MANAGEMENT IN CONFIDENCE

**Minutes of the Management Board meeting
held on Thursday 15 January 2009**

Those present: Malcolm Jack (Chief Executive) (Chairman)
Douglas Millar CB (Director General of Chamber and Committee Services)
John Pullinger (Director General of Information Services)
Andrew Walker (Director General of Resources)
John Borley CB (Director General of Facilities)
Joan Miller (Director, PICT, external member)
Alex Jablonowski (external member)

In attendance: Philippa Helme (Board Secretary)
Hannah Weston (Private Secretary to the Clerk of the House)
Chris Ridley (Director of Financial Management, for item 4)
Richard Ware (Director of Programmes and Project management, PICT, for item 5)

1. Matters arising from previous meetings

1.1. Further to item 2 **Andrew Walker** said that social networking and blogging would now be addressed in broader staff communications relating to data security and protection.

1.2. Further to item 7 **Philippa Helme** said that the Board had, by correspondence, endorsed the draft staff survey action plan and agreed the next steps to be taken.

1.3. Further to item 9 **Philippa Helme** said that the Board had, by correspondence, endorsed the FOI Publication Scheme, which would now be submitted for consideration by the Commission.

1.4. Further to item 11 **Andrew Walker** said he was still investigating how the House could pay its invoices from SMEs as rapidly as possible. Any conclusions should be available by April.

2. Risk and performance

2.1. The Board considered the risk which had been escalated to the Board from the Department of Resources.

2.2. **Andrew Walker** said that the Department of Resources had escalated the risk to the reputation of the House Service, the House itself and departmental management risks arising from uncertainty over Members Allowances and FOI. The intention was to ensure that Board members were aware of the ongoing risks rather than to request any additional mitigations.

2.3. The Board noted the risk and agreed that no new Board level action was required at this point.

2.4. The Board considered the latest risk and performance information.

2.5. **Joan Miller** said that the world financial situation had prompted PICT to audit the financial position of all its suppliers, in order to identify those which could be at risk.

2.6. [s.36(2)(b) and s.36(2)(c); s.44]

2.7. **Andrew Walker** said that all Directors General had a management responsibility to monitor the financial position of their suppliers. An audit of the financial well-being of suppliers had taken place and would be considered by the Administration Estimate Audit Committee at its 28 January meeting. The Commercial Directorate in the Department of Resources was considering more systematic ways of analysing the position of suppliers.

2.8. The Board noted the risk and agreed that no new Board level action was required at this point.

2.9. **Joan Miller** had met Rachel Harrison, Corporate Risk Management Facilitator, to discuss the corporate IT risk (risk 3). There was considerable variation in the manner in which Departments assessed the extent of the IT risk they faced. In order to achieve a greater degree of standardisation, Business Relationship Managers would hold discussions with departmental risk owners and feed back the results to Joan Miller, who would discuss with individual Directors General.

2.10. **Andrew Walker** said that he now had data on rates of payment of undisputed invoices within 30 days disaggregated by Department, which he would be happy to share with Directors General. **The Chairman**

emphasised that it was important for adequate checks to be made on all invoices before they were paid, as well as trying to meet the 30 day deadline.

2.11.   **Joan Miller** said below target performance data from PICT reflected both high volumes of calls to the PICT helpdesk and lower staff numbers. The latter problem arose from the length of time taken for security checks on newly recruited staff to be completed. She hoped these staff would be in place by February.

2.12.   **The Chairman** noted the 42% increase in FOI requests in the three months to December, compared with the same period last year.

3. **Oral up-dates from Directors General**

3.1. **Andrew Walker** said that:

    3.1.1. a staff member had been recruited to work with the Security Service to speed up the security clearance process for all staff. He was currently undergoing his vetting.

    3.1.2. the new Director, Commercial, Bonnie Mohan had come into post, and was keen to meet relevant staff.

    3.1.3. the MEC had published a report proposing a revised Green Book and a stronger audit regime. A package of measures relating to FOI and Members' allowances had been tabled by the Government for debate on Thursday 22 January.

3.2. **Joan Miller** said that:

    3.2.1. the Infrastructure Programme was progressing well and would be managed by Steve O'Connor. His move would require other changes, which would impact on departmental account managers.

    3.2.2. PICT would hold a technology showcase for Members and staff of both Houses of Parliament in the Jubilee Room on 5 March.

    3.2.3. the PICT Service Desk had regained accreditation to the Service Desk Institute.

3.3. **Douglas Millar** said that:

    3.3.1. the evacuation of 7 Millbank following a gas leak on Thursday 8 January had revealed the impact on the broadcasting unit if its premises, currently located in the basement of the building, were not operational. If the basement became inaccessible, as it had on this occasion (although the House was still in recess), the only possible television coverage of the Chamber was a low grade, static image.

Existing BCDR plans called for an outside broadcast unit to take over broadcasting, but this could take up to 24 hours to arrive, which might constitute an unacceptable delay if the House were sitting. Work would take place immediately to develop an alternative plan.

3.3.2. following the gas leak evacuation, staff had been redistributed to work stations around the Palace. This had revealed that some computers were not able to support all the applications required.

3.3.3. the Business Risk and Resilience Group would meet on 21 January to consider the lessons which could be learned from the BCDR response to the gas leak. The Board agreed that the Chairman should write to James Robertson to thank him for his contribution to the management of the incident. The Board asked **Douglas Millar** to pass its thanks to Jill Pay and Jacqy Sharpe, whose work had significantly improved the management of BCDR incidents.

3.3.4. *Action: Clerk to write to James Robertson to thank him for his contribution to the management of the gas leak incident. Douglas Millar to pass thanks to Jill Pay and Jacqy Sharpe.*

3.4. John Borley said that:

3.4.1. a report by consultants on the future occupation of 14 Tothill Street and 4 Millbank would be published shortly. He would consult Board members individually about the findings.

3.4.2. a steering group for the feasibility study on the decant of the Palace of Westminster had been established and a company had been selected to undertake the study.

3.4.3. some Members might need to be decanted from T Block in order to allow the extermination of moths to take place.

3.5. John Pullinger said that:

3.5.1. the Review of Visitors had been completed and the results would be discussed next week at the Visitors Board. The review would then be considered by Committees in both Houses. A take note paper would be circulated to the February Board.

3.5.2. Lord Renton, Chairman of the Lords Information Committee, had proposed an inquiry into public engagement by Parliament.

3.5.3. some confusion had arisen between his new role as the risk owner for the corporate risk relating to information (risk 10) and Andrew Walker's existing role as Senior Information Risk Owner (SIRO). He would meet a group of stakeholders together with Andrew Walker and Joan Miller, to resolve ambiguities and determine where responsibilities should be located.

3.5.4. in his capacity as owner of the risk of the House Service failing to meet the needs of Members (risk 9) he had become aware of the numerous different lists of Members held in different parts of the

House. The Board took the view that the "yellow list" compiled following swearing-in at the start of each new Parliament should be the basis of the definitive list.

4. 2008/09 Final Forecast Outturn

4.1. Chris Ridley presented a paper on the final forecast outturn for the Administration Estimate 2008/09. The figures had changed since the paper was circulated, due to new information from the Government Actuary's Department, which had reduced the resource underspend by £1.3 million to £6 million. Of this £6 million approximately £3 million was the balance of the reserves (Tebbit reserve £1 million and general contingency reserve £2 million). The remaining £3 million underspend was largely the result of salary fluctuations and delays in accommodation projects. The total cash underspend was £12 million, which was due to delays in the implementation of capital projects including Tothill Street and the security control room.

4.2. Andrew Walker said it was likely that the underspend would increase before the year end. If it increased to beyond 5% of the total budget, then the NAO would investigate. Forecasting had been more realistic than in the past but the Board needed to consider how it might be improved in the future. The Board should also consider whether there was any agreed future expenditure which could be brought forward to reduce the underspend and relieve pressure on next year's spending.

4.3. *In discussion, the following points were made.*
- The Stewardship report was an important tool enabling Departments to learn lessons about forecasting from year to year.
- Genuine efficiencies could count towards corporate savings, even if they were achieved within ring-fenced expenditure. Such savings would not automatically be returned to the Department which achieved them
- The Lords was overspent in certain areas of joint resource expenditure during the current year which prevented the Commons using its underspend. Cross-subsidy between the Houses was not permitted by the NAO. If the position persisted into the future the Commons might have to proceed without Lords participation in certain areas.

4.4. The Board noted the paper.

5. ICT Infrastructure and Desktop renewal

5.1. Richard Ware presented a paper from the Director of PICT introducing a paper from himself on the improvement of ICT infrastructure and renewal

of the desktop. Implementation of the project for staff would occur during 2009, but the timing of implementation for Members was still under discussion.

5.2. There was a need for a more resilient IT infrastructure; the existing infrastructure was starting to break down. The Houses' systems were dependent on Microsoft and Parliament needed to use tools which were supported by Microsoft. The new tools which would be made available, particularly collaborative applications such as Sharepoint, would be advantageous for the House Service. Lessons had been learnt from the failed project to roll out Windows XP. All the applications in use in the House had now been identified and it was recognised that continuity for users between old and new systems would be critical to the success of the project.

5.3. Support for users would be essential; this would include floor-walking, which had already proven successful. Timing of the roll-out would be considered carefully and negotiated with users. A project board of senior users had been established and consultation had taken place to ensure compatibility with the SPIRE programme. Sharepoint would not necessarily be the right solution for the House unless it could be integrated effectively with records management systems.

5.4. The Board considered the possible approaches for implementing the desktop. The options ranged from a unified style of implementation (a "locked-down desktop") to a loose framework allowing for significant variations.

5.5. *In discussion, the following points were made.*
- Past experience had showed that when asked, users identified very wide-ranging needs which could result in a highly differentiated product which would be difficult to support. There should be a fall-back position if an attempt to allow for flexibility did not appear to be working in practice.
- Directors General were willing to ensure that staff adopted the new standard desktop as long as it enabled staff to do their jobs.
- The process of developing the desktop needed to be truly interactive. This might be achieved through the "user journeys" approach.
- The User Engagement Project Board led by Richard Ware had been formed to manage engagement with users and consultation within the Infrastructure Programme.
- Testing was important to ensure staff had confidence in the new standard desktop.
- It would have been helpful to have had costings of the options in the paper before the Board made a decision. One of the likely significant

costs would be that of training and supporting staff to make the transition to the new desktop.

- There was a need for a realistic assessment of the change management processes which would be necessary to implement the desktop successfully. Problems with such projects frequently resulted from insufficient investment in training.
- There was a potential reputational risk from failure of the technical implementation of the project. The likelihood of failure for any of the options other than a locked down desktop would be greater.
- The firm which had supported the DEFRA desktop roll-out had been engaged to support the design of the desktop and assist with the roll-out.
- A process of "remediation" would examine existing applications to see whether they would be compatible with the new desk top. Solutions would be possible in almost all cases, but the costs of developing these would differ.

5.6. The Board agreed that PICT should proceed with option one, the "locked-down desktop" but with a limited number of negotiated exceptions available. It would be helpful for PICT to provide the Board with a list of the likely areas of difficulty, to allow Directors General to ensure that staff with differing requirements would engage with the programme at an early stage.

6. **Equality Scheme**

6.1. Andrew Walker presented a revised draft of the Equality Scheme for the Board's consideration. The Commission had asked the Board to develop an "Single Equality Scheme" which would comply with legal requirements although the House was not subject to the law in this area. Following the statutory requirements had produced a somewhat bureaucratic scheme, but what was important to most staff was the Management Board's commitment to equality. The scheme itself was not intended to be the vehicle to convey this commitment although it would be available online for those staff who were interested.

6.2. *In discussion, the following points were made.*
- The scheme was much improved over the previous version, although it was still highly bureaucratic in form.
- The Board was seeking to promote equality for the benefit of the business and not in order to comply with the law.
- The Resource Management Group was working to ensure that action on equality, the staff survey and Investors In People were combined into a single focused and succinct action plan.

- There were 127 actions in the scheme and there was a danger the House Service was setting itself up to fail in including so many targets.
- There were some actions for managers outside the Department of Resources which had not been discussed with those involved; this needed to be done before the plan went forward to the Commission.
- In the context of the scheme, the definition of equality was that contained in the relevant anti-discrimination legislation.

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

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

6.4. The Board agreed the revised draft Equality Scheme subject to completion of the following actions.

6.5. *Action: Andrew Walker to ensure that the business benefits of equality were more strongly emphasised within the scheme and associated documents, and that where possible the Scheme should be made more succinct.*

6.6. *Action: Diversity team to consult managers who would be responsible for delivering individual actions, to ensure that these were realistic, and to reduce the total number of actions.*

6.7. *Action: Office of the Chief Executive to support work by the Department of Resources on a clear, succinct communication from the Board to staff on the equality scheme.*

7. **Performance and Development Management**

7.1. Andrew Walker introduced a paper from the Senior HR Adviser, Department of Resources on the new Performance and Development Management system for staff in pay bands A-E. The paper was intended to inform the Board about the streamlined staff appraisal system which, if approved, would be introduced from April 2009. Annual appraisal would be separated from the award of performance bonuses. The Board was not being invited to consider the inclusion of catering staff in the changed system at this stage. Catering performance management would be considered in the context of wider issues including assimilation.

7.2. *In discussion, the following points were made.*

- The simplification of the appraisal system in the new scheme was welcome.
- There was further work to take place, including on training and guidance for managers.
- There was a risk that guidance would not be prepared in time for the first four monthly review in July 2009. Consideration might be given to twice yearly performance appraisal in the first year of the scheme to allow an additional two months for guidance to be prepared.
- The new training for line managers included the management of poor performance.
- Andrew Walker would welcome feedback from Directors General once they had completed this training.

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

7.3. The Board agreed that the new Performance and Development Management system should be introduced for staff in pay bands A to E from April 2009.

7.4. *Action: Directors General to send detailed comments on the Performance and Development Management system and feedback on the new Line Management training to Andrew Walker.*

7.5. *Action: Andrew Walker to consult on the possibility of twice yearly performance appraisal in the first year of the scheme to allow an additional two months for guidance to be disseminated.*

8. Any Other Business

8.1. The Board took note of the update paper on the Balanced Scorecard. **Andrew Walker** said that the Balanced Scorecard would be most useful if the Board took ownership of it and were sufficiently involved in its development. The Board agreed that a date should be identified for a facilitated Board workshop on the Balanced Scorecard, to follow the planned Resource Management Group workshop.

8.2. *Action: OCE to arrange a facilitated Board workshop on the Balanced Scorecard.*

8.3. **Andrew Walker** said that the House's IIP accreditation would expire in November. Fergus Reid in DCCS would lead the work to apply for reaccreditation, which was about to start. **The Chairman** asked about the cost of the reaccreditation process. An exact figure was not available but would include the time of the staff involved, some limited advisory costs and the fee of the accreditation company.

8.4. **Douglas Millar** informed the Board about the information bulletin which the OCE was producing on a weekly basis for Mr Speaker. The Board agreed that the bulletin should be circulated to Directors General who could pass on the information (although not the document itself) to staff in their Departments.

8.5. *Action: OCE to develop a House-wide communication to senior managers, to be considered by the Board by correspondence.*

[adjourned at 6.06 pm

Philippa Helme   **Malcolm Jack**
Secretary   **Chairman**

22 January 2009