

**Minutes of the Management Board meeting  
held on Thursday 18 November 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:** Matthew Hamlyn (Board Secretary)  
[s.40] (Assistant Secretary)  
[s.40] (Head of Internal Communications, for item 5)  
Elizabeth Honer (Director of Savings, for items 5, 6 and  
7)  
Heather Bryson (Director, HRM&D, for item 7)  
[s.40] (Head of Pay and Reward Policy and Employee  
Relations, for item 7)  
[s.40] (HR Business Change Manager, for item 7)  
Mark Hutton (Clerk of the Overseas Office, for item 8)

**1. Matters arising from previous meetings**

**1.1. Matthew Hamlyn** said that item 2 (actions relating to savings) had been completed.

**1.2.** Further to item 3 (Management/ TUS relations), **Andrew Walker** said a small group of senior management had met with representatives of the TUS to discuss the consultation process on savings, HR PPP and related matters.

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

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

**1.5.** Further to item 12 (revised Balanced Scorecard), **Matthew Hamlyn** said that the OCE's work on Departmental Balanced Scorecards was in hand. An outline strategic plan and business plan would be brought to the Board in December.

**2. Risk and performance**

**2.1.** The Board agreed to hold a Management Board workshop devoted to discussions on risk and strategy, early in 2011. This would provide an opportunity to discuss the revised balanced scorecard.

**2.2.** *Action: OCE to organise a Management Board workshop on risk and strategic planning early in 2011.*

**2.3.** **Joan Miller** said that a potential cyber threat had been effectively mitigated; the bicameral incident management system had worked well to address the risk, and advice from central government agencies had been timely and helpful. **Alex Jablonowski** observed that cyber risks were an increasing threat to businesses.

**2.4.** **Andrew Walker** reported that the Protective Marking Scheme was being implemented in Departments by Departmental Information Risk Owners (DIROs). The scheme would go live from 1 January 2011. The scheme was intended to help staff to think about the security of information as they created it.

**2.5.** **Andrew Walker** said that a separate paper had been circulated with a monthly financial outturn report. The new financial reporting system would involve late papers to the Board, in order that financial information should be as up to date as possible.

**2.6.** [s.24 and s.38]

**2.7.** **Robert Rogers** said that following the recruitment restrictions, a number of high profile jobs in the DCCS were currently unfilled; he would escalate this as a risk to the Board the following month.

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

**3.1.** **Andrew Walker** reported that:

- plans for the publication of the Members Estimate Accounts for 2009-10 were underway.
- the Department of Resources was in transition mode ahead of its separation into two Departments from April 2011. There was severe pressure on senior staff resource in the Department.
- he intended to hold staff workshops looking at positive aspects of change early in 2011. These would be aligned with staff communications associated with the savings programme.

**3.2.** **Robert Rogers** reported that he had held a useful meeting with Sir Alan Haselhurst to discuss a range of issues.

**3.3.** **John Borley** reported that:

- his Department had begun Directorate-level meetings about savings.
- the contract for the Offsite Consolidation Centre would be signed the following day.

**3.4. Joan Miller** reported that:

- the refresh of Members' ICT was now nearly complete. There had been some issues relating to hardware but the programme had been delivered on time and on budget.
- the Board would receive a paper on convergence of networks at the following meeting.

**3.5. The Chairman** said that:

- he had held a meeting with the TUS president who understood the complexity of the process for agreeing savings.
- he had attended a meeting of the Administration Committee earlier that week.
- The court had reserved judgement on the question of the appeal against the judgement of the election court in respect of East Oldham and Saddleworth.

**4. Resource requirement and financial limits**

**Andrew Walker** said that the Finance and Services Committee would consider the House's capital budget for 2011/12 at its meeting on 1 December and make a recommendation to the Commission's meeting on 13 December. The Parliamentary Estates Board would discuss the matter at its next meeting. The Board agreed the proposed overall figure for 2011/12 as a working assumption, prior to final verification by the PEB.

**5. Staff engagement**

**5.1. [s.40]** said that the recent staff meetings to discuss savings had been generally successful. There was an expectation that such meetings should take place on a regular basis in future, when there were specific issues to discuss. A number of common themes had arisen in questions and it would be important to provide feedback to staff. Staff needed to see that management was responding to issues raised and providing them with the information they had requested. It was intended that the material prepared for the staff meetings should be published.

**5.2.** The Board agreed that a short Senior Leaders event should be held on 17 December to allow the Board to give an update on savings.. The Board agreed that further staff meetings should take place in February, setting out the process for work on organisational redesign, including staff involvement.

**5.3. Action:** *Elizabeth Honer to prepare a paper on the process for organisational redesign work for the Board's 27 January meeting, to form the basis for staff meetings to be held in early February.*

**5.4.** The Board agreed that, following the House of Lords' indication that it wished to withdraw from participating in *Parliamentary News*, the

publication should be replaced with a Commons and PICT publication. The Board agreed that *Commons Digest* should be merged with the new publication.

- 5.5. The Board agreed that the best way to explain current issues and related Management Board actions to senior managers was through face to face meetings. The Board thanked the OCE Communications team for its support during the recent staff meetings.

## 6. Finance and Services Committee

- 6.1. The Board discussed the forthcoming meeting of the Finance and Service Committee (24 November). Directors General would attend the meeting in order to provide information to assist the Committee's discussion of the detailed savings proposals put forward by the Management Board.
- 6.2. **Elizabeth Honer** said that the Finance and Services Committee had asked the Board to aim for a target Estimate of £226m rather than the £228m which the Board had proposed. The Committee had requested the additional £2m on the basis that some of the existing savings proposed might not materialise, while realising that £2m was within the margin of error for the Estimate as a whole. The Committee's Standing Order required it to recommend an Estimate to the Commission, but it was not required to make definite proposals on how the figure for the Estimate should be achieved. However, the Committee understood that if it did not wish to recommend all the savings proposed by the Management Board, it would have to consider how else the target Estimate it wished to recommend could be reached.
- 6.3. The Board needed Member Committees to sign up to the main proposals included in the overall package in order to give Directors General the authority to implement changes which would have an impact on Members. It would be desirable for Directors General to explore with the Finance and Services Committee the "direction of travel" implied by some of the short term savings, which could be continued in the second phase of organisational redesign.
- 6.4. The Board agreed that Elizabeth Honer should prepare a brief paper for the Finance and Services Committee outlining the Board's understanding of the purpose of the meeting with the Management Board. It should say that the Board thought that the additional £2m cut requested by the Committee was achievable but that further work would be required to confirm how further savings would be found. **Robert Rogers** noted that he was a trustee of the History of Parliament Trust, so could not participate in any discussion of the Trust's future funding.

## 7. Savings programme: HR mechanisms

**7.1.** The Board considered a paper on voluntary severance.

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

- The timescale for the implementation of any scheme was relatively short if it was to be funded in the current financial year.
- PICT would need to run its own scheme, which would need to be agreed with the House of Lords. The costs of any voluntary severances in PICT would be cross-charged in the usual proportion to the Houses' respective staffing budgets.
- It was likely that any scheme would be run under the terms of the new Civil Service Compensation Scheme which was being negotiated between the Unions and the Government. Although the new terms would be less generous than before in many cases, it seemed likely that the scheme would nevertheless be popular.
- The criteria for deciding whether to let a particular member of staff depart under any scheme was likely to include "value". A robust business case would need to be made to show that the cost of letting a staff member depart was merited by the contribution of that departure to meeting our targets.
- The proposed criteria and process for any scheme would need to be discussed with the TUS.

**7.3.** The Board agreed to implement a voluntary severance scheme in the current financial year. It would be open to all staff, and all applications would be assessed against a number of criteria. The total budget for the scheme was likely to be up to £2m, depending on competing budgetary pressures. The limitation on the budget and the operation of the selection criteria meant that if the scheme proved popular, some staff who applied might not be successful. HRM&D would bring a paper to the December meeting of the Management Board proposing the details of the scheme. The scheme would need to be advertised to staff very soon after the meeting if it was to be implemented by the end of the financial year.

**7.4.** *Action: HRM&D to bring a paper to the December meeting of the Management Board proposing the details of a voluntary severance scheme to be implemented in the current financial year.*

**7.5.** The Board considered a paper on pay policy.

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

- The House was required to keep staff pay "broadly in line" with the civil service. The Cabinet Office had issued guidance saying that pay should be frozen in two out of the current and two following years, except where staff earned under £21,000 or where their entitlement to pay progression was contractual. Civil service departments were taking legal advice on whether their staff had a contractual entitlement to pay progression.

- The pay remit for 2011/12 would have to be agreed by the Commission at its 13 December meeting. The Commission would need to decide whether to follow the legal advice received by the House; the House would be criticised if it did not follow the guidance issued by the Cabinet Office. The TUS and staff would be informed of the Commission's decision following the meeting.
- [s.36(2)(b)] and [s.36(2)(c)]
- [s.36(2)(b)] and [s.36(2)(c)]
- [s.36(2)(b)] and [s.36(2)(c)]
- [s.36(2)(b)] and [s.36(2)(c)]
- [s.36(2)(b)] and [s.36(2)(c)]

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

7.8. The Board considered a paper on the impact of the recruitment restrictions currently in place. It agreed the modifications to the current scheme proposed in the paper and noted that revised guidance on recruitment would be issued.

## 8. International Relations Directorate (IRD)

8.1. **Mark Hutton** said that the paper before the Management Board had been agreed by the IRD Implementation Working Group. A letter from the Secretary of the British-American Parliamentary Group (BAPG) to the Speaker was circulated.

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

- The internal audit teams of both Houses had recently undertaken work on cost-sharing ratios between the Houses. That would need to be taken into account in determining the appropriate ratio for the funding of the IRD.
- Although the IRD would be located in the DCCS, there was no necessity for staff in the IRD to have previous experience of clerky roles.
- The creation of the IRD provided important opportunities for staff at a range of pay bands to move around the House Service. Such opportunities were particularly rare among more senior pay bands.
- The budgets of the international bodies should be included in the savings programme in the same way as other parts of the House service.

8.1. **Mark Hutton** said that the BAPG did not wish to join the IRD. Since its status was that of an All Party Group it could not be forced to join, although the Commission could reduce or remove its funding. However, the funding received by the BAPG was modest and the group performed an important role in maintaining good relations between the House and Congress.

**8.2.** The Board agreed:

- To endorse the proposals on governance and strategy set out in the draft submission to the Commission, and the proposed structure of the IRD.
- To recommend to the Commission that the BAPG should not be included in the IRD.
- The approach that was being taken to the TUPE transfer, the principles underpinning the approach being taken and the reorganisation of the way services are provided.
- That staff of the bodies should be eligible for training and similar House-wide activities between now and April 2011.
- To sponsor a communications strategy to explain to staff the benefits of the creation of the IRD and of Parliament's international relations activities more broadly, and the publication of a leaflet on the establishment of the IRD.
- That the Chairman should recommend that the Commission ask the working group to prepare a detailed paper setting out the proposed arrangements and criteria under which the IRD might make occasional discretionary payments to All Party Parliamentary Country Groups for him, as Accounting Officer, to consider.
- To endorse the proposed approach to work on international relations across the Parliamentary service.
- That a review of the IRD after one year of operation should take the form of a benefits realisation study.

**8.3.** The Board agreed a draft submission to the Commission, subject to an amendment tabled by the Accounting Officer, the Chairman's recommendation regarding occasional discretionary payments and further discussions with the Finance Directors regarding the appropriate sharing ratio between the House of Commons and House of Lords.

**8.4.** The Board considered a paper on HR matters relating to the creation of the IRD. It agreed the proposed approach to the transfer of staff into the IRD. The Board agreed that following the initial transfer of staff, all posts in the IRD should be advertised and recruited to in the normal way, rather than being included in the DCCS circulatable pool, in order to give the staff involved the widest possible range of opportunities across the House.

**9. ICT Strategy**

**Joan Miller** said that the draft ICT strategy would continue to take PICT in the general direction it had been travelling. It was designed to support the House of Commons Strategic Plan. The Board agreed the overall direction of the paper, subject to a detailed discussion of the issues raised by the strategy at the previously discussed Management Board workshop to be held in January 2011.

**10. Any Other Business**

There was no other business.

[adjourned at 18.29

**Matthew Hamlyn**  
**Secretary**

**Malcolm Jack**  
**Chairman**

01 December 2010