



HOUSE OF LORDS

Management Board

15th Meeting

Wednesday 1 November 2017

MINUTES

Present:	Ed Ollard	Chairman
	Mostaque Ahmed	Financial Resources
	Simon Burton	Parliamentary Services
	Tracey Jessup	Digital Services
	David Leakey	Black Rod
	Jane May	External member
	Jonathan Smith	Head of Finance
	Nigel Sully	Human Resources
	Jake Vaughan	Corporate Services
	Carl Woodall	Support Services
	Frances Grey	(for item 3) Head of Information Compliance
	Steven Mark	(for item 4) Director of the Cyber Security Programme

Before beginning the formal agenda the Chair welcomed Nigel Sully and Mostaque Ahmed to their first meeting.

1. Medium Term Financial Plan

MB/2017/98

- 1.1 Jonathan Smith introduced the paper.
- 1.2 The Board **noted** that the financial remit was being achieved.
- 1.3 The Board **discussed** the additional amounts included for Digital Platforms in the financial plan. There was a legacy of under-investment in this area and the proposed increases reflected that. The Board needed assurance that the capacity and infrastructure was in place to ensure that the additional amounts would deliver the required benefits. Tracey Jessup responded that programmes such as infrastructure, skype for business and cyber security were delivering, but Digital Platforms would provide the technology to underpin them. The new Chief Technology Officer would produce a technology roadmap to underpin the Digital Platforms programme, against which amounts would be drawn down from the budget over the course of the year.
- 1.4 It was noted that a supporting narrative for the increases would need to be provided for the Finance Committee in order to ensure approval. It was agreed that benchmarking data would be helpful; this would be drawn from the Deloitte's efficiencies review of PDS. It was also important to demonstrate good financial controls to ensure money wasn't simply spent because it was in

the budget.

- 1.5 The Board acknowledged the need for investment and **agreed** to the additional amounts included for Digital Platforms, subject to good financial controls being put in place.
- 1.6 The Board **agreed** that the assumptions used to calculate pay and inflation reserves remained unchanged.
- 1.7 The Board **agreed** that the vacancy factor (which reflects the fact that the administration will not be at full complement for the entire year) should be increased from 2% to 3 %, in line with last year's outturn.
- 1.8 The Board considered a proposal to increase the discount on ring-fenced staff provision (reflecting that not all requests for new posts are agreed) from 30% to 50%. However, in light of the progress that several such requests had already made towards business case approval (unlike in other years), and the fact that many departments were feeling under-resourced and over-stretched, the Board **agreed** that the discount on ring-fenced staff provision should remain at 30%.
- 1.9 The Board **agreed** the centrally held resource contingency fund be reduced to 0.5% of the resource budget.
- 1.10 The Board **agreed** that the assumption regarding sitting days and estimated attendance figures should be reviewed and revised upwards in light of the likely impact of Brexit on the business of the House.
- 1.11 Jonathan Smith drew the Board's attention to the anticipated revaluation of the parliamentary estate, affecting in particular Millbank House, Old Palace Yard and Fielden House. This may lead to an accounting adjustment which would be expected to affect the bottom line. The revaluation was expected in the next fortnight and the Board would have this information in time for its next consideration of the financial plan on 29 November.
- 1.12 Subject to the changes made above, the Board **agreed** that the financial plan should be submitted to the Finance Committee for their initial consideration.

2. **Optimism Bias and quantified risk in construction projects**

MB/2017/99

- 2.1 Carl Woodall introduced the paper during the discussion on the Medium Term Financial Plan (see item 1).
- 2.2 There was concern that the additional contingency did not address underlying problems of poor project management. It would be difficult to incentivise good financial management with this proportion of contingency. It was suggested that setting tight controls and establishing stringent criteria for access to the contingency would be critical in ensuring good practice. It would also be important to establish success criteria for the new approach, performance against which could be assessed as part of the review planned for July 2018.

- 2.3 The Board **endorsed** the decision taken by JIB to adopt a P90 approach to optimism bias and quantified risk in all category A construction projects, although it expressed concern about underlying project management issues. The approach was therefore endorsed subject to further consideration by JIB of appropriate performance metrics and success criteria for Strategic Estates projects following adoption of the new approach, in order to incentivise efficient project management.

3. Implementing new Data Projection requirements

MB/2017/100

- 3.1 Frances Grey attended for this item. Jake Vaughan introduced the paper.
- 3.2 The Board **discussed** the new Data Protection requirements and the plans for implementation. The Chair said that a lot of work was going to be required in advance of May 2018. The requirements of the Bill would lead to more onerous conditions to demonstrate compliance, and potentially higher penalties.
- 3.3 Jake Vaughan said that the most significant areas were being assessed currently. This could be difficult because in some areas guidance was still awaited from the Information Commissioner's Office; in addition, the Data Protection Bill was still in progress, so it was difficult to assess what would be compliant at this stage.
- 3.4 A light touch review of progress towards compliance was planned for February 2018; a more formal audit would be considered later in the year. Jake Vaughan said a business case had been drafted for additional resource in the Clerk of the Parliaments' office to assist with preparations. There was no expectation that Brexit would impact on the need to comply with the new data protection requirements.
- 3.5 The Board **noted** the importance of the work underway, and invited Jake Vaughan to return to the Board if more support was required or issues needed to be resolved.

4. Risk report: Cyber security [RESERVED]

MB/2017/101

- 4.1 Steven Mark attended for this item. Tracey Jessup and Steven Mark introduced the paper.
- 4.2 The Board **reviewed** the risk description. *[Additional data – restricted access]*.
- 4.3 *[Additional data – restricted access]*.
- 4.4 The Board **noted** the proposed actions to further reduce risk towards the revised target score. *[Additional data – restricted access]*.

5. Corporate risk register as at 20 October**MB/2017/102**

- 5.1 Jake Vaughan introduced the paper. He set out the process for reviewing the corporate risks which would involve two workshops by the Business Planning Group, followed by a discussion at the Management Board in January.
- 5.2 Jane May asked about the connection between office level risk registers and the corporate risk register. Jake Vaughan answered that the connections between the two levels could be strengthened and this would be considered when the risk management framework was reviewed in the New Year. Nigel Sully added that there was a possibility of risks in relation to staffing being scored inconsistently by offices, and that he would examine this.
- 5.3 Simon Burton asked a question about the administration's response to the allegations over the weekend of sexual harassment within Parliament.
- 5.4 Nigel Sully explained that Heads of Office had received information about the current policies in place for handling allegations, and that they had been encouraged to cascade the information to staff. It was important that staff should feel supported.
- 5.5 Jane May said it would be useful to use the staff survey as a tool for measuring whether staff did feel comfortable to come forward with allegations.
- 5.6 Tracey Jessup added that training delivered to frontline staff under the House of Commons 'respect' policy had included modules on how to deal with difficult situations and conversations. The training was due to be refreshed for new starters and this may prove beneficial to Lords staff.
- 5.7 The Chair reminded Board members that all offices should inform the Clerk of the Parliaments office if any allegations were made.

6. Any other business / oral update

- 6.1 **D&I update:** Nigel Sully informed the Board that the House of Lords had been selected to feature in the 2017 edition of top 50 inclusive employers. The Chair gave credit to the work of the D&I manager, Rachel Williams, in succeeding in being selected.
- 6.2 Nigel Sully said there would soon be a communication to all staff about the 2017 pay award.

[Additional data – restricted access].

- 6.3 Nigel Sully also mentioned that the Board would be asked to consider a paper on the apprenticeship scheme at its next meeting.

- 6.4 **Business planning update:** Jake Vaughan informed the Board that the planning round was complete and that a note summarising the key themes would be circulated to Board members for information shortly.

For information

7. **Portfolio dashboard**
The Board **took note.**

MB/2017/103

Next Meeting: Wednesday 29 November at 10 am

Secretary to the Management Board

1 November 2017

Meeting date	Action	Owner	Deadline/ Status
26 June	To return to the Board with a proposal for resources required for PSAB	CW	December meeting
19 July	To reference risk more consistently in Board papers and to promote risk-based assessments	All Board members	Ongoing
12 Sept	To arrange media training for staff on the IMT 'Gold' rota.	DL (on behalf of BRG)	December 2017
12 Sept	To bring a paper on Millbank House to the next meeting of the Board	CW	29 November meeting
11 Oct	To provide quarterly reports on compliance to the Board, and monthly reports to Heads of Office	JT/NS	From February 2018
11 Oct	To consult the trade unions about ensuring compliance with mandatory training	JT/NS	End 2017
11 Oct	To meet with Heads of Offices to discuss security issues	EH	Nov 2017
1 Nov	To amend the financial plan proposal as agreed at the Board meeting, for discussion by the Finance Committee	JS/MA	November 2017