

**Minutes of the Management Board meeting  
held on Wednesday 26 May 2010**

**Those present:** Malcolm Jack (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 Resources)  
Joan Miller (Director of PICT, external member)  
Alex Jablonowski (external member)

**In attendance:** Philippa Helme (Board Secretary)  
[s.40] (Assistant Secretary)  
Chris Ridley (Director of Financial Management, for item  
4)

**1. Matters arising from previous meetings**

There were no matters arising from previous meetings.

**2. Risk and performance**

**2.1.** The Board considered whether it was doing enough to manage the risks and make the most of the opportunities presented by the period of political change.

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

**2.3. Robert Rogers** said the business statement the following day would set out the business for the following week and the expectation that the House would rise for the summer recess on 29 July, returning for two weeks on 6 September. There could be a debate on the desirability of September sittings in future years. It would be desirable for any such debate to be informed by information on the costs of different options. The Leader and Deputy Leader appreciated the merit of providing as much notice as possible of sitting dates, for planning purposes. The total number of sitting weeks in the Parliamentary year would be significant for the progress of the works programme. The pattern of sitting days also affected staff leave, which might have to be concentrated into shorter periods. This could make the current staffing model unsustainable.

**2.4.** In their monthly reports, two Directors General had raised risks about contractors in the current economic climate. The Board concluded there was no need to take any action in response at present.

**2.5. John Pullinger** said that there had been overwhelmingly positive feedback from Members about the induction they had received. The GEPG were to be congratulated on their successful work. **The Chairman** said he would be writing to thank those staff who had been involved in the NMRA. The Board considered how Members' positive feelings about their induction could be reinforced and built upon. The next step for the Board was to present its strategy to the Commission. It was noted that briefings to new Members, involving all Departments, would continue into the future until there were no more Members wishing to participate.

**2.6. Joan Miller** noted the reduction in the scoring of corporate risk 3a (IT breakdown) which had been red for two years, but was now amber following significant work and investment.

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

**3.1. John Borley** reported that:

- Members were starting to be moved into their offices, following the decisions of the accommodation whips. In the meantime Members had been "hot desking" in committee rooms. Some Members had found working in communal spaces of benefit as it had enabled them to meet others and learn from each others' experiences.
- Work to provide ventilation for the craft workshops had been completed.

**3.2. Andrew Walker** reported that:

- All the Directors General and the Chief Executive had received letters from the TUS about the programme on HR policies, procedures and practices. On behalf of the Board, he had met the President of the TUS to discuss the issue.
- The Whitley Committee had met the previous Monday (24 May). The strongest feelings expressed by the TUS had been on the issue of Member-staff relations. He expected that the TUS would write to the Commission on this matter. **Joan Miller** said that PICT staff had been pleased to hear of the new statement on Member-staff relations. **Andrew Walker** said that it would be useful to see how the new procedure worked before seeking to change it, but staff needed to have confidence in the system if they were to use it.

**3.3. Robert Rogers** reported that the Deputy Leader had announced, during the previous evening's adjournment debate, that there would be no automatic programming of business. It was possible that this could lead to more late night sittings.

**3.4. John Pullinger** reported that:

- A DIS publication on key issues for the new Parliament had been warmly received by Members as well as outside organisations. This had been an excellent innovation by staff.
- A number of proposals from film production companies for possible films about Parliament were being considered by Robert Wilson
- The Speaker's Committee on Public Engagement had held its second meeting that morning; it had heard presentations from outside speakers and the Chairman was preparing a paper for the Speaker on their possible implications for the House.

**4. Financial management**

**4.1.** The Board considered the 2009/10 stewardship report and discussed the factors which had led to an underspend.

**4.2. Chris Ridley** said that there was a need to improve planning and forecasting across the House Service. The final actuary's report on pension liabilities had further increased the underspend. As the estimate could not be reduced during the course of the year, the key was to ask for the right amount at the start of the year. The estimate for 2010/11 was likely to be laid at the end of June. In-year financial management was also important to allow surplus resources to be moved about as appropriate. DR had run a number of seminars on budgeting and forecasting but attendance had been sporadic. The quality of financial information could influence the accuracy of forecasting, but was not the only factor; some departments had been more successful than others in limiting their underspend.

**4.3.** *In discussion the following points were made:*

- It was particularly important to address the underspend given the savings programme which was underway. In some cases the underspend had been increased by efforts within departments to find savings.
- To date, efforts to improve forecasting had proved inadequate. Manpower forecasts were often inaccurate, perhaps because managers assumed a low level of turnover with all posts filled throughout the year. Psychologically, managers were more willing to underspend than overspend.

**4.4.** The Board considered the implications of the underspend for future budget-setting.

**4.5.** *In discussion the following points were made:*

- Members of the Commission had already noticed the underspend for this year and would no doubt take this into account when

considering the level of savings which they would require the House to find.

- One possibility would be to set larger budgets than the global resource available, but this would expose the Accounting Officer to all the risk, which should properly be managed by the budget holder. Letters of delegation would be useful to remind Directors General of their responsibilities.
- Another possibility would be to take the current year's underspend out of the budget for 2010/11.
- The period over which savings would need to be found across the civil service remained uncertain.
- It would be important to communicate the outcome of the Board's discussions with the Commission to staff, and to give managers the information and support they would require to convey messages to staff. The leadership event scheduled for 25 June was later than was ideal, but it was useful that it would take place after the budget on 22 June. It might be helpful to invite representatives from other Parliaments who had already been required to find cuts to convey their experiences.

**4.6.** The Board noted that the Director General of Resources had circulated a draft paper to the Commission on this year's budget. It agreed that the paper should be amended to show how the Board's financial plans already reflected controls matching those recently announced by the Chancellor about cost-cutting in the civil service. Recruitment restrictions had been in place since the previous October to manage redeployments following the creation of IPSA, and this would pave the way for further restrictions along the lines of those being operated in the Civil Service. The House would also review its use of management consultants.

## **5. Organisational capability**

**5.1. The Chairman** introduced his paper which proposed the division of the Department of Resources into a Department responsible for HR and Change, led by Andrew Walker and a Finance Department led by a new Finance Director who would be a member of the Management Board. He asked for the Board's views on his paper.

**5.2. Andrew Walker** said that, while his preference remained for a unified finance and HR function, a case could be made for independent leadership of the finance function reporting straight to the Clerk of the House and represented on the Board, as recommended by Tebbit. There was also a case, in a time of major change such as this, for a Board role to provide change and development for the organisation. HR was perceived as having weaknesses and had not delivered what the Board wanted; there was a case for linking a strengthened HR function with organisational development. This would mean sponsoring and championing ways of making the organisation more effective.

**5.3. The Chairman** said he had confidence in Andrew's ability to fulfil this new role, but that he would only be successful if the Board gave him the support and tools to do the job. Improvements in HR were a priority for the next five years. He also wanted Andrew to take on responsibility for simplifying administrative processes and to become the Board-level sponsor of SPIRE, which to date had lacked a Board champion to ensure it was linked into the Board's overall strategy.

**5.4. In discussion the following points were made:**

- A Director General role with a mandate for organisational change would include responsibility for driving transformation across the House Service. Other Directors General would also be responsible for delivering change.
- It was important that the DG role should explicitly include responsibility for HR because of the need for strengthening in this area, particularly in light of the savings programme.
- Contracting out of support services could be considered in the future if there was pressure from politicians to do so

**5.5.** The Board agreed that the Director General of HR and Change should have a mandate to challenge practices within their Departments, as well as to challenge inter-departmental processes.

**5.6.** The Board agreed with the principles set out in the paper on Benefits Delivery, but decided to revisit questions of implementation. It noted the analysis in the paper on Delivering Change through ICT and agreed that further work would be required to mitigate the risks identified and to explore the merits of a more structured approach to programme and portfolio management. Further consultation with the Lords would be required. The Board agreed that in future appointments of SROs of major projects and programmes would be brought to the Board for approval.

**5.7.** The Board agreed that the Directors General should have clear corporate roles, set out in their letters of delegation; account needed to be taken of their existing management responsibilities.

**5.8. The Chairman** said that he would circulate a final version of the proposed division of responsibilities between the new Departments shortly after the meeting. He expected the new Departments to come into existence at the end of October. The changes would be communicated to staff as soon as they had been agreed by the Commission.

## **6. Strategy development**

**6.1. The Chairman** said that the idea of the Commission becoming more strategically engaged with the Management Board had received a good reception from the Speaker and the Commission at its first meeting. The Board discussed its draft strategy for 2010-15, which was to be presented to the Commission at its next meeting.

**6.2. In discussion the following points were made:**

- It was not yet clear when the membership of the Commission would be finalised. It would be desirable the proposed Board workshop with the Commission to take place when the membership was finalised.
- It would be useful for the Clerk to brief Commission members before the meeting.
- The initial paper to the Commission would need to refer to the Alex Jablonowski report and the report of the Future Strategy Group, as well as making clear the Board's position on the Campbell Committee's recommendation of a further Tebbit review.
- The tables which had been circulated with the paper needed more work to ground them in the reality of the savings programme. They would not be circulated to the Commission.
- The Board's strategy should be produced as a separate paper, and be professionally formatted.
- Following the Commission meeting, the strategy would need to be communicated to staff. The Senior Leadership event on 25 June would be an opportunity to engage senior staff in the strategy, and involve them in developing the high-level plan to deliver it.

**6.3.** The Board agreed that further work should be undertaken on how to communicate the strategy to staff and to engage with the Trade Unions. It would be desirable to set up meetings so that Board members could engage with the unions.

## **7. Any other business**

**7.1.** The Board discussed a piece of research being undertaken by the Institute for Government on the House's capability to deliver parliamentary reform. The author had held discussions with a variety of House staff and was now seeking to discuss her emerging conclusions with the Speaker and other Members.

**7.2.** The Board agreed that further consultation was required on the draft Commission paper on FOI which had been circulated by Andrew Walker. It was agreed that it would be circulated to a future Commission meeting.

[adjourned at 19.42

**Disclosable except for confidential annexes**

**MB2010.MIN.05**

**Philippa Helme  
Secretary**

**Malcolm Jack  
Chairman**

4 June 2010