

**Minutes of the Management Board meeting  
held on Thursday 23<sup>rd</sup> January 2014 at 3.30pm**

**Those present:** Sir Robert Rogers KCB (Clerk and Chief Executive) (Chair)  
Myfanwy Barrett (Director of Finance)  
John Borley CB (Director General of Facilities)  
Joan Miller (Director of PICT, external member)  
John Pullinger CB (Director General of Information Services)  
Andrew Walker (Director General of HR and Change)  
Dame Janet Gaymer DBE (non-executive member)  
Barbara Scott (non-executive member)

**Apologies:** David Natzler (Clerk Assistant and Director General of Chamber and Committee Services)

**In attendance:** Tom Goldsmith (Board Secretary)  
Ben Williams (Assistant Secretary)  
Amanda Colledge (Head, Management Accounts) (items 1&2)  
Jane Hough (Strategy, Planning and Performance Manager) (items 1&2)  
Jane Rumsam (Head, Parliamentary Programme and Project Assurance) (item 1)  
John Thursfield (Portfolio Manager) (item 1)

## **1. Performance and Risk**

1.1 **Tom Goldsmith** said that in addition to the information normally provided for a quarterly performance review there was a particular focus on programmes and projects in response to the Board's request to take a detailed look at this area. Feedback on the papers would be welcome and the intention was to reduce the amount of information provided for future meetings.

### *Forecast Outturn*

1.2 **Myfanwy Barrett** introduced the forecast outturn section of the performance and risk report. The resource position had not changed significantly since the last time the Board considered it. Departmental underspend was forecast to be £4.8m. The large areas of underspend were caused by: uncertainty around the outcome of the court case, changes in property valuation, and possible pension revaluation. If the outcome of the court case was known by the end of January that would significantly help forecasting. If the judgement was not known by then no supplementary estimate would be brought forward, to maximise flexibility. The property valuation looked likely to yield a £10m profit but there was the possibility of further changes before the end of the financial year. The expected impairment charges would not impact on this year's budget as the works on 53 Parliament Street had been delayed.

1.3 The capital programme was forecast to underspend by £6.8m (21% of budget). This represented a significant change from the situation earlier in the year, when an overspend was forecast, and was due to a large number of programmes slowing down delivery. It had been hoped that the capital underspend would have been lower due to the number of projects that had received approval or started on site before the start of the financial year. A supplementary estimate was planned for the Members Estimate but there had been no changes since the last time the Board had considered this matter.

1.4 The Board considered the Forecast Outturn. In discussion the following points were raised:

- It was thought that the delays to the shop in 53 Parliament Street would not have a significant impact on the ability to meet the 2014/15 income generation targets.
- Once income generation operations were set up they normally exceeded their targets; the problem was the length of time taken to set up new income streams.
- The delay to 53 Parliament Street would have other consequences, for example it would impact on the relocation of the ticket office.
- It was noted that the income from the new room hire arrangements looked likely to exceed their targets.
- Given the level of the underspend, Board Members should consider whether there were ways this resource could be deployed. The availability of this resource would be dependent on the outcome of the court case and all bids would need to be supported by a robust business justification.
- PICT had submitted a proposal to purchase additional ICT equipment that had both a revenue and capital component. DCCS and DIS were also likely to bid for additional resources for co-location.
- While there had been some large items outside the control of the House service the figures showed that managers were still not spending the entire budget allocated to them. This might reflect the House Service being too ambitious in its judgment of what it had the capacity to deliver.
- The departmental underspend was less than the previous year, primarily due to reductions in Departmental budgets.
- It would be important to be clear on the interpretation of the Commission remit to maintain fiscal discipline within departments. Expenditure should only be judged as falling outside the remit in exceptional circumstances; this approach had been endorsed by John Thurso MP at the Audit Committee.
- It was noted that there was currently no penalty for significant underspend whilst there was for even small overspends.
- There were a number of relatively small underspends spread across different budgets which showed that there was capacity to realise further savings.

- It was noted that likely levels of parliamentary business in the last year of the current Parliament would impact on DCCS's resource requirements.
- Confidence had remained high on capital expenditure for the first six months of the year and had then suddenly reduced. It was hoped that the planned review would address this issue.

1.5 The Board discussed the "performance" section of the report. In discussion the following points were raised:

- The Board had not received performance information on reactive maintenance for two years. Manually recorded information showed that 83% of maintenance works was done within the target deadline, but confidence in that figure was low.
- In addition to improving data quality, reporting and logging jobs using handheld devices should improve performance.
- The project to upgrade the Archibus system had suffered from a number of setbacks including changes in the mobile devices used, software issues and missing training delivery dates. The problem should be resolved by Easter. Confidence in delivery had been increased by the appointment of a new Business Management Director.
- PICTAB was the appropriate governance body for this to be escalated to. PICTAB could provide advice and, if necessary, additional funding. **Action: John Borley to ensure that PICTAB receives a paper on progress implementing recording via handheld devices for maintenance works.**  
**Action: John Borley to provide the Board with a take note paper on progress following consideration of the issues at PICTAB.**

1.6 The Board discussed the "risk" section of the report. In discussion the following points were raised:

- There was an issue about where red risks were held within the organisation. The current approach was that risks were held at the level at which they were managed; but that the Board should have visibility of red risks. Internal Audit wanted to see greater escalation of red risks to the Board for action.
- Some areas of risk fell outside the main risk reporting framework, such as project and programme risks that were reported to their governance Board, and information security and security risks. These could be brought within a single risk platform.
- Greater horizontal visibility of risks would be helpful to identify trends. Risks previously flagged as red should be reviewed to see where the current system had produced the desired results.
- A workshop on information security risks was being held which the Clerks, SIROs, PSD and PICT would be attending.

- The risk management team's focus should now be less on process and more on ensuring the systems were being used to improvement the management of risks.
- The Board noted that PEB and PICTAB did not receive reports on all project and programme risks as some programmes did not report to either of these boards.
- The delivery base lines against which programmes and projects should be judged were being made clearer so it was easier to judge when there was a risk of non-delivery that needed to be escalated.
- Projects and programmes would now be completing risk potential and complexity assessments which would highlight the key risks that needed to be monitored.
- There was merit in exploring a single Investment Board that covered all programmes across Parliament. The current reporting system caused the administration to carry risks because it was structured around the suppliers rather than business benefits.
- The Joint Board meetings on the Medium Term Investment Plan were the start of a single investment board approach, although the utility of those meetings could be improved. However, this role could not be performed by the Joint Boards and both bodies would need to be willing to delegate decision making powers to a smaller, single joint body. **Action: The Chair to raise the possibility of a single investment board at the joint board away day.**
- Currently most joint governance boards said yes to all proposals put before them; any new body needed to be willing to turn down proposals. The main criterion should be whether the House had the delivery capacity, rather than the financial resources, to support the project.
- The Corporate Business Plan should be a mechanism for prioritisation, as it set out what the House Service would deliver from its resources. The Business Plan currently covered all activity and language did not always make it clear what was not being delivered. The plan should be franker about what were "nice to haves" and should set out the key business drivers for the year ahead.
- All investments currently meet criteria, and the Board needed to draw these more narrowly. This aspect would be taken into account when preparing for the next investment planning round.

1.7 **Action:** *The Board mandated the **Corporate Risk Management Team** to create a unified risk platform through which all risks would be reported.*

1.8 The Chair sought and received assurances that risk was a standard item at departmental management boards.

1.9 The Board discussed the "projects and programmes" section of the report; in discussion the following points were raised.

- The Board discussed the role of Senior Responsible Officers (SROs). There was a clear definition of the role but they were not exercising their authority in all cases.
- There was no complete record of all SROs in the organisation.
- SROs should be able to work across organisational boundaries and deliver outcomes using influence and persuasion where they lacked direct authority.
- SROs should be brought together to share their experiences; some SROs took part in the project and programme management community of practice but an SRO-only event had not been organised.
- SROs should be given a letter of authority and delegation when they were appointed setting out their responsibilities, powers and tools.
- The Board needed to communicate clearly that SROs had their direct support. This included SROs for programmes coming to the Board soon after they had been appointed. If an SRO was facing a block from another part of the House Service this should be escalated, if necessary to the Board.
- There had been delays in delivering training for SROs.
- The rest of the organisation needed a clear understanding of the roles and powers of an SRO, including that they were delivering on behalf of the Board.
- Project and programme management should be recognised as a separate professional discipline; it was not part of a general management competency.
- **Action:** *OCE to produce a template for SRO letters of delegation and authority.*
- **Action:** *OCE to produce a full list of all SROs.*
- **Action:** *The OCE to send a message to the SRO cohort setting out the Board support for the role and the support the Board is offering.*
- **Action:** *The OCE to arrange a meeting for SROs with Board Members to outline the Board's support for, and expectations of SROs, and for SROs to tell the Board what support they would find useful.*
- **Action:** *The OCE to ensure that training for SROs to be arranged as a matter of priority. The Board mandated that all SROs should go on this training and in future no-one would be appointed as an SRO without training.*

## 2. Corporate Business Plan.

2.1 **Jane Hough** introduced the draft Corporate Business Plan. The draft reflected the steer the Board gave at its October workshop that the focus should be on completing work that had already started. The Board was asked to provide comments on the overall structure and content of the report; detailed drafting comments could be shared outside the meeting. **Jane Hough** asked Board members to thank their departmental business managers for their work on departmental business plans that fed into this document.

2.2 The Board discussed the draft Corporate Business Plan. In discussion the following points were raised:

- The diversity targets for senior staff should be revisited. There was currently a specific target for A3s; a target for all “A” grade staff might be more useful.
- The rationale behind the A3 target was that this grade acted as a feeder to the senior cohort; however it was not a perfect measure as there were other routes into senior grades.
- Other routes to increase diversity in senior grades, such as through the Windsor Fellowship Scheme should be considered.
- The diversity targets were part of the Diversity & Inclusion Strategy and had been agreed with the Commission in September 2012.
- Selection and recruitment on the basis of potential might aid in achieving a more diverse senior staff cohort; the House currently favoured the recruitment of individuals who were already experts in their subject areas, which reduced the pool of candidates it was selecting from.
- The secondment of staff from non-public sector organisations should be explored.
- HR activity was currently scattered throughout the report; the People Strategy should provide an underpinning for a “people section” in the report.
- There was already a clear line of sight between the House of Commons Strategy, Departmental Business plans and individual team and staff member objectives. Therefore the Corporate Business Plan did not need to be comprehensive and should instead focus on the main priorities.
- Two versions of the plan could be produced aimed at different audiences; a short version with key priorities and a fuller version as the publicly available “accountability document.”
- As well as finishing existing work the plan needed to look ahead into the 2015-2020 strategy and set out a process through which a vision for the next Parliament would be created.

2.3 **Action: Board members** to provide Jane Hough with detailed comments on the draft Corporate Business Plan by the start of the February recess.

### 3. HR issues

3.1 Andrew Walker introduced the discussion on three human resources papers. The House Service had made significant progress on HR issues and had achieved Investors in People standard for re-accreditation. The reports had also highlighted areas where further work needed to be done.

There was no need for new initiatives; instead the Board should recommit to the HR work that was already under way, including the competency framework.

3.2 The initial findings on the competency framework showed that it was achieving wider benefits than had been predicted; the main benefit was in prompting staff and managers to have detailed conversations about staff performance and development. DHRC would be offering objective setting workshops for staff to

help them integrate the outcome of competency framework exercises into job planning for the next financial year.

3.3 The Board discussed the HR papers. In discussion the following points were raised:

- The overall approach of not starting new initiatives but continuing the current approach was supported.
- In practice Board members could support the current work by continuing positive reinforcement of good behaviours in their department and emphasising the value of the PDM/ASR process.
- Board members needed to ensure their own department met the target of having 50% of staff complete the competency framework exercise by April; this would require a concerted effort in some departments.
- The latest Investors in People reports should be made available to staff.
- There was a Leading for Parliament Community of Practice group looking at the House's leadership and management culture. The group had been provided with some resources to support their work.
- The Board needed to model the kind of leadership it wanted to see in the rest of the organisation. The organisation did not see clear performance management coming from the Board.
- A lot of the House Service engagement work aimed at staff was overly complicated. Some departments had had success by consistently communicating clear simple messages about the department's purpose and emphasising that it supported the Parliamentary process.
- Around 150 staff had been on the Leading for Parliament programme. While this had made a significant impact on some individuals, its impact was not being seen as widely as had been hoped.
- It was important that those on leadership and management courses had opportunities to apply what they had learned. The Leading for Parliament programme had been designed with this principle in mind.
- Work on the competency framework, as well as being beneficial in itself, was a key prerequisite for starting work on 360 degree feedback and "unlocking potential."
- There would be no changes to the PDM system for the next reporting year, but a revised system was likely to be in place the following year.
- The current systems were not always well designed and did not make it easy for managers to comply with the requirements placed on them. Improvements would be made to the Learning Management System to reflect this feedback but it was not possible to make changes to the current competency framework tool.
- There might be value in senior managers attending time management courses and have their working patterns analysed to identify ways they could work more efficiently.

- Heads of department should make it clear to their departments that these initiatives were not optional. In other organisations, line managers had to produce an annual statement setting out how they had fulfilled their duties towards their staff, including completion of mandatory training courses and there were clear consequences for non-completion.

#### **4 A.O.B.**

4.1 The **Chair** asked for an update on the rollout of Office 365.

4.2 **Tom Goldsmith** briefed the Board on proposals for this year's Board effectiveness exercise.

4.3 **Ben Williams** informed the Board that the letters of assurance exercise would start in the first week of February.

4.4 **Andrew Walker** asked Heads of Departments to encourage their senior staff to apply to attend the CSC Leaders conference.

[adjourned at 17:40pm]

**Tom Goldsmith**  
**Secretary**

**Robert Rogers**  
**Chairman**