

Management Board response to the Tebbit implementation review (“the Jablonowski review”)

Introduction

Sir Kevin Tebbit’s *Review of Management and Services of the House of Commons* was published in June 2007. The Management Board agreed in May 2009 that a review of the impact of the Tebbit review should be undertaken early in 2010, led by Alex Jablonowski. Alex is a senior banker by background and an experienced non-executive director and business advisor in both the public and private sectors, who has served as an external member of the Management Board since September 2008. He also serves on the Administration and Members Estimate Audit Committees and has recently been appointed their Chair.¹ The Board wished to establish, before the end of the Parliament, the extent to which the benefits intended by the Tebbit recommendations and the subsequent Departmental restructuring had been achieved, but also to review whether Tebbit’s prescription remained valid or whether any further changes were required.

Alex conducted his review in an intensive two week period in January 2010. He reported his findings to the Board on 21 January. The Board considered the review further at an informal meeting on 4 March.

Summary response

The Board welcomes the findings of the Jablonowski Review. His overall finding – that “victory can be declared on the major part of Tebbit with major improvements implemented across a wide range of activities” – is pleasing, but we accept the analysis of where further progress is needed. His conclusions contributed to the development of our strategy for the new Parliament and our proposals for organisational restructuring and cultural change.

The reorganisation of House Departments in January 2008, and the formation of a smaller, more cohesive Management Board, strengthened our resilience to manage the turbulence of the past two and a half years, and equipped us well to take on the challenges of the new Parliament. Nevertheless, if we are to succeed in delivering our strategy for 2010-15 – improving services while significantly cutting our costs – we will need to address the outstanding issues, particularly in relation to our financial management and business planning capability.

The Jablonowski review is attached, with the Management Board’s response to each recommendation included within it.

Management Board

August 2010

¹ For a biographical note see Annex D.

Report on the Implementation of the Tebbit Review Recommendations

Paper by the External Board Member

INTRODUCTION

On 25 June 2007, the *Review of Management and Services of the House of Commons* conducted by Sir Kevin Tebbit was published. The review was the third review of management and services of the House of Commons, following the Ibbs Review (1990) and Braithwaite Review (1999). Two earlier reports – the Compton Report ((1974) and the Bottomley Report (1975) had led to the enactment of the House Commons Administration Act 1978.

The Terms of Reference for this Report are set out in Appendix A; in summary, they are to review progress since Tebbit as it relates to the Management Board and in particular:

- How the detailed recommendations in the report have been implemented
- The benefits identified in the report and the extent to which they have been realised, are on track, or require further action
- A strategic evaluation of developments and events since the report: how these have impacted upon the recommendations, where more now needs to be done and the change management lessons learned from the implementation process

This review was undertaken over an intense two week period of work. A broad range of people were interviewed (Appendix C) and I believe that the major issues were surfaced, but inevitably, some of the recommendations are of the nature of *recommend a review of* rather than *recommend that*.

PROGRESS TO DATE

The starting point was a review of Tebbit's 56 detailed recommendations, which are set out in Appendix B together with a tick box assessment of the extent to which they have been implemented, and whether they continue to be relevant.

In summary, progress on the principle recommendations has been as follows:

Better service to Members

- Members' surveys. *Contract let*
- Greater DCCS focus. *Achieved*
- Closer working between DCCS and DIS. *Achieved, with on-going work in the development of core research services*

- Allocation of resources by DIS according to key priorities. *Achieved, particularly Outreach*
- Development of Members Centre. *After initial scepticism, a major success*
- DF programme to develop better services. *Good improvement in process and delivery*
- Effective PICT delivery. *Good progress: Tebbit reforms have enabled PICT to construct business-led IT programmes in a much more strategic way*

More effective Management Board

- More strategic, slimmed down board. *Generally perceived to be operating in a collegiate way, with a good board 'feel' to it. However, reservations in respect of strategic leadership and communication*
- Individual board members responsible for cross – cutting issues. *Some progress*
- Less second tier management groups. *Achieved but danger of back – sliding. Are there still too many meetings?*
- Alternative funding assumptions presented to Finance and Services Committee. *Achieved, but is this still relevant?*
- A strong Office of the Chief Executive focused on planning, targets, performance management approach and communication. *Good progress but further work needed on strategy development and the strategic plan and planning process*
- Performance management / scorecard: measurable outcomes, robust costings based on outcomes, monitor progress. *Good progress but there is a need for a review of the current Board Scorecard, roll-out of departmental scorecard and a robust costing system. Need for greater business and financial challenge*

More professional management

- Annual departmental delegation letters: objectives and targets, budgets and common policies, systems and processes. *Work in progress; will be issued for 2010-11*
- Departmental scorecards. *Need for these across all departments*
- Better financial management: costing systems / benchmarking. *Capability strengthened but further work required*
- Functional / professional financial leadership from DR. *Half way there, need to complete the journey*
- Functional / professional HR leadership from DR: improved career management, succession planning and recruitment processes, self – service model. *Half way there; need to complete the journey*
- Improved, integrated procurement and contract management in DF. *Good progress; need to complete the journey*
- Improved Estates programme, project, budget and financial management. *Major success; need to complete the journey*

Greater connection with the public

- Improved website. *Achieved*
- Education Centre. *Will be achieved in 2013*

In summary, victory can be declared on the major part of Tebbit with major improvements implemented across a wide range of activities ranging from transformation of a dysfunctional Board of Management to an effective Management Board to major improvements in service delivery and business management processes.

Management Board response: The Management Board welcomes the acknowledgement of the progress made in implementing the recommendations of the Tebbit review, and accepts the analysis of where further progress is required.

The remainder of this report will concentrate on where there is important unfinished work or where the world has changed since Tebbit and therefore, a different approach is required.

CHALLENGES GOING FORWARD

Since Tebbit, there have been major changes to the Parliamentary landscape: cost and efficiency challenges, the fall-out from Members' Allowances particularly reputational, the prospect of a major influx of new Members with very different expectations and the need for a very major refurbishment programme.

It is clear that significant parts of Tebbit, particularly those relating to performance management, budget accountability and cost management were very much a case of the right conclusions, but ahead of their time. There was no burning bridge and no great appetite to address budget and efficiency issues. However, the world has now changed and it is important that the House administration is in good shape to meet the challenges going forward, particularly cost reduction. The view was expressed a number of times that without the reforms of the past two years, the Board would not have been able to weather recent challenges, but there is no room for complacency. The Board now needs to address what more needs to be put in place to enable it to manage a very different but nonetheless difficult set of challenges.

Apart from the ability to manage cost reduction professionally in a climate of increasing austerity, a number of other important areas for further implementation work or review were raised during discussions. These group together under the headings of governance, performance management and management processes.

The pace of change going forward is an important issue. Post Tebbit, some change was attenuated because of fears of moving too far, too fast. This need not be the case now, for, ranging from the recent IIP reaccreditation review to individual and group meetings, the clear message coming through is that the vast majority of those consulted have an appetite for a faster pace of change. However, for those not as far along the journey, there is still considerable effort required to win hearts and minds.

To achieve this requires clear visible leadership: Board members need to walk the floor more and be more visible across all Departments.

The continuing move away from being a task driven organisation to one of delivery through projects and programmes and the challenges of cost cutting mean that the House's management capabilities need to be actively developed, particularly change and project management, where there is a skills shortage. Where appropriate, the House should continue to recruit externally to fill key skills gaps.

Finally, there will be the challenge of managing down headcount as the practical implications of cost reduction become apparent.

Management Board response: The Board accepts this analysis of the challenges ahead. Delivering a significant reduction in the costs of the House Administration, while maintaining, and improving, services to Members and the public, will require – but also help to drive – a change in the way we work at all levels. We accept that there are skills gaps in our management capability: in change and project/programme management and also in financial management. We are addressing this by internal training but will also continue to consider external recruitment, where necessary. While recruitment controls are a necessary feature of our savings programme, exceptions will be made for business critical skills. A notable example is the decision to recruit a new Finance Director. We also accept the need for clear visible leadership from the Board, both collectively and individually.

GOVERNANCE

Board Membership

Generally, the composition of the Board is felt to be broadly right. Two Tebbit recommendations remain outstanding. Whilst recommending that an HR Director sit on the Board, there is general acceptance that the presence of the DG Resources covers this. Tebbit also recommends two external board members. The DG PICT is meant to fulfil that role and also provides a bridge into the House of Lords. There is also a view that she is also there in an executive capacity and that there would be value in appointing a second, truly external member.

Recommendation 1 The Chief Executive may wish to review Board membership in due course, post IPSA.

Management Board response: The Chief Executive has reviewed Board membership, taking into account the findings of this review and the requirements of the new Parliament. The Commission has agreed to his proposal that the Board be strengthened by the recruitment of a new Finance Director, to drive an improvement in our financial management, which will be essential if we are to deliver savings while maintaining, and

improving, services. The Director General Resources will focus, as Director General of Human Resources and Change, on strengthening our HR capability, ensuring that HR staff understand the needs of the business and are more closely involved in decision-making, and leading a House-wide programme to simplify our processes and achieve improvements in effectiveness.

The recommendation of an additional external member will be kept under review: the value of another independent voice, bringing in experience and expertise from outside of Parliament, is not doubted, but has to be weighed against the costs of the appointment and the disadvantage – in terms of Board cohesion and efficiency – of increasing the size of the Board.

Relationship with the Commission

It is not for this report to examine the complex inter-relationships between the Management Board and the Commission, its committees and Members. However, there was a call, a number of times, for action to achieve greater clarity, common purpose and balance in these relationships over the coming months. Clearly the Commission is arbiter, inter alia, of strategy, policy and funding, but the Management Board needs clear authorities to be able address the scale and complexities of the operational challenges faced and to manage Members' expectations. It is important that the Commission recognises the Board's legitimacy and its stewardship role in supporting Parliamentary processes and institutions.

Recommendation 2 Over the coming months, the Management Board should engage with the Speaker on the vision and strategy for the Parliament of the Future and on the relationship with the Commission.

Management Board response: The Board has agreed with the Commission that there needs to be a change in organisational culture, and in the relationship between staff and Members. It is recognised that our old culture – in which staff did not feel able to challenge Members or to promote a strong agenda for the House Service, on the ground that this would appear political – did not serve the House, or Members, well, and needs to change. The Commission has agreed that this should start at the top, with a closer and more open relationship between the Commission and the Management Board and a clearer understanding of their mutual roles. At the first opportunity, the Board presented to the Speaker and to the Commission its strategy for the new Parliament, and secured their support for it.

Independent Audit Committee Chair

Tebbit recommended that there be an independent chair of the two House Audit Committees. This was not accepted by the Commission and although both Audit

Committees operate effectively, it still represents divergence from good practice. The creation of IPSA and virtual disappearance of the Members' Estimate is an opportunity to revisit this recommendation. One outcome may be for one or two independent Commissioners (or advisers) to be appointed to the Commission, one of whom would chair the Audit Committee, but clearly this is a matter for the Commission.

Recommendation 3 The Management Board should reconsider Audit Committee governance post IPSA and whether to submit proposals to the Commission.

Management Board response: The Commission has now agreed that the Audit Committee should have an independent chair. Alex Jablonowski, who serves as an external member on both the Management Board and the Audit Committees, has been appointed to this role.

Strategic Focus

Tebbit called for a more strategic board and in part, this has been achieved. However, there is a desire for continued strengthening and simplification of the planning and budget process, away from a detailed financial bottom up approach, towards one which is simpler and strategically led from top down. It is important that the horizon scanning work currently being undertaken by the Strategy work group is completed quickly and feeds into a new strategic plan, able to guide line management in day to day policy development and decision making. Also, the strategic plan, cost reduction strategy and Scorecard need to align.

Creation of the Office of the Chief Executive has been a success but there is a feeling that it can be strengthened further, particularly with regard to its planning and change leadership capabilities. It is important that the House retains and develops its strategic brain, and OCE is the natural place for this to reside. Consideration was given to whether OCE should be merged with DR but it was felt that on balance, OCE should remain a separate entity with freedom to roam, although overlaps with DR in the financial area need tidying up. There is no easy answer to this; substantial benefits arise from having strategy reside close to the Chief Executive and Finance remaining in a separate management line. Whilst typically, planning needs financial skills and finance needs strategic skills, this is not normally solved by putting them together organisationally. So, my recommendation is to live with the ambiguity and manage positively the creative tension.

Recommendation 4 The horizon scanning work should be taken forward into a new strategic plan as a matter of urgency (by end May); key building blocks should include an overall vision for the Parliament of the Future supported by resource strategies for People, Information, the Estate and Money.

Management Board response: The Board fully accepts the need to provide the House Service with a clear vision for the future. It has published a simple,

three page Strategy for the new Parliament, which has been endorsed by the Commission and communicated to all staff. It connects the House Service more clearly than in the past with the effectiveness of the House itself, underlining that we are not just here to provide services but also actively to support Members in making the House effective as the central institution of our democracy. Work is under way to develop a strategic plan which will show, at a high level, what needs to be done to deliver the aim of the strategy by 2015. This work is being done in tandem with work on the savings programme: the strategy will steer decisions under the savings programme (ensuring that our resources are focused on what is most important).

As part of decision-making on the future of the Department of Resources, the role of the Office of the Chief Executive has been reviewed. The option of combining the business planning function with the financial management function has been considered, but the Chief Executive has decided that responsibility for business planning, as well as strategy development and monitoring, should remain in the OCE, separate from the new Department of Finance.

Estates Decision-making

The Estates reorganisation and refocusing post Tebbit has been a major success. Equally, the M&E programme is already ambitious and will become even more so as it ramps up and moves over time from aggressive maintenance to a major refurbishment programme with a commercial partner. There remain higher governance issues in respect of the House of Lords but in the short run, it is important that governance is tightened and simplified so that the works programme can be managed effectively.

Recommendation 5 The proposals from the Director General of Facilities for the establishment of investment and programme management boards for the Estate should, in principle, be accepted.

Management Board response: The Board recognises that Estates programmes need to be managed effectively and the interests of the two Houses taken into account. The way the Parliamentary Estate Board operates has been changed in order to ensure that it carries out effective oversight of the Estates Programme, and a series of internal audit reports have provided evidence of greatly improved governance at the level of individual programmes. The option of establishing a joint (House of Commons and House of Lords) Investment Appraisals Board – for all shared areas, not just Estates – will be kept under review, as will the suggestion of an Estates Portfolio Board. In the meantime, joint appraisal of investment options will be conducted by discussion between the two House Services, as part of the savings programme.

Other Organisational Issues

A number of organisational issues came up during discussions:

- Overlap between OCE and DR in the planning / budgeting area
- Overlap between DCCS and DIS in research
- Whether the Serjeant should sit more readily in DF

Recommendation 6 There are no organisational issues which are felt to be seriously getting in the way, but there is an opportunity for the Board to review these in conjunction with other organisational issues arising from the move into a post IPSA world.

Management Board response: The division of responsibility between OCE and DR in respect of business planning is dealt with in response to recommendation 4 above. The Board agrees that there is scope for DCCS and DIS to work more closely together, especially in support of Select Committees. The Board has concluded that the Serjeant at Arms Directorate should remain in the DCCS, given its prominent role in the delivery of Chamber and Committee services, but it recognises that the effective and efficient delivery of security will continue to require close team working with the Department of Facilities.

The Savings Programme will provide a powerful driver for eliminating any areas of overlap and duplication.

PERFORMANCE MANAGEMENT

Delegation Letters

The issuance of delegation letters is an outstanding Tebbit recommendation. Whilst financial delegations are in place, there is a need for a more broadly based document setting out, inter alia, duties and authorities and objectives.

Recommendation 7 Delegation letters should be issued to all Directors General at the beginning of the 2010/11 financial year.

Management Board response: The Board accepts the case for a clear and transparent statement of the responsibilities and authority of Directors General. Letters of delegation from the Chief Executive to Directors General have been issued and published on the intranet.

Balanced Scorecard

Tebbit recommended the adoption of a balanced scorecard approach à la MOD. Not surprisingly, given its relative newness, there are significant reservations around the current Scorecard. Is it sufficiently outcome driven? Is there too much emphasis on inputs and outputs? Are there sufficient leading indicators on the demand side? Is it too detailed? Is it sufficiently aligned with the Strategic Plan? Is there sufficient emphasis on risk management? Should there be a separate section for hard edged KPIs? Does the Board actually take any decisions based on it?

Tebbit also recommended that departmental scorecards be put in place, but this has been patchy.

Recommendation 8 The OCE should undertake a review of the Scorecard on behalf of the Board and recommend improvements in the light of experience with a view to having a revised Board Scorecard and supporting departmental Scorecards in place for the 2010/11 financial year.

Management Board response: Internal Audit has recently conducted a review – sponsored by the Head of OCE and the Director General Information Services – of progress in introducing the Balanced Scorecard and supplementary management information. It has given a moderate level of assurance that the arrangements in place are effective; noting the progress made against a low baseline, but identifying a number of significant respects in which we still fall short of best practice, and are therefore not yet getting full benefit from the scorecard's introduction. An action plan has been agreed to redevelop the Balanced Scorecard – aligning it with the new corporate Strategy – and implement it at both corporate and departmental level by end March 2011.

Costing System

Implementation of the Tebbit recommendation that there be an activity and functional costing system underpinning the performance management system is still work in progress. However, there is a strong desire across senior management to see one brought in quickly to help guide what are perceived to be some difficult future cost and resource allocation decisions. It is important that this is not over-engineered and focuses on controllable costs without trying to allocate central costs to the nth degree. Equally, allocation methods should not be over-complicated e.g. there should be one notional rent charge across the board

Recommendation 9 The costing system should be rolled out as matter of urgency, by end June 2010.

Management Board response: An initial costing model has recently been developed by the Financial Management Directorate. This model roughly

allocates a share of accommodation, security, IT support and pension costs (but not all central support costs) to each staff member, which will help to give a better picture of the full employment costs of staff. Understanding the full cost of activities will be essential as we reassess priorities under the savings programme.

Business and Financial Challenge

There is a general feeling that to improve performance management, business and financial challenge needs to be stronger, particularly in a world going forward where resources are constrained and difficult allocation decisions are required. In particular, the challenge role of the OCE and Finance needs to be strengthened and Finance needs more teeth and will need to take on a much firmer financial controller role, monitoring departmental performance on a monthly basis, firmly challenging business managers where budgets are exceeded.

Recommendation 10 Each quarter, the Chief Executive and DG Resources should undertake a performance review with each DG. The DG Resources should lead similar reviews in the intervening months.

Management Board response: The Chief Executive holds regular bilateral meetings with each Director General and the Director of PICT, and holds annual performance appraisal reviews. The bilateral meetings will be used in future more systematically to hold DGs to account for efficient and effective departmental performance. The letters of delegation now issued to DGs, and clearer departmental performance targets, will provide the basis for performance monitoring.

Under the restructuring plans proposed to the Commission, it is proposed that Director General Resources will take on responsibility, as Director General Human Resources and Change, for leading a programme of change to simplify the House's administration and achieve improvements in effectiveness. This will continue to involve him in regular bilateral meetings with other DGs. It is anticipated that the new Finance Director will similarly hold regular meetings with other DGs to monitor departmental financial management.

MANAGEMENT PROCESSES

Centralisation

Implementation of the Tebbit recommendations on centralisation of Finance and HR has quite intentionally resulted in a half way house. The reason was that departments were uncomfortable with the ability of DR to understand and respond to their particular needs. To an extent, these fears still remain. Equally, there is a

widely held view that with the benefit of experience, it is now the time to adopt best practice and move to a fully centralised model, but with conditions and safeguards. Timing is an issue and given everything else that is going on in the area of Resources, arguably, the Board should give first priority to planning for a post IPSA world and introduction of an urgently needed costing system.

Recommendation 11 During 2010, the Board should revisit the case for moving to a centralised model for Finance and HR and in particular: service delivery benefits to be achieved: how approval processes and levels will be streamlined to give departments greater operational flexibility; safeguards to ensure that departmental needs are fully understood and addressed; how DR will reconfigure to a full business partner model; the cost savings to be achieved.

Management Board response: The Board agreed in March that the first savings review conducted under the Savings Programme should focus on corporate services, including finance and human resources: the results were presented at the July meeting of the Board. The Board's proposal to divide the Department of Resources into separate finance and HR functions, with separate representation on the Board as recommended by Tebbit, is intended to give these professional functions a new impetus, as required by the new financial situation, and to increase their capability and engagement with the business. As these professional functions establish themselves, and as confidence in them grows, it is envisaged that there will be a move away from the delegated model towards stronger, and more cost-effective, centrally-led HR and finance functions.

Cost Management

Achieving the cost saving targets agreed by the Commission will present considerable challenges. Various opportunities were identified during our interviews including savings on: centralisation; print rationalisation; postage, stationery, newspapers and publications; maintenance; catering; security.

There is a danger of salami slicing and it is important that there is strong, central directed decision – making and a professional approach to cost – cutting. There is also a danger of under achievement, and cost targets need to be sufficiently ambitious with a degree of over-programming built in to accommodate the necessary trade-offs when the final House-wide cost saving programme is put together and agreed by the Board.

Outsourcing presents further potential opportunities, whether to shared service providers or other specialist providers and should be given proper consideration.

Finally, if in due course additional substantial cost savings are sought beyond the current cost challenge and which will impact on the delivery of House services to an unacceptable degree, the only option may be to explore further shared support

activities jointly with the House of Lords, i.e. going beyond estates and IT, into such areas as finance, HR, procurement and catering.

It is clearly beyond the brief of this report to make recommendations on specific cost saving opportunities. However, execution will be everything and it is vital that a cross – cutting approach is adopted so that the result is professional and balanced.

Recommendation 12 Responsibility for developing and implementing a cost reduction strategy should be given to a specific individual; this could be the Director General Resources or the Head of a strengthened OCE although typically, leadership of cost cutting programmes falls naturally to the Resources / Finance Director. In any event, this should be supported by a full-time programme manager. To help develop a professional cost management culture, consideration should be given to forming a group of champions drawn from the business to identify quick wins and help the organisation as a whole to learn from success.

Management Board response: A full-time programme manager (at SCS1) was appointed in April to drive the Savings Programme forward. She is working closely with Departmental Business Management Directors (the Resource Management Group) to encourage consistency of approach between Departments in identifying scope for savings, and has adopted an active communications plan to ensure that staff at all levels are informed of, and engaged with, the Savings Programme. The restructuring proposals presented to the Commission will separate the Finance function from the other parts of the Department of Resources under the leadership of a newly recruited Finance Director. One of the key roles of the new Finance Director will be to act as Senior Responsible Owner of the Savings Programme.

Value for Money

Tebbit recommended that there be a programme of Value for Money audits. A start has been made and over time, VFM reports can make an important contribution to the efficiency agenda.

Recommendation 13 The Head of Internal Audit should put together a 3 to 5 year VFM audit strategy.

Management Board response: In line with the Tebbit recommendation, Internal Audit has conducted a number of audits specifically looking at areas from a Value For Money perspective. VFM audits of Learning and Development, purchase of newspapers and periodicals, and transport arrangements have all concluded that there are opportunities to achieve greater economy, efficiency and effectiveness in these areas. Work on a longer-term VFM audit strategy has been superseded by the Savings Programme, which is undertaking more fundamental reviews of the operation of the House. Internal Audit are working with the Savings team to

assist in both reviewing the process for delivering savings as well as the robustness of a sample of proposals. Such work will balance the need for economies and efficiencies with the effectiveness of the service. The internal audit plan will continue to include specific VFM studies, developed in coordination with the Savings Programme.

IN CONCLUSION

Without the hard work put into implementing the Tebbit recommendations, the House administration would not be in good shape to address the challenges that it now faces. I hope that this report will be of help in guiding the change agenda going forward. If I were to choose a short-list of actions it would be firstly, to put together a new strategic plan and agree it with the Commission together with a new, more balanced relationship between the two boards and secondly, to ensure that the cost management programme is led by the Board, professionally managed, properly resourced and fact based (drawing on a proper costing system).

I am indebted to Members, Board members and staff for making themselves available at often very short notice - we saw everyone we think we should have seen – and to Brenda Brevitt from the Department of Resources, my tireless dedicated collaborator, without whom we would not have met the deadline and covered such a wide range of people and issues. I am also very grateful to Jenny Gouge of OCE for arranging so successfully a demanding interview programme, often at very short notice.

Alex Jablonowski

15 January 2010

Annex A

Terms of Reference

On 25 June 2007, the *Review of Management and Services of the House of Commons*, conducted by Sir Kevin Tebbit, was published (HC 685 2006-07). The Review was the third review of management and services of the House of Commons, following the Ibbs Review (1990) and the Braithwaite Review (1999) (HC 745, 1998-99).

The Tebbit Review was concerned with how the services to support the institution of the House of Commons and Members of Parliament are governed, managed and delivered. Sir Kevin's broad objective was to "respect the status and character of the House and preserve the special qualities of the House Service, while seeking to build organisational and executive capacity and promote effectiveness, accountability and value for money."²

Subsequent implementation of its recommendations by the House of Commons Commission led to a reorganisation of the governance and management of the Commons Service. Several aspects of the recommendations were fast-tracked, including the re-organisation of Estates and Works; the expansion of the Office of the Clerk into that of the Chief Executive and the re-organisation of the Board of Management on functional lines. A new structure for the House departments came into being on 1 January 2008, with the creation of four new departments of the House—Chamber and Committee Services; Information Services; Resources; and Facilities—into which the existing departments were merged.

The Tebbit report published in June 2007 covered the governance of the House of Commons in the broadest sense: the Commission and related committees together with the executive management of the House.

The Management Board has received periodic reports on the progress of the Tebbit Change Programme. The process culminates with this internal review of recommendations relating to the Management Board of the House, as follows:

- how the detailed recommendations in the report have been implemented
- the benefits identified in the report and the extent to which they have been realised, are on track, or require further action
- a strategic evaluation of developments and events since the report: how these have impacted upon the recommendations, where more now needs to be done and the change management lessons learned from the implementation process

The work will be undertaken by the External Board Member, Alex Jablonowski, supported by a member of the House of Commons staff who will assist with arranging meetings, drawing up questionnaires, taking meeting notes, undertaking desk studies of existing material and helping draft the final report.

The review will draw upon structured interviews with Management Board members, Philippa Helme, Paul Dillon-Robinson, Chris Ridley, Bonny Mohan and Heather Bryson. Time permitting, the review team will also attend and consult RMG and management group meetings. Sir Kevin Tebbit and his House of Commons support team will also be consulted.

The review will also comprise desk reviews of, inter alia:

² Review of Management and Services of the House of Commons, 25 June 2007, HC 685, p3

- tracking by the OCE of the implementation of Tebbit recommendations
- IIP feedback
- staff surveys
- Members surveys
- management group terms of reference and meeting minutes

Annex B

Outcomes of Tebbit Recommendations and relevance of outstanding recommendations

RECOMMENDATION	Achieved	Partially Achieved	Not Achieved	Still relevant?
Audit Committee				
1. A suitably qualified external member of the Audit Committee should become its Chairman. (Paragraph 74)			✓	✓ - Revisit
2. A rolling programme of NAO value-for-money audits should be instituted. (Paragraph 74)		✓		✓ - Ongoing
Finance and Services Committee				
3. The Finance and Services Committee should operate more as an arm of the Commission, acting under a clear mandate giving the Committee substantial authority on the Commission's behalf to cover the more routine supervisory issues (Paragraph 77)	✓			
4. The Finance and Services Committee should be mandated to scrutinise proposals made by Member Committees or House officials, where these need to be reconciled, before they are considered by the Commission. (Paragraph 78)	✓			
5. The Chairman of Ways and Means should be appointed to the Finance and Services Committee. (Paragraph 79)	✓			
6. A member of the Finance and Services Committee, selected on the basis of interest and experience, should be appointed to the Audit Committee, 'balanced' by an additional external member. (Paragraph 80)	✓			
Administration Committee				
7. Individual Members on the Administration Committee should be invited to track particular services – for example, catering or IT – on behalf of the Committee as a whole. (Paragraph 81)	✓			
8. The size of membership of the Administration Committee and of the Finance and Services Committee should be reviewed, on the basis that smaller bodies of Committee members are likely to be more effective. (Paragraph 82)			✓	
Clerk of the House/Chief Executive				
9. The Clerk of the House should continue to perform the dual role of Clerk of the House and Chief Executive/Accounting Officer. (Paragraph 88)	✓			
10. Succession planning at the most senior level should address the need for potential Clerks of the House/Chief Executives to gain senior management experience. (Paragraph 89)		✓		
11. The method of appointment for the Clerk of the House/Chief Executive should, in future, be by means of competition, open to the			✓	HIGHLY RELEVANT

RECOMMENDATION	Achieved	Partially Achieved	Not Achieved	Still relevant?
(inevitably limited) group of suitably Review of Management and Services of the House of Commons qualified candidates, with a Selection Board similar to those employed for Permanent Secretaries to Government Departments. (Paragraph 90)				
Office of the Chief Executive				
12. The scope of the activities of the Office of the Chief Executive should be expanded to embrace planning and performance management functions in relation to the House Service's objectives and targets, together with an increased communication coordination role. (Paragraph 96)		✓		HIGHLY RELEVANT pending IPSA and DR structural change
13. The Office of the Chief Executive's staffing numbers should be increased, and the post of the Head of the Office should be upgraded, in the light of these additional functions and responsibilities. (Paragraph 98)	✓			
Delegations				
14. Each Head of Department should receive an annual delegation letter, setting out the objectives and targets to be achieved during the year, the budget allocation for the purpose and the common policies, systems and processes to be used and observed in delivery. (Paragraph 99)			✓	HIGHLY RELEVANT
Performance Management				
15. The House Service should adopt a performance management system based on the Balanced Scorecard and with clear criteria for achieving success, drawn up by the Management Board and the House of Commons Commission. (Paragraph 105)		✓		HIGHLY RELEVANT
16. One such success criterion should be improved Members' satisfaction with services, measured by more regular 'rolling' surveys of a proportion of Members. (Paragraph 106)	✓			
17. The performance management system should be underpinned by an activity and functional costing system, together with benchmarking against 'peer' organisations and areas. (Paragraph 107)			✓	HIGHLY RELEVANT
Management Board				
18. The changes to the composition of the Management Board should be made soon, but with appropriate action taken to ensure that it is not perceived as downgrading the importance of the services provided by those no longer 'on the Board' or their Departments. (Paragraph 112)	✓			
19. A more strategic Management Board with a slimmed-down executive membership should be created, to comprise: the Clerk of the House/Chief Executive Deputy Clerk/Chief Operating Officer; Serjeant at Arms/Director of Facilities and Support; Librarian/Director of		✓		

RECOMMENDATION	Achieved	Partially Achieved	Not Achieved	Still relevant?
Information and Communications; Director of Finance and Administration; and Director of Human Resources. (Paragraph 113)				
20. Two external advisers (non-executive directors) should be appointed to the Management Board, in the expectation that this will prove as successful as it has in 72 Review of Management and Services of the House of Commons Government Departments, in supporting the role of the Chief Executive, as well as in helping the Management Board more generally. (Paragraph 116)	✓			HIGHLY RELEVANT
21. Individual Heads of Department should have responsibility for delivering agreed cross-cutting objectives or processes on behalf of the Management Board as a whole, acting as senior responsible owners or process owners, on the basis of wide powers granted by the Management Board. (Paragraph 118)		✓		RELEVANT
22. Co-ordinating and cross-cutting groups should be reviewed with the objective of reducing their number and maintaining control over growth in future. (Paragraph 119)	✓			
Financial Management				
23. The Department of Finance and Administration should be strengthened, including by the addition of a management accountant, either by redeployment of staff currently in Departments or by additional external recruitment. (Paragraph 133)	✓			
24. Existing financial delegations should be amended to give the Director of Finance and Administration and his senior staff greater control over finance staff in Departments, in terms of performance, professional development and deployment. (Paragraph 133)	✓ ?			HIGHLY RELEVANT
25. Finance staff in Departments should have a reporting line to the Department of Finance and Administration, as second reporting or countersigning officers for the reports of Departmental finance staff. (Paragraph 133)	/			
Procurement				
26. The Management Board should conduct a budgetary exercise, led by the Director of Finance and Administration, under which each department would be required to present its plans to the Finance and Services Committee on the basis of alternative funding assumptions, to inform decisions on future financial allocations. (Paragraph 138)	✓			
27. The emphasis of the effort to improve the House's procurement activity as a whole should be on building the expertise of contracts managers in Departments to ensure through life value for money is achieved, and		✓		HIGHLY RELEVANT

RECOMMENDATON	Achieved	Partially Achieved	Not Achieved	Still relevant?
accountability for delivering it pinned down, rather than focus predominantly on initial purchase costs. (Paragraph 146)				
Human Resources				
28. The delegated model in respect of HR functions should be reconsidered, with a view to strengthening strategic and corporate HR functions and removing duplication and diseconomies in the present system. (Paragraph 156)		✓		RELEVANT
29. A scheme should be introduced to identify and develop internal talent on a Housewide basis, administered by central HR. (Paragraph 156)		✓		RELEVANT
30. The Management Board should include a professionally qualified Director of Human Resources. (Paragraph 157)			✓	NOT FELT NECESSARY AT THIS TIME
Estates and Works				
31. The Estates and Works Services Directorates should be re-integrated under one Director who would provide overall leadership and ensure coherence, consistency, team working, professionalism and delivery. (Paragraph 169.i)	✓			
32. A Programme Office should be set up, the functions of which should be worked up in the light of the external adviser's recommendations. (Paragraph 169.iii)	✓			
33. Ownership of the Estates/Works budget and ownership of the Estate strategy should be pinned down clearly so that financial authority and operational responsibilities are fully aligned. (Paragraph 169.v)		✓		HIGHLY RELEVANT
34. The Serjeant's Finance Unit (SFU) should remain outside the new combined Directorate, as a separate organisation reporting to the Serjeant at Arms: facilitating the works programme in general; assisting the Serjeant at Arms in financial control and governance; and providing the necessary transparency and separation of duties.(Paragraph 169.vi)	✓			
35. The SFU should be strengthened beyond its existing advisory function. (Paragraph169.vii)	✓			
36. Levels of delegation for works expenditure should be reviewed and harmonised as between the House of Commons and House of Lords to facilitate synchronisation of decision-making on joint projects. (Paragraph 169.viii)	✓			
37. The House's Resource Framework guidance should be revised in respect of project approval processes, with clarification of what constitutes 'works', 'leases', 'consultancy', etc. (Paragraph 169.ix)		✓		RELEVANT
38. Training of project managers should be given high priority; greater reliance on bringing in project managers from the private sector		✓		RELEVANT

RECOMMENDATION	Achieved	Partially Achieved	Not Achieved	Still relevant?
may be required. (Paragraph 169.x)				
Connecting Parliament with the Public				
39. The House should endorse the Administration Committee's proposals for a dedicated space for learning. (Paragraph 188)		✓		Ongoing
40. The Parliamentary website and the internet generally should be regarded as a key element in fostering close connections between Parliament and the public, and crucially the younger generation, and should be developed and funded accordingly as a priority. (Paragraph 196)		✓		Ongoing
41. The Group on Information for the Public should remain the official-led organisation responsible for developing policy and programmes in this area, but should be given a stronger executive role under the chairmanship of the Director of Information and Communications, mandated by the Management Boards of both Houses and allocated a budget for this purpose. (Paragraph 202)	✓			
42. The House Service should actively support Members in making best use of the Communications Allowance, facilitating where possible savings in joint procurement of capital equipment and top-of-the-line software for publishing hard copy newsletters as well as the design of modern interactive websites. (Paragraph 206)			✓	IPSA thus not relevant
Service Delivery				
43. The Clerk of the House should delegate authority to one or more principal deputies to take on more of the task of running the Clerk's Department. (Paragraph 217)	✓			
44. Closer working between the Clerk's Department and the Library in support of select committees should be developed further. (Paragraph 217)		✓		ONGOING - observe as a potential model/pivot for further change in future
45. The broader issue of a more proactive House service, to facilitate services to Members and consider the provision of new services, should be examined, in terms of both style and content. This may be a suitable issue for the Management Board. (Paragraph 217)	✓			
46. The Library should continue to shift resources from areas where demand is lessening to those where demand is growing, based on a developing cost-effectiveness programme. (Paragraph 221)	✓			
47. The Library should review the prospects for more joint working with the House of Lords	✓			

RECOMMENDATION	Achieved	Partially Achieved	Not Achieved	Still relevant?
Library. (Paragraph 222)				
48. The Editor of the Official Report should review the means by which Members are given the opportunity to check the texts of their speeches prior to publication. (Paragraph 224)	✓			
49. A client relations group should be established within the Serjeant at Arms Department to provide a more responsive and integrated service to Members for accommodation and facilities, including a 'one-stop shop' service. It should be achieved by internal redeployment of staff and headed by a senior manager dedicated to this Member-facing role. (Paragraph 234)	✓			
50. The head of the client relations group would underpin the role of the Serjeant at Arms as Facilities Director at Management Board level, which will be crucial in ensuring that a positive engagement with Members' day-to-day requirements is drawn upon to inform corporate planning. (Paragraph 235)	✓			
51. Improved on-line information should be provided to Members about their allowances and expenditure, subject to the outcome of a feasibility study. (Paragraph 245)			✓	IPSA thus not relevant
52. Benchmarking of catering services should be conducted thoroughly in the interests of quality and value for money. (Paragraph 252)	✓			
53. The Cabinet Office Independent Reviewer and Central Sponsor for Information Assurance should be invited to conduct a health check of Parliamentary IT plans and delivery. (Paragraph 260)	✓			
54. The rolling surveys of Members' satisfaction, which we have recommended as part of the Management Board's performance measurement system, should also seek the views of a representative cross-section of Members' staff. (Paragraph 264)	✓			
House of Lords				
55. The possibility of providing more services jointly with the House of Lords should be explored, in the interests of efficiency, with a view to the eventual establishment of more joint Departments. (Paragraph 272)			✓	HIGHLY RELEVANT
Grants to Inter-parliamentary Associations				
56. The House of Commons Commission should take over responsibility for making grants-in-aid to the four inter-parliamentary bodies. (Paragraph 275)	✓			

Annex C

List of people consulted on this review

Clive	Betts MP
Nick	Harvey MP
Sir George	Young MP
Mel	Barlex
John	Borley
Lee	Bridges
Heather	Bryson
Philip	Collins
Paul	Dillon-Robinson
John	Greenaway
Susan	Harrison
Philippa	Helme
Elizabeth	Honer
Malcolm	Jack
Liam	Laurence Smyth
Colin	Lee
Joan	Miller
Bonnie	Mohan
David	Natzler
Tom	O'Leary
John	Pullinger
Resource Management Group	
Chris	Ridley
Janet	Rissen
Robert	Rogers
Paul	Silk
Lorraine	Sutherland
Sir Kevin	Tebbit
Martin	Trott
Bob	Twigger
Andrew	Walker
Lawrence	Ward
Richard	Ware

Annex D

BIOGRAPHICAL NOTE

Alex Jablonowski is a senior banker by background, and an experienced non-executive director and business advisor in both the public and private sectors. He possesses extensive experience of major change and IT projects in both the private and public sector, some twenty-five years' board level experience within Barclays and government and with major companies and banks as:

- Barclays Group Strategic Planning Director
- Managing Director Barclays International reporting to a Barclays main board director
- CEO of an FSA regulated merchant and private bank PLC
- non-executive director of a number of major government agencies
- chair of various government audit committees; National School of Government course and conference speaker on audit committee governance and best practice.