

**Minutes of the Management Board meeting
held on Thursday 13 June 2013 at 3.30 pm**

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

In attendance: Matthew Hamlyn (Board Secretary)
Ben Williams (Assistant Secretary)
Reg Perry (Head of Employee Relations, Pay & Policy) for item 4 only
Martin Trott (Head of the Savings Programme) for item 6 only

1. Actions arising

1.1 **Matthew Hamlyn** updated the Board. Actions 1 and 12 had been completed since the paper had been circulated. Action 2 would be covered under agenda item 2. **Andrew Walker** updated the Board on the unlocking talent pilot (action 5). Some business areas had expressed an interest in participating in the pilot but these expressions needed to be converted into firm commitments. Heads of Departments were asked to encourage their business areas to volunteer.

2. Performance and Risk

2.1 The Board discussed the escalated risk relating to outbuilding refurbishment. The risk had been escalated to give it Board level visibility and no action was required at this time. It was agreed that the Board would see the relevant Commission paper on accommodation before it was finalised, to ensure that all the interdependencies had been identified.

2.2 The Board agreed to have a more detailed discussion about reputational risks at its next meeting, and consider whether any actions were necessary.

2.3 The Board discussed the job matching process in accommodation as part of the Attendants Business Improvement Plan. A number of current D2 staff had failed the job-matching/promotion board for the new D1 positions and John Borley had written to the Chairs of the Administration, and Finance and Services Committees to inform them of the outcome. Unsuccessful candidates would be able to reapply for these positions when they were advertised through open competition. All affected staff had been offered training and support prior to the interviews, and further support would be offered to the unsuccessful applicants. If these candidates were unsuccessful

again they would be placed on the redeployment register. The business needed to consider whether meaningful work could be found for those placed on the redeployment register. The task of identifying such work should be owned corporately; it was not for Accommodation and Logistics Services or the Department of Facilities alone to resolve **Action: The Business Management Group** to discuss and identify positions into which unsuccessful applicants in the Attendant job match process could be redeployed. The Board noted that the job matching process had been a difficult task and expressed its thanks to the managers involved.

- 2.4 The Board noted that a large number of departmental risks had been scored as “Amber”. **Action: The Corporate Risk Management Team** to provide further analysis on these Amber risks, to be reported to the Board at the proposed quarterly performance review meetings.
- 2.5 The Board discussed the Security Arrangements Review Programmes (SARP) and noted that the Parliamentary Security Director was content that he now had the resources he needed. It was noted that a number of risks relating to the SARP stemmed from the fixed deadline by which outcomes must be achieved; lessons could be learnt for other projects with immovable end dates.
- 2.6 The Board discussed the Network Convergence programme. Since the report had been issued a revised business case had been produced which addressed the value for money concerns raised by the SRO. It was noted that the business case would need to secure approval through the remaining clearance stages quickly to help ensure the programme delivered to schedule.
- 2.7 The Board discussed the off-contract spend figures in the report. It was noted that not all “off-contract” spend was necessarily “non-compliant” spend, for example business rates and council tax were categorised as off-contract spend. The Board noted that more work needed to be done on improving the accuracy and presentation of the information. **Action: Myfanwy Barrett and Matthew Hamlyn** to ensure that the quality of procurement figure in the performance and risk report improved.
- 2.8 The Board noted that there had been a number of near-miss accidents around the Estate that appeared to have common causes and the Health, Safety and Wellbeing Team were investigating. The Board noted the amount of maintenance work had increased which could affect the number of incidents. that action was needed to mitigate this increased risk.
- 2.9 The Board noted that the short-term outlook for the Department of Finance had improved as the benefits of improvement in contract and financial management should be delivered in the next six months.
- 2.10 The Board noted that a number of DIS and DCCS programmes and business processes would be especially dependent on PICT support for delivery in the

next six months, and that PICT would require appropriate information and resources.

- 2.11 The Board discussed the Stewardship Report. In discussion the following points were made:
- A number of the findings in the report would be addressed in the current round of spending challenge meetings which the Department of Finance was holding with departments.
 - Some late changes in the figures had been caused by liabilities arising from pensions and from the accounting treatment of fixed assets. It would be important to identify issues arising from fixed asset accounting earlier in the process in future years.
- 2.12 **Myfanwy Barrett** introduced the Medium Term Financial Plan. The document tracked a number of new cost pressures and opportunities for additional savings. The paper set out actions that should be taken to secure additional savings in response to emerging cost pressures and the low confidence that all the planned savings currently identified would be realised. Since the report had been sent to the Board the issues identified with the cleaning contract had been resolved and the Administration Committee had made resolutions on charging for third party events which enabled that part of the income generation strand to proceed. The Parliamentary Security Director had agreed to the actions in his area.
- 2.13 The Board discussed the paper. In discussion the following points were made:
- Departments needed to forecast realistically and budget for the likeliest scenario, rather than the most pessimistic.
 - It would not be possible to quantify the likely income from third party events before the summer recess as the necessary data would not be available until some events had been run. This information would be available in time for the next financial planning round.
 - The new location of the souvenir shop in Westminster Hall was working well and might lead to increased income.
 - The Education Centre business case should be finalised by the Board's next meeting; this would have financial implications.
 - Savings should still be sought from the Special Services Agreement with the Metropolitan Police.
- 2.14 The Board **agreed** that departments should ensure that forecasting was realistic and that any capacity was reported early in the year.
- 2.15 The Board **agreed** that the actions set out in paragraph 16 of the paper should be taken forward, with the exception of the action relating to income generation, where it was noted that a lack of data meant this information would not be available until after the summer recess.

3. Oral Updates from Board Members

- 3.1 **David Natzler** gave a forward look on Chamber and Committee business.

- 3.2 **John Borley** reported that Paul Roberson had been elected to the British Clock and Watch Makers Guild. Andrew Ditchfield, Sous Chef, had won the National Pastry Chef of the year award. He noted that the Despatch Box now opened at 7:30 am.
- 3.3 **John Pullinger** reported that the shop had now moved to Westminster Hall and the 'Big Ben and the Elizabeth Tower' official guidebook had been published. The second TEDx event would take place on the next day and the number of viewers looked likely to exceed last year's 2 million.
- 3.4 **Joan Miller** reported that PICT had reviewed its advice on data sovereignty and cloud computing following news stories about PRISM and was content that the risk was unchanged.
- 3.5 **Alex Jablonowski** reported back from his leadership discussion group who had welcomed the increased effort by the Board in explaining the reasons behind its decisions, and supported more efforts to increase staff mobility across the organisation. The group had also discussed shared services with the Lords and had suggested that co-location of some services might provide a positive way to make progress on this issue. The possible decant of staff as part of the restoration and renewal programme could provide an opportunity to trial this approach.
- 3.6 **Myfanwy Barrett** reported that the Commission had discussed the financial remit and had agreed the proposed way forward. **David Natzler** suggested that the outcome of the meeting should be proactively communicated to staff. **Action: Myfanwy Barrett** and **Matthew Hamlyn** to ensure that the outcome of the Commission discussion on the financial remit was communicated to staff.
- 3.7 **The Chair** reported that he had used his message launching the staff survey to encourage more informal engagement between Board members and staff. The House had been awarded the "Louder than Words" charter mark for its work to improve access and services for the hearing impaired. He reported on his recent conversation with the Clerk of the Parliaments about bicameral relations.

4. Pay and Reward

Pay and reward update

- 4.1 **Reg Perry** introduced his paper which sought the Board's agreement to re-entering negotiations with the Unions. The Board was also asked to note the support that the employee relations team was providing to the Savings Programme and Business Improvement Plans. Elements of these programmes involved changing contractual entitlements to terms and conditions and the employee relations team was ensuring that any buyouts were done in a consistent manner.

- 4.2 The Board considered the paper. In discussion the following points were made:
- The Unions had now been informed about the decision to use time recording information for management purposes. Guidance for those using the centrally provided timesheets was being revised and would be issued to departments shortly.
 - The Board's key principles and aims for a settlement had not changed. If the Unions felt that they would not be able to recommend a deal based on these principles the negotiating team would return to the Board for further instructions.
 - The staff consultations on pay and reward would be led by trained in-house facilitators rather than members of the pay and reward team.
 - If it looked likely that a new deal was emerging senior leaders would need to be briefed so that they could explain the offer to their staff.
 - A clear handling strategy for Member bodies should be developed in advance of an offer being made.
- 4.3 The Board noted the activities set out in the paper and **agreed** that the Pay Negotiation Steering Group should continue in its role with delegated responsibility from the Management Board.

Intermittent Workers

- 4.4 The Board considered the paper. In discussion the following points were made:
- A decision on these issues was needed to allow Catering Services and Visitor Services to start recruiting staff and ensure implementation of their business improvement plans.
 - This was a politically sensitive issue that would need careful handling at the Commission. There was the potential for negative comparison with contractual arrangements used by other organisations. The House Service needed to be very clear about the details of current arrangements and the proposed changes, and the merits of the House Service's employment offer compared to some other employers.
 - The introduction of the new contracts would improve the rights of staff who were currently employed as "casuals", by making them employees rather than workers. It would also provide business areas with the flexibility they needed to deliver the Business Improvement Plans which had been approved by the Finance and Services Committee.
 - There were areas of the House Service that would not be able to run efficiently without the ability to "top up" staff complements at peak times through the engagement of intermittent workers.
 - Consultation with staff would be important. Some existing staff preferred the flexibility that the current and proposed contractual arrangements offered, as the number of hours worked had to be agreed between both parties, and staff were not obliged to work hours they did not want to. These arrangements could, in some cases, help with diversity by allowing staff to arrange work to suit their personal circumstances.

- There would be room for a number of different solutions within a common framework. It would be possible to put some staff on contracts where they were guaranteed a minimum amount of work over a period of time. Detailed analysis of the data would be required to determine where it would, and would not, be possible to offer minimum hours contracts. This task could be remitted to BMG.
 - The Commission should be given sight of some real anonymised case studies to illustrate the experience of existing staff as well as the impact of the changes.
- 4.5 The Board **agreed** to continue to develop a structured approach to managing contracts for intermittent staff, on the basis that they should be employees, rather than workers.
- 4.6 The Board **agreed** that it would not guarantee a minimum amount of work for all employees on intermittent contracts, but would seek to offer contracts that included, where possible, a guaranteed minimum number of hours, depending on the needs of the business area and the preferences of the employees involved. **Action: Andrew Walker** to draft a paper for the Commission meeting on 24 June which set out management's position.

5. Commission Annual Report

- 5.1 The Board agreed the draft Commission Annual Report.

6. Continuous Improvement

- 6.1 **Martin Trott** introduced his paper. Establishing a continuous improvement process would: help control expenditure in medium term, build on the culture of cost awareness created by the savings programme, and support staff to examine the Service activities with a focus on how to improve its effectiveness. The proposed approach would be light touch, involving two to three expert staff who would support senior managers in delivering change. While there were no plans for further rounds of the savings programme there would be a need to find additional efficiencies to absorb upward cost pressures. The costs of the programme were not yet clear but were likely to be modest and the programme would have to demonstrate that it led to a net cost reduction. A joint approach with the Lords had the potential to add value as the two Houses' financial strategies would be more closely aligned in the next Parliament, but each House would be able to proceed with change at their own pace.
- 6.2 The Board considered the paper. In discussion the following points were made:
- The focus should not be on a central team "reviewing" areas of the business, but on supporting the business to control its costs and improve service effectiveness.
 - While there would not be another formal savings programme, the House would continue to have financial targets to meet that would arise from the Medium Term Financial Plan and the departmental spending challenges.

The Finance and Service Committee were also keen for the House to maintain its current financial discipline. A continuous improvement process would help achieve both these ends.

- A light touch approach might lead to diminishing returns. A small team with the authority to work across departmental and House boundaries would have a greater chance of realising larger efficiencies.
- The focus should not be on teams but on processes, which might cut across a number of different areas of the House Service or across the two House administrations.
- The Board would be asked to authorise work on a more detailed proposal. The next stage of development would address questions including: how areas were chosen, and how this work fitted into the forward planning process. This work would be supported by a joint workshop of BMG and its Lords equivalent.
- The Lords Management Board had already considered this paper and had reacted positively. They appreciated being involved at the beginning of the process and saw the emphasis as being on providing staff who understand the business with the tools to challenge existing processes.
- A joint approach with the Lords could raise questions about developing more shared and unitary services, which was a sensitive subject.
- The departmental financial challenge meetings and the work of internal audit already produced a number of outcomes that this process sought to achieve.
- The process should be used as a way to give in-house experts the freedom to make their own improvements to the business.

6.3 The Board **agreed** that the concept of continuous improvement had merits as a successor to the Commons Savings Programme.

6.4 The Board deferred the question of how this work should be resourced, prioritised and evaluated until a more detailed proposal had been developed. The Board **agreed** that the proposal should be developed bicamerally and should include a cost benefit analysis. The work should include a focus on examining processes across departmental boundaries.

6.5 The Board **agreed** that decisions on this subject were for the Management Boards to take. The Board would inform Member bodies of the outcome.

7. Management Board Effectiveness

7.1 The Board noted the progress made by the OCE in implementing its actions from the review and that benefits were already being realised.

7.2 The Board discussed the timing of performance information. While the timetable for producing financial information could in principle be shortened, it would risk the accuracy of the data and could undermine efforts being made to encourage departments to recognise the importance of robust forecasting . If the sharing ratios for joint services with the Lords were simplified, as suggested in the separate take-note paper tabled for the meeting, this would shorten the time needed to produce the monthly financial information. The

Board **agreed** to option B, as set out in the paper, and to rearrange the dates of future Board meetings from January 2014, as suggested, to accommodate this.

- 7.3 The Board **agreed** the draft annual work plan, including the proposed away day on strategy in early October and the quarterly performance review meetings starting from October. The Board agreed there would be value in sharing its annual work plan more widely with staff. The Board discussed increasing the information available to it on core business activities, and agreed it wished to see more activity measures for both core and non-core business areas. **Action: Matthew Hamlyn** to ensure the OCE: make the annual work plan more widely available to staff; arrange an awayday and quarterly performance review meetings for the Management Board; and provide the Board with a greater range of activity measures for discussion at the quarterly performance review meetings.
- 7.4 The Board discussed the revised requirements for authors of Management Board papers. In addition to the changes, it was suggested that papers should include the date of the meeting at which they were taken, and include a reference to the importance of considering whether legal advice should be sought. The Board **agreed** the paper subject to these changes and asked the OCE to review the paper with a view to shortening it and emphasising the value to Board paper authors of consulting the OCE at an early stage.
- 7.5 The Board agreed the protocol on agreeing Board papers outside Board meetings and the proposed approach to other decision-making and a statement on the Board's method of operation.

[adjourned at 6:30 pm

Matthew Hamlyn

Secretary

Robert Rogers

Chairman

17 June 2013