

**Minutes of the Management Board meeting
held on Thursday 18 June 2009**

Those present: Malcolm Jack (Chief Executive) (Chairman)
Douglas Millar CB (Director General of Chamber and
Committee Services)
Andrew Walker (Director General of Resources)
John Pullinger (Director General of Information
Services)
John Borley CB (Director General of Facilities)
Joan Miller (Director PICT, external member)
Alex Jablonowski (external member)

In attendance: Philippa Helme (Board Secretary)
[s.40] (Private Secretary to the Clerk of the House)
Chris Ridley (Director of Financial Management, for
item 4)
Mel Barlex (Director of Parliamentary Estates, for
items 5 to 7)
[s.40] (Head of Fire Safety and Environment, for item
7)

1. Matters arising from previous meetings

Further to item 14 **John Borley** confirmed that the Department of Facilities was content with the policies on procurement and award of contracts which had been considered by the Board at its May meeting. The policies were therefore approved by the Board.

2. Risk and performance

2.1. The Board agreed that good progress had been made on the Balanced Scorecard. It was important that its further development did not stall; the sections where data was missing should be completed as soon as possible. The Board noted that many of the indicators on the dashboard, and particularly in the corporate risk section, were red.

2.2. The Chairman noted the high level of support for the Department of Resources' work to publish Members' expenses, which had been forthcoming from across the House Service. Many people had gone far beyond the call of duty to provide support. The inquiry into the leak of information to *The Daily Telegraph* was yet to reach a conclusion, although it was hoped some early indications would emerge soon.

2.3. The Board noted the risk escalated by PICT, the risk to the network infrastructure from virus attack, but agreed that no further Board level action was required. **Joan Miller** reported that the UK and US governments had both appointed IT security tsars. This reflected an acknowledgment of the increased the risk to Government from cyber attack.

2.4. The Board discussed the risk of disruption to services posed by Swine Flu. *In discussion the following points were made:*

- The main threat from Swine Flu might come from a requirement to close down Parliament rather than from the absence of staff. The most recent advice had been, however, that in a pandemic situation there would be no point in closing organisations down.
- The decision about whether to close Parliament if cases were identified among Members or staff, would be for politicians. If Members wanted the House to keep sitting then every effort should be made for it to do so, but if significant numbers of Members were absent they might not wish business to proceed.
- There was a need for managers to plan for different scenarios.
- If a vaccine against Swine Flu became available, there would be an argument for vaccinating key staff to protect the service of the House.
- There was no evidence that vaccination against seasonal flu would help protect against swine flu. A programme of vaccination against seasonal flu might reduce the total number of staff forced to be absent from work, although in “normal” years the level of absence due to seasonal flu was low.

2.5. The Board agreed that the Commission should be alerted to the risks posed by Swine Flu, and particularly to issues which it might be asked to decide. The medical panel advising the House should be made aware that the Board’s priority was to ensure that the Chamber was able to function as long as Members wanted it to.

2.6. *Action: Office of the Chief Executive to work with Departments in preparing a paper for the July meeting of the Commission on business continuity planning for Swine Flu.*

2.7. The Board discussed the implications for the House Service of proposals for the establishment of a Parliamentary Standards Authority (PSA). *In discussion the following points were made:*

- The Ministry of Justice would establish a project team to set up the new body; the House Service would wish to cooperate closely with it.

- The Leader of the House had expressed her understanding of the concern which the proposals had caused to the staff of the House.
 - The establishment of the PSA would involve considerable change for the House Service and this would need to be properly managed. A change director should be appointed to manage the required change within the House Service, in liaison with those establishing the new Authority, and to ensure that potential benefits for the House were realised.
 - It would be best for the change director to be based in DR. Either the change director could be recruited from outside the Department or someone within DR could be appointed and that post back-filled. In either case there would be a need for additional resource.
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- It now seemed that the PSA would deal only with finance and not with standards.
 - There was a danger of demoralisation if an outsider was brought in as change manager who did not understand the Department.
 - The terms of reference for the change director could include money (the implications for the Members Estimate), staff (managing the HR implications of the changes) and organisation (reviewing operations functions across the unified House Service).
 - TUPE was likely to apply if the PSA fulfilled largely the same function as the Operations Directorate. If it did apply, staff would have no option but to move. This could be presented as a positive move and staff could even be collocated in Tothill Street. The Board agreed it would push for TUPE to apply.
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2.8. *Action: Andrew Walker and Philippa Helme to establish the scope of the work to manage the implications of the creation of the PSA for the House Service, and to identify a change director.*

2.9. The Board considered a paper on planning for the next General Election. The paper warned the Board that recent events had changed the planning assumption for the likely turnover of Members at the next election, and there was a risk that the House Service would not be ready if there was an election in the autumn, particularly not to provide the improved service which had been agreed by the Board as its goal. There was a risk to the reputation of the House Service if it failed to deliver to Members' expectations.

2.10. There were two key areas in which further resource would be required to mitigate the risk that preparations would not be complete: Members' IT and accommodation.

2.11. *In discussion the following points were made:*

- [s.36(2)(b)] and [s.36(2)(c)]
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 - [s.36(2)(b)] and [s.36(2)(c)]
 - [s.36(2)(b)] and [s.36(2)(c)]
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- The Members who joined the House at the next election were likely to have different expectations from current Members. It was important that the Board invested sufficient resource to meet these expectations, but staff should be challenged to deliver better services for the same cost.
- The creation of the PSA would affect preparations for the next election. Some aspects of induction would become the responsibility of the new body; the House Service would need to ensure this was coordinated with its own induction programme.
- There were organisational opportunities arising from the next election which should be considered in a joined up way across the House Service. General election planning should not be undertaken as a discrete activity.

2.12. The Board agreed that the General Election Planning Group should be asked to decide whether further resources were required to deliver the expected level of services following the next election.

2.13. The Board agreed that it would be desirable for funding for Members IT to remain with the Administration Estimate even if other parts of the Members Estimate were transferred to the PSA from 2009/10.

2.14. The culture of the unified House Service was changing; staff were willing to work more flexibly, as demonstrated by the readiness of staff across the House to support DR recently. The election provided an important opportunity for the House Service to impress new Members with the service provided. Opportunities for staff to undertake work in areas other than their usual area during the dissolution period, should be encouraged.

2.15. *Action: OCE to work with HRM&D and Departments to encourage staff to take up opportunities to be involved in work during dissolution.*

3. Oral up-dates from Directors General

3.1. Andrew Walker said that:

- 3.1.1.** DR had received support from across the House which had enabled it to deliver the publication of information relating to Members' allowances to the timetable agreed by the Commission. Particularly notable had been the cooperation between Departments to set up the website which provided public access to expenses information. The website would include a schedule of repayments which had been made by Members.
- 3.1.2.** DR had a great deal of further work to complete including the ongoing quarterly publication of allowances information and the publication of information from 2008/09. The question of whether the scanning and redaction of information could be completed by an entirely in-house team was being explored with PICT.
- 3.1.3.** the review of ACA claims over the last four years was expected to culminate in a report during the autumn.

3.2. Douglas Millar said that:

- 3.2.1.** DCCS had been occupied with arrangements for the election of the new Speaker. The timetable for the election meant that Royal Approbation might take place on Tuesday morning, depending on the number of ballots.
- 3.2.2.** the Tamil community had finished their protest in Parliament Square.

3.3 Joan Miller said that:

- 3.3.1** one of Parliament's servers had broken down which had caused delay to email receipt and delivery. The problem had been due to hardware and software problems related to the age of the equipment. The infrastructure programme was moving forward and the replacement of a second server, which was in a similar condition, had been prioritised.
- 3.3.2** Peter Gregson had been externally recruited as Development Manager in PICT and would support the Procedural and Web Programmes.

3.4 John Borley said that the Commission had agreed the proposal for an Offsite Vehicle Consolidation Centre. He would be establishing a new programme board which would establish and put in place arrangements to oversee it.

3.5 John Pullinger said that:

- 3.5.1** the new structure for the parliamentary intranet, which included the new Online Members' Centre had gone online last Friday. There had been no complaints.
- 3.5.2** he would be hosting two workshops on information management, which would consider the question of how more effective organisation of information might lead to efficiencies across Parliament.

4. Business Planning

4.1. Chris Ridley introduced the paper on business planning. The Board had decided at its April meeting to ask Departments to use the 2008/09 outturn, adjusted for subsequent pay award uplifts and other new work included in the 2009 Corporate Business Plan, as the starting point for planning for 2010/11. Departments had been challenged to identify more radical options for savings, but the results had been disappointing. The paper asked the Board to agree further work to identify budget reductions of 10% and 30% against 2009/10 budget allocations, in case these were requested in future.

4.2. Philippa Helme said that the Board might wish to reassess the approach to the business planning process, in the light of recent events: in particular, the Prime Minister's reference to Parliament costing less. It needed to decide whether it was still appropriate to seek the advice of the Finance and Services Committee in July, and, if so, on what options.

4.3. Philippa Helme said that the Board's decision in April had been to examine how cuts could be achieved, rather than to offer them proactively to Member committees. Business Managers felt unable to develop their work on areas where savings might be achieved without stronger support from Director Generals. While the Board might not wish, at present, to share this scenario planning with Members, there was a strong case for preparing for possible future budget pressures. .

4.4. *In discussion the following points were made:*

- While the Prime Minister had spoken about Parliament costing less, and the Conservatives, if they formed the next Government, might take a similar line, such calls were difficult to reconcile with the announcements of new initiatives which were taking place at the same time.
- If savings were to be identified, it would be better for them to be established corporately rather than to be salami sliced from across the House Service.

- This could not work as a solely bottom up process. There was a need for work to be done at a senior level to identify areas of potential savings.
- There was a question about whether the process of identifying savings should be confidential.
- Radical scenarios should be explored, for example leaving one of the buildings on the Estate, or outsourcing support services. Detailed exploration of such options had been avoided in the past but staff would understand the need for it now.
- Any reduction in the total number of Members, as proposed by the Conservatives, would lead to significant savings in some areas.
- Departments had made some progress in offering areas for saving.
- The Board should be made aware of the cost of making staff redundant.
- Experience elsewhere had shown that outsourcing did not necessarily lead to savings.
- The large projects which were in prospect, including the Offsite Vehicle Consolidation Centre and M&E programme, would make it very difficult to achieve cuts in the cost of Parliament.
- Local Government had achieved cuts by removing discretionary services. The House could re-examine which of its services should be regarded as core services. Members could be asked to make direct choices about service levels.
- If the situation arose that cuts were required, it would be helpful to start the discussion at a political level; without political support Members were unlikely to support cuts in services.
- Members regarded many services as sacrosanct, but the new Speaker might be proactive about changing expectations of Members.
- One approach would be to cap occupancy and headcount on the Estate. This would provide a blunt instrument to start the process of budget cuts. In 2004 the suggestion of a reduction in IEP for each member of staff a Member employed on the Estate had provoked a negative response.
- A programme of efficiency reviews would show the Commission the Board was seriously addressing the possibility of cuts without resorting to a salami slicing approach. Departments would need to identify which areas should be reviewed first.
- PICT-AB had discussed the fact that investment in IT could lead to substantial savings and avoidance of costs in future years.

4.5. The Board agreed that work should be undertaken to explore the scope for more radical savings alongside a programme of efficiency reviews across all Departments. Senior managers would be asked to explore the scope to reduce fixed and demand-led costs. RMG would be asked to brainstorm ideas for initiatives which might include sharing more services

with the Lords, outsourcing or reducing costs through the use of ICT. This approach would be put forward to the F&S Committee for approval, together with information on the savings which had already been identified.

4.6. *Action: Chris Ridley and Philippa Helme to develop in discussion with the RMG a programme of efficiency reviews; and prepare a paper for the Finance and Services Committee in July setting out the Board's proposed approach to budget planning for 2010/11 and establishing the Committee's views on the scope for radical options.*

5. Electrical resilience

5.1. The Board agreed that the paper from the Parliamentary Director of Estates provided a useful summary of the history of problems relating to electrical resilience. In response to a question from the Chairman, **Mel Barlex** said that the problems experienced by the House were likely also to be affecting Government departments in Whitehall, although the effects on services might differ. He had recently spoken to the London controller and the regional director for EDF. The Board took note of the paper.

5.2. [s.24] [s.36(2)(b)] [s.36(2)(c)]

5.3. [s.24] [s.36(2)(b)] [s.36(2)(c)]

5.4. [s.24] [s.36(2)(b)] [s.36(2)(c)]

5.5. [s.24] [s.36(2)(b)] [s.36(2)(c)]

6. Estates

6.1. The Board noted the paper on the Fire Safety Programme and approved the formation of a Fire Safety Programme Board.

6.2. The Board considered papers on the Parliamentary Estates Strategy, infrastructure and the decant feasibility study. **John Borley** said that the three papers were interconnected and he was putting together a presentation on the issues arising for a joint meeting of the Commons and Lords Management Boards to be held on 2 July. The consultants who had carried out the Decant Feasibility study would present their findings to the PEB in three weeks' time.

6.3. *In discussion the following points were made:*

- It made sense to include the secondary services in M&E, because otherwise parallel works would be needed, for example to renew network infrastructure.
- There was a need to explain the issues involved in M&E and decant to Members, Committees and, at an appropriate point, to the government.
- It was difficult for the Board to consider a strategy for explaining the issues to Members without seeing the options explored in the decant feasibility study. The Board needed more information to understand the options.
- Decant was an unthinkable prospect to some. The presentation to the Boards should include other unthinkable prospects such as a permanent move out of the Palace of Westminster, to make the Boards aware of the full range of options. It might be cheaper to build a new Parliament than to restore and maintain the Palace.
- In the past decisions of this nature had been made on the basis of select committee reports. In this case a joint committee would probably be appropriate. Members would want to review the evidence themselves. The new Speaker may want to be involved.

6.4. Mel Barlex said that the paper on the Estates Strategy was a summary of progress. A lot of work had been done but the strategy remained a work in progress. An accommodation plan had been developed which had assessed current and future demands for accommodation. He would be meeting Board members to discuss the issues and hoped that the Board would provide strategic guidance between December 2009 and February 2010 so that a definitive estate strategy could be made available from March 2010.

6.5. *In discussion the following points were made:*

- Future papers relating to the Estate should begin with a summary of previous decisions taken by the Board.
- It was very difficult to acquire buildings in the Westminster area and the trend seemed to be for the Estate to expand. This was a strong argument against releasing any buildings which formed part of the Estate.

6.6. The Board agreed that the scope of the M&E Programme (and its oversight Board) should be broadened to embrace the physical condition of the Palace as a whole.

6.7. The Board also agreed that the issues of the Estate and decant should be presented to the Commission in outline before the summer recess. The Commission had commissioned the decant feasibility study and should be told that they would have a politically sensitive decision to make in the future. If appropriate, the same presentation could be used as was being

prepared for the Management Boards. The Commission should be asked about possible handling options.

7. Environment

7.1. John Borley said that, contrary to the suggestion in the paper, he proposed that environmental information should generally be reported directly to the Board and not via the PEB.

7.2. [s.40] said that the Carbon Reduction Commitment draft Order had been published in March 2009. It had not included Parliament. Recently the Department for Energy and Climate Change had contacted the Legal Services Office to discuss the possibility of amending the order to include Parliament. It seemed however, that because Parliament was not mentioned in Climate Change Act it could not be covered by the Order. This was being clarified. The Board agreed that even if Parliament was not finally included in the order, the House should mirror the CRC scheme.

7.3. In response to a question from the Board, [s.40] said that Parliament's carbon emissions were currently rising, primarily because of the increasing size of the estate and rising occupancy rates. An increase in the use of IT and of heating and cooling technologies were also contributing factors. The M&E programme would eventually resolve some problematic issues. In the shorter term, work being undertaken by PICT should provide some savings. Significant savings could be made through behavioural change across the Estate. The Board agreed that behavioural change should be encouraged.

8. Any other business

There was no other business.

[adjourned at 17.55]

Philippa Helme
Secretary

Malcolm Jack
Chairman

23 June 2009