

**Minutes of the Management Board meeting
held on Thursday 28 April 2011**

- Those present:** Malcolm Jack (Chief Executive) (Chairman)
Robert Rogers (Director General of Chamber and
Committee Services)
John Borley (Director General of Facilities)
John Pullinger (Director General of Information Services)
Andrew Walker (Director General of Resources)
Myfanwy Barrett (Director of Finance)
Alex Jablonowski (external member)
- In attendance:** Matthew Hamlyn (Board Secretary)
[s.40] (Assistant Secretary)
[s.40] (Strategy Planning and Performance Co-ordinator,
for items 3 and 4)
Jill Pay (Serjeant at Arms, for item 7)
- Apologies:** Joan Miller (Director of PICT, external member)

1. Matters arising from previous meetings

- 1.1.** As the Chairman had been delayed, the Board **agreed** to start the meeting with Matthew Hamlyn in the chair.
- 1.2. Matthew Hamlyn** said that only three actions remained outstanding. Further to action 4 (dates for future informal meetings between the Board and the Finance and Services Committee), he had discussed a plan for engagement with Member committees with Elizabeth Honer. The Chair of the Finance and Services Committee had suggested that the Committee would not need very frequent meetings on the Savings Programme with the Board; he was keen to avoid any perception of micro-management of the savings programme by the Committee.
- 1.3.** The Board considered what frequency of meetings with the Finance and Services Committee would be appropriate and **agreed** that the engagement plan should include two or three meetings with the Committee at key moments in the savings programme.
- 1.4. Robert Rogers** noted that the proposed change to the standing orders to include a mechanism for the Finance and Services Committee to report on any motions with financial implications for the House would be circulated to the Board shortly. The Clerk of the Committee would discuss the draft with Myfanwy Barrett.

- 1.5. Further to action 8 (note to the Board on Parliament week once plans were more developed) **John Pullinger** reported that the membership of the Members Advisory Group was nearly finalised.
- 1.6. Further to action 9 (special meetings on the Market Testing and People and Work strands of the savings programme; John Borley to seek agreement to SCS1 appointment for Market Testing strand), **Matthew Hamlyn** reported that 12 May had been set for the People and Work meeting. Applications for the Market Testing post would close the following Tuesday.
- 1.7. The Board **agreed** to take agenda items three and four before oral updates.

2. Risk and performance

- 2.1. **Matthew Hamlyn** and [s.40] introduced the new Performance and Risk report. **Matthew Hamlyn** reported that Joan Miller had asked for the description of the KPI on email availability to be slightly amended to make it clear that the target excluded planned downtime. The Board **agreed** to that amendment. **John Borley** asked why the graphs on page 14 related to environmental KPIs only. [s.40] explained that more graphs would be included in future if Board members found them useful. **Andrew Walker** thought that the staff survey and staff appraisal KPIs should not be included under the “well informed” heading.
- 2.2. Taking the chair, the **Chairman** apologised for having been delayed and asked for detailed comments to be taken offline. The Board **confirmed** it was content with the overall format and content of the new report and **agreed** that any further comments would be sent directly to Jane.
- 2.3. The Board considered the questions raised in the accompanying guidance paper about publication of performance and risk data. In discussion the following points were made:
- The OCE had recently received some inquiries from staff asking to see the information.
 - The actual data, as well as the RAG status, for each KPI should be published.
 - It was good practice to share risk registers with audit committees. The Board-level risk register and departmental risks which had been scored red should be shared with the Audit Committees. The Committees’ external members would then decide whether they should be circulated as take note or substantive agenda items.
 - The external members of the Audit Committees should be sent the full Performance and Risk report every month, as they were at a disadvantage to the Member members, who had a direct understanding of the workings of the House, and to the Chair of the

Committee, who was also an external member of the Management Board.

- It was difficult to do the job of an external audit committee member, including judging materiality, without an understanding of the context.
- Many management papers were now available on the internet. The Audit Committees' role should be to provide assurance on processes, rather than comment on specific issues.
- The external members had given a commitment that the performance and risk report would be for information only and that they would not use it to interfere in management decisions. The Chair of the Committees would ensure that assurance was adhered to. Although many Board papers were now published on the internet, the Performance and Risk Report would provide a good summary. Internal Audit reports provided data but not context.
- Audit committees of other organisations received such information. It was a requirement of the role.
- The publication of the full Performance and Risk report on the intranet should be reviewed after three months. Publication of the report a year after the meeting to which it related was too long a time lag.
- There were too many risks involved in earlier publication.
- On that argument, the report should not be published at all.
- The Board should consider publication practice in central Government and the devolved institutions.
- In local government all performance and risk reporting was done publicly although that limited the content and manner of reporting.

2.4. The Board agreed:

- that the “performance dashboard” on page 6 of the Report should be published on the internet, after each Management Board meeting in the same way as other published Board papers;
- that actual data and not just RAG status should be included;
- that the Board-level risk register and departmental risks which had been reported red should be shared with the Audit Committees;
- that the external members of the Audit Committee should be sent the full Performance and Risk report after each Board meeting for information only, not as formal Committee papers;
- that in relation to the current practice of not publishing the report until a year after the meeting to which it related, [s.40] should report back to the Board on practice in central Government and the devolved institutions, after which the Board would take a view.

2.5. Action: *Directors General to give [s.40] any further comments on the format and content of the new Performance and Risk report. [s.40] to prepare a paper for the next Board meeting on the practice on publication of Performance and Risk reports in central Government and devolved institutions.*

- 2.6. John Pullinger** reported that he would be rescoring the loss of reputation risk in May to 9 as many of the factors impacting on reputation were beyond the control of the House service. Management action should focus on those matters where management could have an influence.
- 2.7. Myfanwy Barrett** presented the financial report. There had been quite a big movement from February to end of March but there would be more detail on the reasons for that and for other changes in forecasts and variances in the Stewardship Report which would be prepared for the May Board meeting. She had met departmental finance representatives for the first time that morning and would have regular such meetings from then on. One issue to consider was the timing of reports for the Board. In order to include information on variances it might be better to work one month behind.
- 2.8. Matthew Hamlyn** noted that at present Board meetings tended to be near the end of the month, and reviewed data from the previous month. If they were earlier in the month, and reviewed data from two months before, the Board would receive better quality data and commentary, as there would be time to review and if necessary challenge the data provided by departments.
- 2.9.** The Board **agreed** that Board meetings should be scheduled for the earliest possible moment that financial information, including commentary, would be available and that the Board Secretary should work through how this would affect the timing of other elements of performance information for consideration by the Board and departmental boards.
- 2.10.** *Action: Board Secretary to discuss timings with D-Fin and schedule future meetings for the earliest possible dates in the month that financial information would be available. Board Secretary to also work through the effect on timing of other elements of performance reporting.*

3. Business Planning Timetable

- 3.1.** The Board **confirmed** it was content with the outline timetable for business planning in 2012/13. In discussion the following points were made:
- Human resources planning should also be integrated.
 - Business planning would be determined by the savings programme. One issue was whether enough time was planned for challenging the programme. The timetable was very tight – concrete proposals had to be ready for the autumn and needed to be challenged over the summer. The numbers would be very tight and reputational risks were high.

- Investment plans made in May and June needed to be of a very high quality.
- Departments had already been warned about the timetable for the Commission's annual report and urged to keep their sections short.
- The factual annexes should be retained as they were useful.

4. Oral updates from Directors General

4.1. Andrew Walker reported on progress with the respect policy. A policy had been drafted and would need sign off by the Board. Good progress was being made with the political parties - they had all agreed the approach in principle although some had asked to see the detailed policy.

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

4.2. Andrew Walker further reported that the House had recently lost a dispute at arbitration over discretionary leave.

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

4.3. Andrew Walker thanked the Board for its feedback on the Leading for Parliament programme and asked whether the Board would be willing to work with the winning bidder on setting a direction for the programme, including by participating in some of the development themselves for up to half a day. That would take place in June, as the programme would be launched in the autumn and candidates would need to be found in the summer.

4.4. The Board **agreed** to participate in the programme.

4.5. Action: *Andrew Walker to get dates for participation in the Leading for Parliament programme in Board members' diaries as soon as possible after winning bidder announced.*

4.6. John Borley reported that his department had recently been awarded 4 stars by the British Quality Foundation, which had been a good morale boost. The Board congratulated DF on its achievement.

4.7. Robert Rogers reported that access arrangements for the royal wedding had been posted on the intranet.

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

4.8. Alex Jablonowski reported on the previous day's Audit Committee meetings. There had been a detailed discussion of the risks posed by All Party Parliamentary Groups, on which there were differences of opinion. One benefit of the discussion was that external members now understood that the governance and funding arrangements for select

committees were far stricter. The Committee had also discussed the NAO's audit of the Members Estimate Accounts.

It now appeared that another qualification on the Members Estimate accounts was unlikely.

4.9. John Pullinger noted that the Speaker's Advisory Council on Public Engagement would report on 10 May.

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

[s.34]

Robert Rogers noted that the book shop was now selling Commons and Lords souvenirs. Sir Alan Haselhurst had visited the shop and had reacted positively to developments.

4.10. Myfanwy Barrett thanked Board members for their comments on her paper to the Finance and Services Committee. She was sharing her plan with the finance leads too. It was now becoming very evident how big a challenge it would be to get outline plans on the seven strands complete by the end of June and the Board needed to monitor that closely. She would email Management Board members before each Savings Programme Board meeting to share what was on the agenda.

4.11. The Chairman announced that he would be leaving the House Service at the end of September. He had already informed the Speaker and the Palace. The House would be informed the following week. As in the House of Lords, a competition would be held to find his successor.

5. Accommodation

5.1. John Borley explained that the Strategic Property Review had been completed too late for the PEB to consider properly and that the Board would therefore be unable to consider PEB's conclusions at the meeting. In particular Myfanwy needed sufficient time to examine the financial implications of the proposed options. The Review also needed to take account of the impact of the savings programme, which might undermine some of its assumptions. It would therefore be redrafted and its conclusions and recommendations would come to the Board in mid to late June.

5.2. Myfanwy Barrett said that the current draft had nevertheless provided very useful information on the current footprint and the decant space that might be needed.

5.3. John Borley said that one highly likely outcome of the Review was disposal of the three leases on 4 Millbank. Board members might like to start warning affected staff. **John Pullinger** noted that there might be some concern among DIS staff who had only recently been moved into the building.

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

5.5. John Borley explained that he would amend the Property and Accommodation Update to the Commission to reflect the delay to the Strategic Property Review, deleting any conclusions in the review. The policy statements previously agreed by the Board still amounted to a significant amount of information for the Commission.

6. Converged digital parliamentary network

6.1. The item had been withdrawn.

7. Annual reporting

7.1. The Board **agreed** to take agenda item 8 next and considered the paper prepared by the Director of HR Services. In discussion the following points were made:

- It was very odd to have a performance appraisal system which did not make those reports available to promotion boards. The present system was unpopular and perceived as unfair. It was becoming a morale issue, with staff concerned that no consideration was given to their track record and believing that individuals were gaining promotions solely on the basis of being good at presenting themselves. While it had been a Board decision to move to the new appraisal system, the result had been unsatisfactory and should be changed.
- There were many disadvantages to the system but the Board had agreed to it and should now be trying to make it work. There were more pressing current HR issues. It was also unsatisfactory to staff to keep changing the appraisal system.
- The Board had discussed the problem at the time. The counterargument was that the new system was supposed to break the link between performance management and pay and promotion and thereby encourage more honest dialogue. It had been felt that the previous system had been corrupted because people had avoided writing down weaknesses in case they were picked up by promotion boards. The Board had weighed the risks for and against changing the system and had decided to make the change. The benefits were starting to be felt. Changing it back would probably lead to other accusations of unfairness.

- One option might be to have a separate “suitability for promotion” appraisal which would be shared with promotion boards.

7.2. The Board agreed:

- that the new line management reference form used to inform the promotion system for applicants from A to E should be requested before the short-listing stage, and not at the interview stage;
- that Andrew Walker should give consideration to the idea of having a separate “suitability for promotion” appraisal which could be shared with promotion boards, and report back to the Board at its next meeting.

Action: Andrew Walker to give consideration to the idea of having a separate “suitability for promotion” appraisal which could be shared with promotion boards and to report back to the Board at its next meeting.

8. 2012/Olympics

8.1. **Jill Pay** presented the paper from the Business Risk and Resilience Group. There were a huge volume of events and interdependencies. The Metropolitan Police were already asking what Parliament’s plans were for summer 2012. At the moment she was saying that they were planning on the basis of business as usual, but without late evenings. A question for the Board was whether it wanted to use the Games as an opportunity to encourage more visitors. If that were confined to the working day and not evening events, that would be compatible with security needs. However, there were also HR issues, e.g. in terms of staff travel to work when transport infrastructure would be heavily stretched.

8.2. The Board considered the paper. In discussion the following points were made:

- Business managers needed to be approached as soon as possible to ensure the House rose before the Olympic Network started on 16 July.
- The Leader of the House was already very engaged. He knew the Olympic schedules and was already about to write to DCMS about the need for access to Parliament.
- It was essential for the Government to be represented on the proposed 2012 Project Board. Jill Pay and the Parliamentary Adviser in the Cabinet Office had been trying to obtain the name of an official for over a year without success.
- The Parliamentary Adviser could provide the parliamentary perspective but a representative of the interdepartmental ministerial group was also needed to provide a link into the policy side.

- It was absolutely right to focus on business as usual. The House should not get distracted by an additional programme of activities, but focus on what it would have done anyway. There were plans for Olympics-connected exhibitions in Westminster Hall but those would not be larger than usual.
- The main effort on income generation should be on sustainable initiatives, not one off events.
- If activities were planned specifically for the Olympics, there would be a greater impact if they had to be pulled at short notice on the basis of threat assessments.
- Member engagement was also vital. The Cultural Olympiad had been agreed by the previous Administration Committee. A take note paper covering all the issues related to the Olympics should be submitted to the Commission.
- The Member Advisory Board on the Cultural Olympiad could be extended to cover the entire Olympics.
- Health and safety needed to be covered, either as a separate workstream or under one of the others.
- Works projects also needed to be integrated and an official had been identified to do that work. Logistics requirements (including OSCC operations) also needed to be addressed.
- The Management Board should receive regular take note papers updating it on the Project Board's progress so that it could identify interdependencies and act as a failsafe. DGs should be invited to the Project Board if there were any major issues before it.

8.3. The Board agreed:

- the proposed terms of reference and membership of the 2012 Project Board, with the proviso that a DCMS representative should also be included and that the Board should receive regular reports on progress;
- that a take note paper should be submitted to the Commission.

8.4. *Action: Jill Pay to draft a take note paper for the Commission on the Olympics.*

9. Administration Estimate resource accounts

9.1. The Board considered the paper. In discussion the following points were made:

- Most of that information had already been released in response to Fol requests.
- A performance award presented in the draft table related to a payment in a prior role. That should be made clear.
- If the situation ever arose in which a Board member received a voluntary exit payment, full details would be disclosed. Other staff receiving exit packages would not be identified. Data for the recent

scheme would be released by number of exits in a cost band, rather than by pay band.

9.2. The Board **agreed** to the disclosures proposed in the paper, subject to a footnote being added explaining the performance award made on the basis of performance in a previous year.

10. Any Other Business

10.1. No other business was raised.

[adjourned at 17.38

Matthew Hamlyn
Secretary

Malcolm Jack
Chairman

April 2011