

**Minutes of the Management Board meeting
held on Thursday 10 May 2012**

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

In attendance: Matthew Hamlyn (Board Secretary)
Gosia McBride (Assistant Secretary)
Rachel Harrison (Corporate Risk Management Facilitator, for items 2 and 3)
David Scullion HRPPP programme manager, for item 6)
Charlotte Simmonds (Head of Fire Safety and Environment, for item 7)
John Greenaway (Director of Business Management - Facilities, for item 9)

1. Matters arising from previous meetings

1.1. Further to action 2, **Matthew Hamlyn** reported that BRG had discussed remote access to support home working, following joint work by OCE and PICT. A recommendation was likely to be signed off at the June BRG meeting and would then go to the Management Boards of both Houses. Further to action 14, a paper on the impact of the recent postage increases on budgets would go to the Board in June. **Myfanwy Barrett** said that the likely increase to the Administration Estimate was £500,000 (mostly attributable to Members), assuming nothing was done in mitigation. The **Chairman** suggested that the Commission should be asked again if the budget for Members' postage costs could be shifted to the Members' Estimate. The Board **agreed** that that option should be included in the paper.

1.2. *Action: Myfanwy Barrett to ensure paper on the impact of recent postage costs covers asking the Commission to move the budget for Members' postage to the Members' Estimate.*

1.3. Further to actions 16 and 17, **Matthew Hamlyn** said that he had met Edward Wood to discuss a revised proposal on access to the Terrace. They would be arranging to meet David Natzler soon to agree a final version for the Board to consider at its next meeting. Further to action

18, a revised paper for the Administration Committee had been drafted. This covered a much longer list of actions from the Members' Survey of Services, including improvements to toilets, wifi and waste recycling. The Board would be sent the draft the following day and it would go to the Committee by the end of Tuesday.

2. Performance and Risk

2.1. The Board considered the Performance and Risk Report.

2.2. The **Chairman** welcomed the inclusion of the business resilience incident report in the Report.

2.3. The Board **agreed** that business resilience incident reports should become a regular feature of the Performance and Risk Report and that it should see a report covering lessons learned from the particular incident. **Andrew Walker** commented that there was currently no process for ensuring incident reports were sent to the duty Gold. **Matthew Hamlyn** said that the action plan on business resilience, which was currently being drafted, would address that issue.

2.4. *Action: OCE to ensure business resilience reports continue to be included in the Performance and Risk report and that the Board receives a lessons learned report of the incident in April.*

2.5. Further to the finance summary, **Myfanwy Barrett** noted that the accounting adjustment arising from the revaluation of the Estate had increased at the year end, making the underspend larger. The Board would receive a detailed report in next month's Financial Outturn Stewardship report.

2.6. The **Chairman** noted that the commentary on the HAIS renewal programme was very positive. **Myfanwy Barrett** said that there had been teething problems affecting payments functionality and tax recording. Management accounts packs had not yet been issued, as some of those issues were still being resolved. **Andrew Walker** agreed, but said that HAIS was performing well for a major new system and had met its key goals. The programme had been planned to run eleven months after going live to allow outstanding problems to be resolved. Take-up of training had not been very good, and that was partly the cause of some of the issues. The most disappointing element had been the extent of no-shows. The Board discussed the importance of training to the success of a project and **agreed** that line managers had to ensure their staff attended such training.

2.7. The **Chairman** asked about the different FTE figures given in the Performance and Risk report and the HR indicators take note paper. **Andrew Walker** said that the figures had been compiled on a slightly different basis and could be reconciled.

3. Risk Management Project update

3.1. **Rachel Harrison** introduced her paper. The Board considered the Risk Management Project update. In discussion the following points were made:

- A lot of work had gone into the risk management project, but many managers still did not integrate risk into their day to day management, seeing risk as a separate element of work.

- Stringent risk management was key to successful projects. An open culture was necessary, where challenge was welcomed without managers getting defensive. The biggest risks were found when going through change and it was vital to learn lessons from previous projects or programmes.

- The House had got much better at vertical risk management and common definitions, but more work was needed on horizontal visibility. Directors needed to be sure other departments were properly managing risks to which their own projects were vulnerable.

3.2. The Board **agreed** the formal closure of the Risk Programme board. **Andrew Walker** thanked Rachel and her team for their work in raising standards. **Matthew Hamlyn** noted that the risk management team had only 1.6 FTE staff. He thanked colleagues in departments who had also done a lot of work.

4. Board appointments

The Board noted the recruitment process that had been carried out for the second non-executive member of the Management Board and **agreed** to the recommendation from the Chairman that Mrs Barbara Scott should be appointed and asked to start as soon as possible. **Matthew Hamlyn** said that he would arrange an induction programme for Barbara.

5. Oral updates

5.1. **Andrew Walker** reported the latest statistics on the impact of the day's strike by PCS. Major business had not been affected. **Joan Miller** reported the figures for PICT.

5.2. **John Borley** said that an Interim Catering Operations Director, Richard Tapner-Evans, had just been recruited and would start on 21 May. **Robert Rogers** said that he looked forward to meeting him. He had recently met Jon Hewett, Catering Business Improvement Manager, and had found that meeting very useful.

5.3. **John Pullinger** reported that the Hansard Society annual audit of political engagement had noted an improvement in the attitudes of

young people towards Parliament, which it partly attributed to Parliament's education programmes. The Speaker's Advisory Council on Public Engagement (SACPE) would review the report when it met the following week. SACPE was likely to be invited to talk to Michael Gove about the citizenship curriculum.

5.4. The **Chairman** said that he would be hosting another staff recognition party on 11 June and asked Heads of Department to pass on any other nominations to his Private Office.

5.5. *Action: Heads of Department to pass on any other staff nominations for the recognition party on 11 June to the Clerk's Private Office.*

5.6. The **Chairman** noted that the Board still needed to implement its idea of Heads of Department hosting cross-House meetings with groups of 10 to 12 staff. **Matthew Hamlyn** said that OCE would facilitate such meetings. It would be important to reach staff who didn't usually volunteer for such events. **Myfanwy Barrett** said that many staff in the Finance Department felt quite cut off from business in Parliament and such events could help.

5.7. *Action: OCE to organise sessions for Heads of Department and cross-departmental groups of staff.*

5.8. The **Chairman** said that he would be meeting with the Lord Chief Justice and with the Cabinet Secretary the following week and asked Board members to send him any suggestions for items to raise.

6. HRPPP update

6.1. The Board considered the HRPPP Programme Update paper. In discussion the following points were made:

- The Board would need a dedicated meeting in November to take a decision on the programme. No decisions could be taken before the summer recess as a full year's data was needed.
- The Board needed to tell the programme team now if it required any further data in order to take a decision in the autumn.

6.2. The Board noted the status of the HRPPP programme, **confirmed** that it was content that the proposed evidence gathering by the programme team would provide the information needed to take a decision in the autumn, and **agreed**:

- that a decision should be taken at a dedicated formal meeting in November; and
- that it should receive a further update from the programme at a dedicated formal meeting before the summer recess.

7. Environmental Management

7.1. Introducing her paper, **Charlotte Simmonds** responded to a number of queries raised by the Chairman. She explained that the data for 2011/12 had not yet been validated. The baseline was 2008/09 as that was the first year that data had been independently validated. Parliament's commitment to maximising the volume of electricity provided from renewable sources was mainly about using green energy tariffs, although there were already plans to install some solar panels on the flat roofs. The environmental legislative requirements applicable to Parliament were not bureaucratic; they were inexpensive and covered areas, such as auditing and tracking, which the House needed to develop anyway. The main purpose of introducing temperature standards was to provide a framework to refuse requests which were wasteful and inefficient. There were areas where it would be difficult to keep temperatures within the standards, but a standard would provide a template towards which to work. The framework would accommodate different working patterns and business needs. The energy certificate ratings in Annex A were based on a complex algorithm produced by DCMS, with A being the most efficient and G the least. One of the biggest difficulties was agreeing appropriate comparisons for the various buildings. The Palace was shown as more efficient than 7 Millbank, for example, because a different comparator was used. It was a statutory obligation to complete and display energy certificate ratings and this already happened.

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

- Generating electricity on site was worth doing in parallel with using green tariffs.
 - DG-Facilities' letter of assurance had set out robust plans to improve compliance with environmental legislation.
 - It was important to ensure those working late nights or shifts were not disadvantaged by temperature standards. PICT had not yet been consulted.
 - When one or two individuals worked late in an office with standard working hours, one option might be to ask them to move to one area which remained heated and lit. Such work was being discussed as part of the Estates strand in the savings programme.
 - The Equality Analysis suggested that those who felt the cold might be disadvantaged. The language needed to be clearer. The House would provide the workforce with suitably heated or cooled offices, but it would not accommodate whims.
 - The benefit of the proposed temperature standards was that maintenance staff would now be able to escalate any complaints to Charlotte.
 - It would be important to ensure Committee rooms were heated in good time before a meeting, rather than heating being switched on by Members' arrival.
-

- The proposed system would be on a timer, so the temperature could be brought up to the appropriate level for when a meeting started. Controls could also be overridden in the event of a meeting going on for longer than expected.
- Sensor-controlled technology had to be accurate – previous trials had occasionally led to heating and lighting being switched off in occupied offices.
- Sensor technology was now far more reliable than it used to be.
- Tests would be carried out in the recess, and more assurance would then be provided.
- Around 9% of paper used by the House could not be recycled, as the quality was not up to the standard required.
- The proposal allowed for this, as it only covered general office use.
- Banner was now reported to be offering non-recycled paper at a cheaper rate than recycled paper.
- Previously the reverse had always been true.
- Any paper purchased had to be tested on printers to ensure it would not jam.

7.3. The Board noted the 2011/12 environmental performance and progress and **agreed** the proposals for:

- environmental governance arrangements;
- provision of real time energy data in Portcullis House and on the intranet;
- implementation of temperature thresholds and timings;
- subject to testing and further assurance, use of sensor controlled heating and lighting in the Palace Committee Rooms
- ceasing or restricting floodlighting for outbuildings;
- changes to office waste collection;
- mandating the purchase of recycled office paper for general office use, provided that the paper was tested on House printers and subject to confirmation of its practicality by the Deliverer of the Vote;
- publication of environmental information on the intranet; and

to recommend those proposals to the Administration Committee and seek endorsement for those that affected Members.

7.4. The **Chairman** thanked Charlotte Simmonds for an excellent paper. **Matthew Hamlyn** noted that the paper would be slightly amended and then published.

8. Alcohol policy

8.1. The **Chairman** noted that it was important to reach a conclusion and circulated a suggested addition to the draft policy, proposed by Sue Harrison, relating to behaviour on the estate by staff and their personal guests.

8.2. The Board considered the draft alcohol policy, as amended by RMG.

9. Portcullis House atrium review

9.1. John Greenaway introduced his paper. The paper followed extensive consultation. He had held nearly 65 interviews, had been to the Administration Committee twice and had walked the Committee through the proposals in the Atrium, and had appeared at many boards. There was a vibrant stakeholder group. Sir Alan Haselhurst had provided a firm steer on the catering facility option and had asked for it to be implemented quickly. Initially the Committee had wanted to use the Members' Centre for this purpose but had changed their minds when the costs were explained. If the Board endorsed the project, he suggested he should remain as the Senior Responsible Owner to ensure it was delivered to time, cost and quality.

9.2. The Board welcomed the efforts that had been made to consult the Administration Committee, and considered the options set out in the paper. In discussion the following points were made:

- The broad view of stakeholders and the Administration Committee was that the Post Office counter should remain in the Atrium. It was very well used.
- Many staff used the Post Office for the cash machine, which was not ideally placed for those queuing for the counter.
- Any decision needed to be taken bearing in mind that a location had still not been found for the Education Centre. However, the Members' Centre was worth retaining.
- The Administration Committee did not like the Members' Centre, but 90% of respondents in the Members' Survey had found it useful. 42% of those were from the 2010 intake. Mystery shopping showed that it was widely used – for example, over 500 Members had visited PICT there since the last election.
- The area currently used by the attendants would fit six or seven computers for use by Members and their staff.
- Consolidating the Vote Office into the Members' Centre would cost £50,000, as a wall would need to be taken down. However, it would support the unified service concept.
 - The expense was not worth it; the Vote Office was just next door.
 - There were also implications for secure storage.
 - The Post Office also had storage issues and those had been overcome in the proposal to move it into the Members' Centre.
 - Many other services provided by the House were not in the Members' Centre.
 - If the Vote Office remained where it was, its position should be reviewed in future as Print2Web might reduce demand for printed papers.

- That savings strand might actually increase demand on the Vote Office, as it might need to print more for Members wanting specific papers in hard copy.
- Members preferred the attendants to be located in a central location, such as the central stairway, rather than within the Members' Centre, as they did not want to walk across the Atrium to ask for directions.
- Locating the attendants in the Members' Centre was the cheaper option, and the Board should support the proposal that provided better value for money.

9.3. The Board agreed:

- to extend the Despatch Box to include sandwiches and additional coffee;
- to relocate the Post Office and cash machine to the Members' Centre;
- to streamline and broaden Members' Centre services to align with needs identified in the Survey of Services;
- to maintain PICT services in the Members' Centre and relocate the PCs in the areas to the area occupied by the attendants;
- to retain the Vote Office in its current location and configuration; and
- to relocate the attendants to the Members' Centre and consolidate services.

9.4. The Chairman thanked John Greenaway for his paper and for ensuring the Administration Committee had been consulted on the proposals.

9.5. John Pullinger noted that the review had parked consideration of what to do with the Department of Facilities' office space off the Atrium. It should be revisited quite soon. The ticket office in Old Palace Yard needed to be vacated and the DF office provided a good option for a retail/ticketing outlet.

9.6. Alex Jablonowski asked about the return on investment. **Myfanwy Barrett** said that she would look into the financial aspects with John Greenaway. The **Chairman** said that the benefits were wider than financial.

9.7. The Board considered whether the proposals should be taken to the Commission. The Board **agreed** that this was unnecessary and that the Chair of the Finance and Services Committee should be briefed instead. The Board also **agreed** that John Greenaway should update the Administration Committee.

9.8. Action: *John Borley to brief the Chair of the Finance and Services Committee and John Greenaway to update the Administration Committee on the Board's agreed proposals.*

10. Counter Fraud Function: update on risks and activities

10.1. The Board considered the update paper and the recommendation that the House Service should develop an Anti-Bribery Policy. In discussion the following points were made:

- The initial work of the counter fraud specialist had highlighted the absence of an Anti-Bribery Policy and guidance. Legal advice had suggested that the House should have a policy in place in order to comply with the Bribery Act 2010.
- It was a preventative measure – there was no reason to think the House had a specific problem in this area.
- It was important for the House to be able to demonstrate to the NAO that it had a policy in place.
- The Audit Committee would be content with the work done so far, which was focused on the right areas and proportionate.
- A key bit of work was raising awareness - staff needed to become more aware of key fraud indicators. Bribery was not a subset of fraud, but the two behaviours overlapped in cases of collusion.
- The proposal to develop an Anti-Bribery Policy was sensible. Raising awareness amongst staff was also important. However, counter-fraud activity should be focused on vulnerable areas. Using the entire £100,000 budget should not be necessary.
- Often in major frauds staff had known something was not quite right, but a culture of whistleblowing had not developed. Education was therefore important.
- If other Government departments were developing anti-bribery policies then the House should do so also, but the Act appeared to apply to commercial organisations. The CIPFA pro forma annexed to the paper suggested training all employees in the new policy – this was over the top. Training should be focused on those working in vulnerable areas.
- The pro forma was just an example; the House would adapt it to make it proportionate and risk-based. The House did not need to train all staff in the new policy. Training would be focused on people who managed budgets or were involved in procurements. It could be done by e-learning and would be combined with general counter-fraud training.
- The Bribery Act was being taken very seriously by Government departments now.
- Counter-fraud policies had to be proportionate and dovetailed with HR policy – for example, accepting income from third parties

was not against the House's rules. It was important that staff did not have to look in more than one place for rules and guidance.

- £30,000 had been earmarked for the investigative work. If nothing was uncovered, then the further budget would not be needed.
- Counter-fraud work would pay for itself.
- It was very important to investigate suspected fraud very carefully. Amateur handling could make evidence unusable.

10.2. The Board **agreed** that the House Service should develop, consult upon and adopt an Anti-Bribery Policy, and that training on the policy should be proportionate and risk-based.

10.3. **John Borley** asked where fraud sat on the risk register. **Myfanwy Barrett** said that her department held the risk. **John Borley** commented that this was a good example of a risk whose management needed to be visible to other departments.

11. Any other business

11.1. **Myfanwy Barrett** said that State Opening had been a wonderful occasion. A huge amount of work by colleagues had gone on across the Estate in preparation for the day.

11.2. Further to the take note paper Annual Report of HR Information (MB2012.P.58), the Board said that they had found the paper very useful and thanked Alix Langley and Sam Rao for putting it together at short notice. The Board **agreed** that the paper should form the basis for its quarterly digest of HR information.

11.3. The Board took note of the Savings Programme – Print to Web Strand paper and noted that a similar paper was going to the Finance and Services Committee.

[adjourned at 18.25]

Matthew Hamlyn
Secretary

Robert Rogers
Chairman

May 2012