

**Minutes of the Management Board meeting
held on Friday 22 July 2011**

Those present: Sir Malcolm Jack KCB (Chief Executive) (Chairman)
Robert Rogers (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 & Change)
Myfanwy Barrett (Director of Finance)
Joan Miller (Director of PICT, external member)
Alex Jablonowski (external member)

In attendance: Matthew Hamlyn (Board Secretary)
[s.40] (Assistant Secretary)
Elizabeth Honer (Director of Savings, for item 4)
Philippa Helme (Senior staffing review leader, for item 5)
[s.40] (Head of Diversity, for item 6)
[s.40] (HR PPP Programme manager, for item 7)
Heather Bryson (Director of HR Services, for item 9)

1. Matters arising from previous meetings

1.1. Matthew Hamlyn said that a number of actions were covered by work the OCE was doing on the Performance and Risk report. Action 5 (Officer status) was covered by an agenda item. **John Borley** confirmed that action 6 (room bookings) was now complete.

2. Risk and performance

2.1. Matthew Hamlyn asked the Board when it wanted to start publishing the KPI dashboard. If it were to publish the dashboard after the September Board, that would give the Board time to finalise the HR indicators and the Board would also have time to report the changes to the Board-level risks and KPIs to the Commission. The Board **agreed** that proposal.

2.2. The Board considered the Performance and Risk Report. In discussion the following points were made:

- There were no red Board-level risks that month.
- The “amber” grading of performance on making agendas, reports and other papers of the Chamber and committees available to the public, on the basis of only one delay, of one hour, was rather severe.
- Waiting until September to publish the dashboard gave another opportunity to “reality check” the information about KPIs.

- The KPI on returned PDMs might also need to be reconsidered. Managers were having PDM discussions, but departments had been unable to persuade all managers to complete the final stage in the process – filing the completed PDMs. There would come a point where the target had either been met or missed, after which it would not be worth reporting on it each month.
- It was becoming increasingly important under Board level risk 4 (capacity) to allocate resources to support change. Those responsible for change initiatives needed to predict demand for business support. The amount of doublehatting - expecting staff to manage significant change projects in addition to day to day operations - should also be reduced.
- Change processes in the House could be overwhelmingly complex. Simpler processes were usually more effective.
- Andrew Walker would bring a paper to the Board in a few months time on introducing a single model of change management and coordinating change activities. DHRC had recruited a new portfolio manager who would start in mid September. A temporary manager would be hired in the meantime.
- The new Change Director had shown a good understanding of the House.
- Prioritisation was important. Once the overall picture was clear it would be possible to decide whether certain things could be given up.

2.3. The Board **agreed** that DGs/Directors should:

- check their KPIs to ensure they were realistic before the September Performance and Risk Report was issued and give comments to OCE;
- encourage their departments to return completed PDMs to DHRC.

2.4. *Action: DGs/Directors to check their KPIs are realistic and give comments to OCE before the September Performance and Risk Report is issued.*

2.5. *Action: DGs/Directors to encourage their departments to return completed PDMs to DHRC.*

2.6. *Action: Andrew Walker to produce a paper for the Board in the autumn on coordinating and simplifying change management in the House.*

2.7. The Board **agreed** to consider the finance “flash” report for June alongside agenda item 4.

3. Oral updates from Directors General

3.1. **Andrew Walker** reported that there had only been 6 appeals following the rebasing exercise. The appeals process would be completed on 27 July and was being led by John Pullinger. Board members would get a corporate diagnostic for the Leading for Parliament programme on

Monday. It would be helpful if that could be completed as soon as possible, and by mid August at the latest. A new representative was needed on the senior pay bonus committee and he recommended that Andrew Kennon should take that on. The Board **agreed** that proposal.

[s.36(2)(b) and s.36(2)(c)]

- 3.2. Matthew Hamlyn** added that as requested by Board members he was setting up an induction programme for the Leading for Parliament contractors in the second week of the September sitting.
- 3.3. Joan Miller** reported that PICT had just had a visit from Mpumalanga, South Africa. The European Parliament's ICT Committee has asked it if could visit PICT in September. Richard Ware was involved in the South African group and had recently visited Zimbabwe. PICT had asked the devolved assemblies to assist in challenging the work it was developing to support electronic systems in the Chamber and Committee services.
- 3.4.** [s.36(2)(b) and s.36(2)(c)]
- 3.5. Robert Rogers** said that the recall arrangements had worked well.
- 3.6. John Borley** said that the Administration Committee had agreed to most of the areas remitted back to them by the Commission so it was now possible to start planning and consulting staff. The catering changes had not gone down well at his meetings with staff in 7 Millbank. The **Chairman** said that the decision making processes needed to be clear – the Administration Committee only had an advisory role and there would need to be a final formal sign off by the Commission in the autumn. **Matthew Hamlyn** noted that that was what was planned, as had been stated in the response to the recent PQ. The Clerk of the Administration Committee had written to the Secretary to the Commission setting out what it had agreed and the Commission would formally approve the whole response, including those changes, in September.
- 3.7. John Borley** added that the M&E programme had received a solid amber/green Gateway 0 report.
- 3.8.** The Board **noted** that the Parliamentary Commissioner for Standards had agreed to move to 7 Millbank and that John Borley would consult colleagues on any consequential moves that might be needed.
- 3.9. John Pullinger** reported that he was interviewing for a new head of broadcasting. He had just been elected chair of the Standing Committee of the Library and Research Services for Parliaments section of the International Federation of Library Associations and Institutions.
- 3.10. Myfanwy Barrett** reported that the Administration Estimate Accounts had been laid.

[s.36(2)(b) and s.36(2)(c)]

[s.22]

The Government had now issued a written ministerial statement and tabled a motion on the transfer of Members' pensions to IPSA.

[s.36(2)(b) and s.36(2)(c)]

3.11. Alex Jablonowski reported that the Audit Committees had held a joint meeting with the Lords Audit Committee, which had gone well. Areas examined included the recent audit of the Metropolitan Police contract and the audit reporting protocol. The Committees planned to hold more such meetings so that they could save duplication of effort on areas of joint concern.

3.12. The **Chairman** noted that David Natzler would be taking over as Director General of DCCS from 1 October. The Board **agreed** that he should be invited to the September Board meeting.

3.13. Action: *Board Secretariat to invite David Natzler to the next Board meeting.*

4. Medium Term Financial Plan

4.1. The Board congratulated Myfanwy on her paper.

4.2. Myfanwy Barrett explained that she had spoken to all of the Board about the paper and had held departmental challenge panels. The general question for the Board was whether it agreed with the overall approach and format, as she wanted to do more work with departments ready to present a final version of the Plan in October. A key consideration was whether the Board should be more aggressive in trying to close the savings gap. It was important not to get bogged down in agreeing an estimate for 2012/13. The later years were equally important. The Plan did not factor in the Strategic Property Review decisions

[s.36(2)(b) and s.36(2)(c)]

The Lords Finance Director, Andrew Makower, was happy with the proposal for a medium term investment plan. She proposed having a joint Board meeting in October to agree the plan. On engagement with Members she was planning to prepare a shorter paper to use for F&S and staff briefings in the autumn.

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

- The upward cost pressures might not be as large as had been presented in the paper, although that was offset by the fact that there were some savings that the Board believed it would make which would probably not be delivered.
- DCCS was fully signed up to budgeting on a middle level of activity rather than the maximum, as in the past.
- The “gatekeeper” functions for the proposed central contingency had to be discussed.
- A medium term investment plan would provide a discipline which would make it much clearer what had been agreed to and what the parameters were. That would put an end to assumptions that if costs ran over, programmes would get additional money.
- The proposals suggested for meeting the savings gap were all very good.

[s.36(2)(b) and s.36(2)(c)]

- Lessons needed to be learnt from the Members’ stationery decision and the resulting major upward cost pressure, although the amount of additional costs was thought unlikely to be as high as £1 million.
- A key part of the plan would be educating departments. There were still many staff who believed they could make in-year bids on top of their agreed annual budgets, and that posed a risk to the savings programme. Communications to senior staff would have to be very clear about what the Plan was about.
- There had been significant improvements – Estates was almost unrecognisable from the short term planning that had once taken place.
- Forward profiles should have hard targets in them that met the savings target.
- Eliminating underspend was still an issue.
- The savings team were thinking about holding a session with the wider leadership group in the autumn to show them the savings gap, inform them about the mechanisms Myfanwy was introducing and involve them in addressing the problem.

[s.36(2)(b) and s.36(2)(c)]

4.4. The Board **noted** the position on pension costs and the work to date on stabilisation options.

4.5. The Board **agreed**:

- that the Medium Term Financial Plan should be developed as set out in the draft;
- the proposal to set targets for the savings strands;

- the actions proposed in the paper to try to meet the savings gap;
- the proposal to develop a medium term investment plan, the use of prioritisation criteria and the introduction of planning totals and to hold a joint meeting with the Lords in October to agree that plan;
- the operation of a formal contingency and the draft policy;
- that F&S should be engaged in steps to close the savings gap.

4.6. Myfanwy Barrett introduced the 2011/12 Budget Forecast Outturn Report.

[s.36(2)(b) and s.36(2)(c)]

4.7. [s.36(2)(b) and s.36(2)(c)]

4.8. [s.36(2)(b) and s.36(2)(c); s.22]

4.9. [s.36(2)(b) and s.36(2)(c); s.22]

5. Senior staffing review

5.1. The Board considered the questions raised in the senior staffing review.

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

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

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

6. Officer status

6.1. [s.40] thanked Board members for taking soundings from their senior staff and explained that her paper summarised the ideas received. It had not been possible in the time available to come up with final proposals for access arrangements, but a provisional proposal developed by Facilities was attached.

6.2. The Board considered how it wished to proceed with its intention to abolish Officer status. In discussion the following points were made:

- [s.40] had produced an excellent paper, but more resources were needed to develop the new access arrangements, which would be a complicated matter.
- The previous working group had lacked a mandate. Now that the Board had expressed a clear intention to abolish Officer status, it might be appropriate to reconstitute a working group with a clear instruction to implement the abolition of Officer status.
- Such a group could be given until the end of the session to come up with formal proposals.
- That was too long.

- That amount of time was needed because of the complexity of the practical issues.
- Access arrangements were for the Speaker, not the Management Board.

[s.36(2)(b) and s.36(2)(c)]

- The group could be asked to make some staged recommendations before the end of the Session.
- The group would need to consider interdependencies – for example, late night transport arrangements.
- Lessons might be learnt from the Lords.

[s.36(2)(b) and s.36(2)(c)]

- It would be better to use an existing structure rather than create a new working group.
- One option might be a subgroup of RMG.
- The individuals chosen to sit on the group would be more important than their role in the organisation, although it would need to be representative.

6.3. The Board agreed:

- that an existing or new group should be asked to develop new access arrangements and that its membership should be agreed by correspondence after the meeting;
- that the group should be given a clear mandate to implement the abolition of Officer status, asked to make early recommendations where possible and to report to the Board with final recommendations by end March 2012.

6.4. *Action: Board Secretariat to seek proposals for membership of the group to develop new access arrangements after the meeting and to circulate those for agreement by the Board by correspondence.*

6.5. The Board **agreed** that it would be better to wait until the House returned to announce its intention of abolish Officer status and that the announcement should therefore be deferred until September. The draft statement by the Head of Internal Communications was considered. In discussion the following points were made:

- The draft was good.
- It was important to make clear that consultation would take place with everyone, not just the unions.

6.6. The Board **agreed** the draft announcement with the following changes:

- “keen to announce its intention” to be replaced by “minded”;

- “successful consultation with unions” to be replaced by “widespread and successful consultation”;
- “the concept of” to be deleted;
- “We understand that there are very complicated issues relating to business need and the practicalities of changes.” to be added.

6.7. *Action: Head of Internal Communications to issue revised announcement on behalf of the Board when House returns in September.*

7. HR PPP

7.1. Andrew Walker thanked DGs/Directors for the strong departmental input into the programme. Unlike Common Ground, which had been abandoned as it had not made sufficient progress, HRPPP had ensured people in the challenging areas were closely involved. Departmental business managers had been leading a lot of the work.

7.2. Introducing his paper, **[s.40]** said that the programme board needed a clear steer from the Management Board about whether to continue with the programme and he had tried to articulate the arguments for and against in the paper. When the programme began he had been told by some colleagues that it was doomed to fail. It had taken two months to get project leaders in place. However, the Board’s vision statement from 2010 had been useful in telling the story and the project leaders had been helpful. The programme board now felt it was in a position where something could be achieved. There was still work to develop, but the structure was in place. There were two main concerns being raised at the moment. TUS were saying all they could see was detriment for staff and managers were worried about additional bureaucracy. Neither concern was entirely justified. If the Board wanted the programme to continue, the next step was education, explaining that it was not something to be feared and that HRPPP would be driven by the business, not the other way round. A key element was having the right data. Now felt like a good time to get some clarity.

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

- Many people in the most challenging areas had got used to HRPPP and thought it offered a way forward.
- While it was challenging and there were concerns about potential overload, HRPPP was doable.
- If the programme were to be terminated, it would be much better to do so now. Deferring would be a serious mistake and would lead to an extra cost.
- The programme should continue as a positive response to comments in the staff survey about fairness.

- TUS's scepticism about HRPPP lay in the fact they did not know what was involved.
- HRPPP was an exceptionally well run programme – a major difference to its predecessor.
- It was really important that the programme continue, given the progress already made.

[s.22]

[s.36(2)(b) and s.36(2)(c)]

7.4. The Board agreed:

- that HRPPP should continue;

[s.22]

7.5. [s.22]

7.6. [s.22]

8. Strategic Property Review

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

- The Strategic Property Review had been closely examined by PEB.
- The cost implications of the scenarios had not yet been fully analysed. More work was needed on those.
- The end date for occupation of 14 Tothill Street was important.
- The Board needed to have a separate session on the Strategic Property Review once the financial analysis was complete.
- At present there were oddities with the use of the estate – for example, most Committee Office staff wasted a lot of time walking from 7 Millbank to Portcullis House for meetings with Committee chairs.

8.2. John Borley confirmed that most staff moving from 4 Millbank would be moved into 14 Tothill Street.

8.3. The Board noted:

- the principles lying behind the development of the Strategic Property Review;
- the two scenarios favoured for consideration.

8.4. The Board agreed:

- to the disposal of 4 Millbank and the full occupation of 14 Tothill Street by the House of Commons until 2015 with a further review after a decision on which scenario was to be chosen;

- that it should have a separate meeting on the Strategic Property Review once the financial analysis of the scenarios was complete.

8.5. Action: *Board Secretariat to set up a separate meeting of the Board on the Strategic Property Review once the financial analysis of the scenarios is complete.*

9. Appraisal process

9.1. Heather Bryson summarised her paper. The Board considered the options presented. In discussion the following points were made:

- Option 4 (including further guidance in the PDM process to help line managers facilitate discussions about career development) would help reinforce the PDM process.
- Option 1 (including an assessment of promotability in the line manager's assessment form) would be useful and a minimal additional burden.
- Option 3 (introduction of a wider regular formal assessment of promotability) could raise expectations that could not be fulfilled.
- A key consideration was to level the playing field to ensure that competent and self effacing staff were not disadvantaged over confident and articulate staff.
- Option 1 could be implemented immediately. Option 4 could also be implemented very quickly.

9.2. The Board **agreed** to options 1 and 4 and rejected options 2 and 3.

10. Any Other Business

10.1. No other business was raised.

[adjourned at 12.20

Matthew Hamlyn
Secretary

Malcolm Jack
Chairman

July 2011