads was being piloted over the weekend. The Board agreed that the security compliance team should be consulted about the pilot. **Joan Miller** noted that the Committee Office project was progressing well and the new evidence portal would be launched soon.
- 3.9 **Matthew Hamlyn** informed the Board that from September the electronic circulation of papers would be enhanced. In response to Member demand, an

additional open day for Members' constituency-based staff had been held; 68 delegates had taken part and feedback had been very positive. There were now requests to run a similar event for Westminster-based staff.

- 3.10 **John Borley** reported that the competition for the internal logistics contract had been completed and Royal Mail was the successful bidder. The latest mystery shopper results for Catering had shown a substantial improvement, with the positive score rising from around 50% two years ago to 90% this year.
- 3.11 **John Pullinger** reported that the Outline Business Case had been completed for the Education Centre, thanks to the excellent work of the project leader. A paper would go to the Commission and the Lords House Committee next week. The Speaker's Advisory Committee on Public Engagement was considering what information to publish on Member activity; this was likely to be an area of increased interest following IPSA's recommendation on Members' pay. **Myfanwy Barrett** noted that the outcome of IPSA's recommendation for Members' pensions would have an impact on the pensions team in the Department of Finance. The **Chair** noted that he had been invited to contribute to the consultation and that it would be appropriate to raise such operational issues in any response he submitted. **Action: OCE to co-ordinate any response from the Clerk to IPSA's consultation on MPs' pay and pensions.**
- 3.12 The **Chair** reported that a policy for members of the public to give feedback on services provided by the House Administration had been developed and would be shared with the Board before being implemented in September. The Clerk's Apprentices scheme was being launched on 16 July. He was giving a number of media interviews to mark the 650th anniversary of the position of the Clerk of the House.

4. HR issues

Staff survey

- 4.1 **Gavin Berman** introduced the initial results of the 2013 staff survey. The Board were asked to confirm the publication plan, provide a steer on the level of involvement they wanted from the survey company at the September meeting, and to discuss what issues they would like covered in more detail in the final report.
- 4.2 *The **Board agreed** they were content with the planned publication schedule for the staff survey and that the survey company should be invited to the September Board meeting but did not need to give a formal presentation of the survey results.*
- 4.3 In discussion of the initial findings, the following points were made:

- Actions that would build confidence in senior managers and the Board should be investigated in more detail. This could be covered in follow-up work by the survey company.
- Confidence in leaders had been a theme in the 2012 survey. The Board should consider whether it had taken enough action to address the issue since the last survey.
- The final survey report should examine whether there was a relationship between increased dissatisfaction with pay and conditions and the number of staff who were considering leaving.
- The report should examine whether there was a correlation between the scores on leadership and the negative score on the ability to learn lessons.
- The final report would include benchmarking data against the civil service and a breakdown of results by department. The departmental results might allow for the identification of areas of good practice which could then be shared across the organisation.
- The findings on performance management showed that staff thought that poor performance was not well managed within their own teams, rather than staff perceiving this as a problem in other parts of the organisation.
- The decrease in the number of staff reporting that they had experienced harassment from Members was statistically significant. However confidence that cases would be dealt with effectively remained low. This was probably linked to the time taken to agree a new Respect policy.
- It was noted that casual staff had the highest level of job satisfaction. This might arise from them comparing their experience in the House with their work for other employers.
- A lot of work had been done to increase the response rate; it had improved, but at 62% had not reached the Board's target of 65% of staff completing the survey.

4.4 The Health and Safety Committee had requested the follow up report on staff's experience of stress and other mental health issues that had been produced in response to the 2012 staff survey. *The Board **agreed** to release the follow-up report from the 2012 staff survey on staff's experience of stress and other mental health issues to the Health and Safety Committee, and place the report on the intranet in due course, with a cover note to explain the context.*

HR Statistics

4.5 The **Chair** thanked Alix for her paper. **Alix Langley** hoped that the report would give the Board a fuller understanding of the workforce. A number of definitions had changed since the previous year, so this was necessarily a snapshot of the current positions; but over time useful comparative data would

be generated. The Board's view was invited on whether the report was providing the right level and type of information.

4.6 The Board considered the paper. In discussion the following points were made:

- Only a small proportion of staff departures appeared to arise from Voluntary Exit Schemes (VES) or other Savings Programme-related activities, although the data did not include departures associated with the most recent VES exercises.
- The increase in the number of employee relations cases showed that performance, attendance and conduct issues were being more actively managed.
- The increasing age profile raised the issue of how the House would manage staff departures following the abolition of the retirement age. This raised questions about how to manage, support, train and engage such staff effectively.
- It was likely that the pace of organisational change would accelerate in the coming years.
- It would be possible to include more information about staff who worked flexibly in the report.

People Strategy Update

4.7 The **Chair** reported that he had attended the first meeting of the People Strategy Champions and had been impressed by the energy and enthusiasm of the group. **John Greenaway** reported that a programme of activities had been implemented to support the People Strategy Champions. His attendance at the departmental challenge meetings had also been helpful and had added to the evidence base on what the House was already doing. This reflected the Strategy's emphasis on bringing together and building on activity that was already under way rather than creating any new initiatives.

4.8 The Board considered the paper. In discussion the following points were made:

- There was understandably a lot of focus on process at this stage, but the Board would be keen to see evidence of delivery in the next quarterly update.
- The latest update by the Investors in People assessor had found that progress was being made in the areas of leadership and management but that the speed of change was slow. The use of the competency framework needed to be embedded and this would require effort at local level.
- There was a need for a clear picture of what activity was happening and what success would look like. The "unlocking potential" process did not

- appear to be progressing, and there was further work to be done on diversity and inclusion, especially at senior levels.
- The programme needed to ensure that the interdependencies were managed and approached in an integrated way rather than treating the programme as a series of separate initiatives. “Unlocking potential” and the competency framework was an example of a case where the interdependencies did not seem to have been successfully managed.
 - The possible postponement of unlocking potential work did not mean the House would be unable to achieve Investors in People reaccreditation. Improvement in how the House developed its staff could instead be demonstrated through line managers’ discussions with staff as part of the PDM process. The timing of the unlocking potential pilot would be adjusted to fit in with the needs of the business.
 - The Department of Finance was building on its statement of what good leadership and management looked like and was now having workshops to discuss implementation. Ahead of the next staff survey, evidence on the impact of this work could be gathered through the follow-up groups and the Investors in People report.

5. Medium Term Financial Plan.

- 5.1 **Myfanwy Barrett** reported that the challenge panel process was ongoing. This was likely to identify ongoing savings from departmental underspend.
- 5.2 The Board considered the paper. In discussion the following points were made:
- Chamber-facing departments would be able to reduce their budget for the next two years. However they might need to increase them again in 2016-17 when levels of Parliamentary business increased. It was possible to set the budgets in a way that allowed for this.
 - Savings from the current security arrangements were now being clarified and there was greater certainty about their delivery.
 - The Clerk’s Apprentices Scheme would need to be funded from departmental budgets in future years.
 - The Board needed to take a decision on whether the Education Centre was treated within or outside the current spending envelope. *The Board **agreed** that it was content for the Education Centre to be regarded as a new commitment and to be funded from outside the current spending settlement.* This reflected the Commission’s discussion on the Medium Term Financial Plan.
 - *The **Board** agreed that the additional cost arising from changes in fixed asset accounting treatment be treated as outside the scope of the savings target.*

[adjourned at 5:55pm]

Matthew Hamlyn
Secretary

Robert Rogers
Chairman

11 July 2013