

MANAGEMENT BOARD

Management Board: improving its effectiveness

Paper by the Head of the Office of the Chief Executive

Purpose

1. This paper explores some areas in which the Management Board might improve its effectiveness and forward planning.

Action for the Board

2. The Board is invited to review its performance, and that of its secretariat, and to consider the proposals set out in this paper.

Consultation

3. None.

Background

4. Individual Board Members have expressed a wish for the Management Board to be more strategic in its approach and more proactive in its programme of work. Related issues have periodically been discussed at formal and informal Board meetings.
5. While there is a general feeling that the Board is much more effective than its predecessor, the following have been mentioned as possible areas of weakness:
 - the Board is not sufficiently strategic: too many of the issues considered by the Board are operational and would be better dealt with by Directors General or Departmental Boards;
 - the Board seems to focus disproportionately on particular directorates of certain Departments and neglects others;
 - the Board's work programme is overly reactive, with insufficient forward planning;
 - the Board members is not sufficiently involved in decision-making on major projects;
 - there is little connection between the Board and its sub-committees, JBSB and PEB;
 - the Board does not give sufficient attention to building its own capability or reviewing the contribution of individual Board Members;

- Board members are hesitant to disturb the amity of the Board by expressing disagreement;
- the Board does not meet often enough, or for long enough (not a universal view).

The Board's role

6. Before addressing these points, It is worth remembering the terms of reference which the Board has adopted:

The Management Board's role is to lead the House of Commons Service by setting its strategic aims, priorities, values and standards, in accordance with the decisions of the House of Commons Commission; approving business and financial plans, ensuring controls, managing risk, monitoring performance and making corporate policy decisions.

7. The development of the Balanced Scorecard should increase the Board's effectiveness in a number of these areas: planning and decision-making, as well as managing risk and monitoring performance. But it is a tool, not a panacea. It is important to ensure that the Board makes best use of its time.

Not strategic enough?

8. The secretariat attempts to sift out issues which are more suitably dealt with at a lower level, and the recently issued guidance on Board papers asks people to consider:
- *Is it of sufficient significance to merit the Board's time? For example, is it an issue which has significance across the House Service, or which may have a significant impact on Members? Does it change House policy? Does it have significant cost implications?*
 - *Does the issue need to be decided by the Board or might it more properly be considered by someone else, for example by the Clerk (as Accounting Officer or Corporate Officer) or at Director General level? Even so, it might be sufficiently important to need collective discussion by the Board.*
9. The distinction between the operational and the strategic is not clear-cut, and some operational matters are legitimate subjects for discussion at Board level, not least because of their impact on Members. Indeed, it is arguable that the Board gives insufficient attention to operational matters in the core business as usual areas (see paragraph 11 below). Nevertheless, it may be that the Board is spending too much time on relatively low-level administrative issues.
- Is the Board sufficiently strategic?
 - If not, what kinds of things is it spending too much time on?
 - What level of operational issues should it discuss?

- Would it be helpful if the Board reviewed briefly at the end of each meeting whether the agenda was useful and complete, and the time spent on each item appropriate?
10. There are some matters (new corporate policies, for example) which should be approved by the Board, but which do not merit long discussion. Policies should not come to the Board until they have been properly consulted upon.
- Would it be helpful to have a category of agenda items which are to be taken forthwith, or with minimal discussion?

Unequal focus?

11. The Board spends more time on DR, DF and PICT matters than on DIS and DCCS matters. Arguably, this is reasonable because their business affects all Departments, involves a lot of money and covers the current priority areas. However, the result is that parts of the House Service – some of its core parliamentary services – tend to escape the Board's attention.
12. It has been suggested before that the Board should address this by holding, separately from Board meetings, regular briefing presentations from Departments; but this was rejected because of pressure on Board members' diaries. An alternative would be to introduce this element within the regular Board meeting.
- Would it be useful if each Director General, by rota, made a report on activities within their Department at least once annually?
13. This Departmental Activity Report (DAR) might take the form of a ten minute presentation (providing an overview of Departmental activity and focusing on areas of particular interest to the Board), followed by question and answer for a further ten minutes. A small group of senior managers from the Department might attend, giving them experience of the Board and increasing contact between the Board and senior managers.
14. As the Board usually meets eleven times a year, this would indicate a DAR being presented at approximately every other meeting. The timing could be adjusted to take account of other cycles of Board and Departmental activity.

Lack of forward planning?

15. The Board's forward programme is circulated to senior leaders with the Board minutes each month, with an invitation to suggest matters for inclusion. A few do so.
- Would it be helpful if Departmental Management Boards periodically considered which matters over the year ahead would need corporate Board-level consideration?

16. It is also important that the Board itself should think about its forward programme: which issues you think you should cover over the year ahead.
- Should the Board allocate time at a Board meeting, or awayday, perhaps quarterly or every six months, to reviewing the future programme?

More involvement in major projects?

17. Improvements to performance reporting under the balanced scorecard, and recently agreed changes in the operation of the PEB and JBSB, should help the Board to *monitor* major projects and programmes. However, questions remain about the Board's involvement in the *approval* of these projects or programmes. Major business cases are approved by the Accounting Officer, on the advice of the Director General of Resources. The role of other Board members, and of the Board itself, is uncertain. Arguably, the Board should be involved in the decision-making on major projects, though not in the detailed scrutiny of the business case.
- Does the Board agree that, when a project or programme is of corporate or strategic significance, it should be discussed at the Board?
 - What relationship should that discussion have to the business case approval process?
 - Taking the Off-site Vehicle Consolidation Centre as an example, what role should the Board have in the decision-making?
 - Would it be helpful if each business case included a section in which the relevant Director General endorses the requirement for the project?
18. The OCE is beginning work, in cooperation with Departments, to put together a shared list of major projects and programmes, with their milestones – including business case approval and (where appropriate) consideration by the Board and Member Committees. This should help clarify the decision-making process and also contribute to the Board's forward planning.
19. Recent joint briefings for the Commons and Lords Management Boards on the M&E programme and Off-site Vehicle Consolidation Centre have proved useful. A shared list of projects will make it easier to identify those of particular importance, where a briefing for one or both Management Boards might be appropriate.
20. The importance of having clear governance arrangements, and clear lines of responsibility, for major projects and programmes was recognised at the recent joint Boards meeting.
- Does the Board agree that the governance arrangements (and, in particular, the nomination of the Senior Responsible Officer) should be brought to the Board for approval?

Closer connection with JBSB and PEB?

21. The disconnection between the Management Board and JBSB (now to become the PICT Advisory Board) and PEB was discussed at the recent meeting of the Joint Boards. In future, papers for PAB and PEB will be sent to all Board members and the invitation to attend will be more clearly emphasised. There also needs to be some mechanism by which the recommendations, or concerns, of the PAB and PEB are brought to the two Management Boards' attention.
- Should JBSB/PAB and PEB be required to report to the Management Boards after every meeting, either in writing or orally?
 - Alternatively, should they report only when there is a decision, or matter of concern, to report?

More development activity for the Board?

22. Some Board members feel that the Board does not give sufficient attention to building its own capability or to reviewing its performance and the contribution of individual Board members. It has been suggested that the Board might agree a set of examples of positive behaviours against which individual contributions to the Board might be measured. This could be offered to other management groups as good practice.
- Is an awayday every six months appropriate and sufficient?
 - Should the Board give time at its regular Board meetings to reviewing its performance?
 - Would it be useful to identify positive behaviours?
23. At present there is no systematic approach to developing the capability of the Board, or of senior managers who are potentially future Board members. This could be developed under the new capability programme, and perhaps tied to the training that has been agreed to be needed for SROs.
- What needs to be done to develop the Board's capability?

Too polite?

24. It is noticeable that Board members are hesitant to disturb the much-appreciated amity on the Board by raising issues of contention, or disagreeing with each other at the Board. The Board might consider that there is now sufficient trust and mutual confidence that matters of contention could be discussed more openly, yet with respect, and that this would set a good example to the House Service.

More or longer Board meetings?

25. One issue of contention which the Board might wish to discuss is the frequency and duration of Board meetings. Some Board members feel the Board should meet more often or for longer; others do not.

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