

**Minutes of the Management Board meeting  
held on Thursday 12 January 2012**

**Those present:** Robert Rogers (Clerk and Chief Executive) (Chairman)  
David Natzler (Clerk Assistant and 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 HR and Change)  
Myfanwy Barrett (Director of Finance)  
Joan Miller (Director of PICT, external member)  
Alex Jablonowski (external member)

**In attendance:** Matthew Hamlyn (Board Secretary)  
Gosia McBride (Assistant Secretary)  
Peter Mason (Parliamentary Director of Security, for item 5)  
Paul Dillon-Robinson (Head of Internal Audit, for items 5 and 6)  
Nina Ciuffardi (Portfolio Manager, for item 7)

**1. Business Resilience table top exercise**

1.1. The Board carried out a business resilience table top exercise.

**2. Matters arising from previous meetings**

2.1. The **Chairman** said that the first meeting of the year was an opportunity for the Board to refocus on what it wanted to achieve: delivering excellent services; achieving savings; and supporting and developing staff, all against the strategic aims of making the House better-informed, efficient, more effective, and so more respected. Supporting staff was particularly important in the context of the recent strike action, the impact of the Voluntary Exit Scheme and concerns about the savings programme. Managers also needed to remain focused on improving financial management, procurement and risk management.

2.2. **Matthew Hamlyn** reported that only actions one (Andrew Walker and OCE to agree a broader range of HR indicators for inclusion in future Performance and Risk reports) and two (Director of HR Services to publish final annual report on the intranet and to send a digest of HR information to the Board on a quarterly basis) were outstanding from previous months. On action three, Joan Miller now had a date in the diary to meet the Parliamentary Committee of the Parliamentary Labour Party and was making arrangements with the other parties. Action four (Head of Internal Audit to ensure report recommendations were open to

all audit sponsors once the new Sharepoint site was up) was covered by agenda item six. Actions five to eleven were in hand. He was grateful to Board members for their comments on the Corporate Business Plan (action six). He had attended the meeting organised by Joan on remote access and had now taken the lead on developing a policy; Chloe Mawson had been nominated as his opposite number from the House of Lords (action seven). He had spoken to the Table Office about a mechanism for alerting the OCE to EDMs relevant to House departments and PICT (action ten).

**2.3.** Further to action nine, **Joan Miller** reported that she and John Pullinger had agreed that ICT and information management could be covered in the same informal meeting. As part of that meeting, it would be worth the Board visiting an organisation that had integrated information management. The Board **agreed** to an offsite visit, if the time could be found in diaries.

**2.4.** *Action: OCE to check Board member diaries to see if a half day can be found for the informal meeting on ICT and information management.*

### **3. Performance and Risk**

**3.1.** The Board considered the Performance and Risk Report.

**3.2.** The Board considered the Administration Estimate Monthly Outturn report.

**3.3.** The Board **agreed** to recommend to the Finance and Services Committee and the Commission that the resource element of the Estimate for 2011/12 should be reduced by £19.6 million in the Spring Supplementary Estimate, to take account of the credit arising from the recent revaluation of the Parliamentary Estate.

### **4. Oral updates**

**4.1.** **Alex Jablonowski** reported on the previous day's Audit Committee meeting, including the joint meeting with the House of Lords Audit Committee. There had been a good discussion on the Metropolitan Police Service contract. The Committees had also discussed recurrent themes in estates and noted that progress was being made. They proposed to take risk management at their next joint meeting. They could take one other item, so he would welcome Board members' ideas. The main Audit Committee had gone well, although timing had been tight. The Committee had approved the paper from Internal Audit which the Board was considering. **David Natzler** noted that that paper seemed to suggest Internal Audit might have some spare capacity, which could

be used to support the operations strand. **Alex Jablonowski** said that that was consistent with the proposed approach.

**4.2. Myfanwy Barrett** said that she had recently sent Board members a draft governance framework and would welcome comments. The Audit Committee had considered the framework the previous day and were generally content. The **Chairman** added that he had suggested taking out the reference to Speaker's Counsel and including a more focused and layered description of the scheme of delegation. **Joan Miller** noted that PICT would have to revise its terms of financial management as a result.

**4.3. Myfanwy Barrett** added that the operations strand team were preparing packs of material and instructions for departments. They were clarifying some issues with business managers and finance leads and would send out information in the next few weeks.

**4.4. Joan Miller** reported that Simon Nicholls from Lords Hansard was now backfilling for Richard Ware. There had been failures of service in 7 Millbank over the weekend but automatic switchover had meant that only blackberries and pinsafe had been affected, justifying the investment in the Remote Data Centre.

**4.5. John Borley** noted that the problems with Archibus had affected maintenance delivery. He was grateful to Joan's staff for their work to resolve the issues – the system was becoming easier to use and they now had two weeks of performance data. There were lessons to be learned on both sides, including getting requirement definitions right in the initial stages.

**4.6. Andrew Walker** introduced his paper on Band A to E pay. The Board **agreed** the paper's recommendation that non-consolidated payments should be made to staff in January's salaries. It noted that the unions had formally withdrawn their Employment Tribunal claim for unlawful deduction of wages and were currently considering whether to take their case for pay progression to the High Court.

**4.7. Andrew Walker** noted that two individuals who had been accepted under VES each had over 40 years' service. The Board **agreed** that they should receive a gift in recognition of their service.

**4.8.** The **Chairman** said that a paper would shortly be going to the Commission on the recruitment of an additional non-executive member of the Board. Board members would be sent a draft the following day.

## 5. MPS Contract/ Parliamentary Security Board ToR

5.1. **Peter Mason** reported back to the Board on his discussion with the Joint Audit Committee the previous day on the Metropolitan Police Service (MPS) contract.

5.2. The Board considered the paper on the Parliamentary Security Board's (PSB) terms of reference. In discussion the following points were made:

- It was unclear how decisions taken by the PSB would relate to the Parliamentary Estate Board and the investment plan.
- The Parliamentary Estates Director was a member of PSB.
- Peter Mason would be invited to the annual Estates investment challenge meeting to validate priorities in the works programme.
- The terms of reference should say that the two Houses' Management Boards could invite the PSB to advise them on the security aspects of proposals coming before them.
- The terms of reference focused on physical security – they should explain how PSB linked to the work of SIROs and the Data Security Group (DSG).
- It might not be necessary to have deputies on the Board, but that this was not the time to make that change.

5.3. The Board **agreed** the terms of reference, subject to their being revised to clarify:

- that PSB would have the power to make recommendations to the Parliamentary Estates Board;
- that the Management Boards could invite PSB to advise them on the security aspects of proposals coming before them;
- the link to the work of SIROs and the DSG.

5.4. *Action: Matthew Hamlyn to work with Peter Mason on revising the PSB's proposed terms of reference before they went to the House of Lords Board for endorsement.*

5.5. **John Borley** asked about the Parliamentary Security Director's reporting lines. **Peter Mason** said that he would shortly receive a letter from the two Clerks setting out his responsibilities. The **Chairman** said he would ensure that letter was also circulated to the Board. **Andrew Walker** suggested also sharing the security governance diagram. **David Natzler** said that it would be worth heads of department sharing that diagram with their teams, as there were many questions about the new role.

5.6. *Action: OCE to ensure that final letter from the Clerks to Peter Mason setting out his responsibilities and the Parliamentary Security governance diagram is circulated to the Board.*

## 6. Internal Audit

6.1. The **Chairman** noted that the Audit Committee had welcomed the proposals in the paper on the development of the Internal Audit Service. The Board considered the paper. In discussion the following points were made:

- Improvements should be made to both management's and Internal Audit's approach to audit. Fewer and more focused audits would be very welcome, but management also needed to engage early on. It was important that managers took audits seriously and recognised that they would be called to account for action on the findings.
- Internal Audit should provide more context in some reports.
- However, reports should not focus on wider governance issues, which went beyond their remit and were unable to be changed.
- Internal Audit reports were supported by a wide range of working papers which weren't published.
- It was important to provide a balanced view - good news as well as bad.
- Agreeing the scope of an audit at an early stage was very important.
- It would be helpful if quarterly reports to the Board provided an update on progress in reaching a "substantial" assurance rating.

6.2. The Board asked about Internal Audit's capacity to deliver the changes proposed. **Paul Dillon-Robinson** said that Internal Audit did need to get to know the business more, which it was why it was investing more time in the planning stages. However, Internal Audit did not take on audits unless it had the competence to do so. It had started to use Deloitte very successfully for deep technical audits. Internal Audit was also considering how to integrate better with assurance – for example, making sure it did not duplicate the work of gateway reviews. **Joan Miller** noted that her team had been very impressed by the recommendations made in a recent technical audit. The quality of the external advisers was a real factor.

6.3. **Andrew Walker** asked whether Internal Audit had a mechanism to assess quality of reports. **Paul Dillon-Robinson** said that Internal Audit reviewed its work against a quality assurance framework. Next year he would propose an external review.

6.4. The Board **agreed**:

- the overall approach in the paper, and the proposed way forward for Internal Audit was appropriate, including the approach to the Internal Audit Programme for 2012/13 and the introduction of quarterly reporting to the Management Board and senior management teams;

- that the proposals for management set out in the paper would be supported and implemented, including the review of all “live” agreed actions, as at 31 December 2011, by mid-February, implementing all those then deemed necessary and supporting the detailed planning and completion of audit assignments.

## 7. Portfolio Management

7.1. The Board considered the portfolio management paper. In discussion the following points were made:

- New governance models would need to be bicameral to work. The models could unlock other issues about authority and business cases but it was not the right time to reconfigure PEB and PICTAB. They were already operating quite successfully and had been refreshed recently.
- PEB and PICTAB were accepted as legitimate by the House of Lords. Any change in governance led by the Commons could appear hostile. The Lords did not welcome the proposed changes.
- Progress could be made in all the other areas without needing to change governance.
- Evidence was needed that additional reporting and coordination was necessary. Programmes might not have the capacity to move to a standard template. There might also be an element of duplication with the work of OCE.
- The OCE had discussed the integration of the dashboard with the Performance and Risk report with the Portfolio Manager to avoid duplication.
- PEB had already set up an excellent database. It was important not to create another layer at a time when staff resources were low. It might be better to integrate the functions at PEB and PICTAB levels instead. Otherwise it would seem like more bureaucracy.
- Reporting was variable. Not all projects were covered by PEB and PICTAB. Work on standardisation and portfolios would help deal with the issue of too many initiatives regularly raised by PICT. In a climate of savings, it was even more important to have a good overview of projects and programmes.
- The dashboard should start with unicameral projects and programmes.
- There were very few of those.
- The dashboard would pull together information not only for the Management Board but for all programme and project leaders. Different users would get different levels of detail. Feedback showed that programme and project managers saw the standardisation of reporting and the pulling together of an overall picture as helpful rather than an additional burden. At present they had to develop their own reporting format which could waste their time.
- It was different for Estates where the EPM would need to be reconfigured.

- The template would ask for information that projects ought to have anyway. It would meet basic standards of reporting.
- The Board had already mandated the standardised reporting of risks in relation to programmes and projects.
- On bicameral projects the Lords accepted Commons-style reporting so should not object to a new standard template.
- PICT might have to do some work, as some longer programmes had less frequent milestones.
- That was not the case – all PICT programme boards had regular milestones. Some just sat below the level of current reporting.
- It would be important not to be too top-down and directive.
- A draft template had been circulated with the paper and feedback would be taken on board.
- The Lords Management Board would welcome better project reporting.
- It was a good paper and the Portfolio Manager had consulted well.
- The first investment plan had been difficult as there was a system of prioritisation in PEB and one in PICTAB but none that covered both. A number of projects also fell outside those two Boards.
- A system of prioritisation had to be right in principle. It was worth trying to develop one for the next investment planning round.
- Developing common criteria would be challenging. The Finance Director rather than the Portfolio Manager should be in the lead on that.
- PICTAB had already been looking at what PEB was doing. It should be quite straightforward to align criteria.
- Prioritisation would be necessary as part of the MTIP in any case. The Finance Director would welcome the expertise of a portfolio manager.
- Criteria would help business case authors.
- It would be vital to maintain a balance with practicality as there were requests for new projects almost every week.
- There was only one member of staff in the Portfolio Office.

## **7.2. The Board agreed:**

- that a standard Programme report template should be developed for all Programmes with more than 12 months left to run (with the exception of Estates, at least in the short term);
- the Portfolio Manager should prepare a Portfolio dashboard report quarterly and that a summary should be submitted to the OCE every month, taking the place of the direct reporting from Programme Managers;
- the Portfolio Manager should co-ordinate and maintain a schedule of all projects and programmes in the pipeline and should feed this into the 2013/14 investment planning cycle;
- that the Portfolio Manager should take the lead in developing a set of prioritisation criteria that could be consistently applied when making investment decisions, and that those would be piloted on selected programmes as part of the 2013/14 investment planning cycle;

- that it was not the right time to take any decisions on any new governance model for Portfolio Management.

## 8. Draft Departmental Business Plans

8.1. The Board noted the progress made by departments so far and the observations set out in the paper and thanked the Strategy, Planning and Performance Manager for supporting the business planning process. **Matthew Hamlyn** thanked departments for their work on the drafts and noted that a workshop would be held the following week for business plan authors to review their work and the relationship with the corporate business plan.

## 9. Any other business

9.1. **David Natzler** commented that the new staff handbook and finance and procurement rules amended policy on hospitality and staff expense claims. The Board should have an opportunity to approve such changes. The Board considered the process for agreeing the revised documents. In discussion the following points were made:

- The revised staff handbook did not change policy, but the HAIS renewal programme had thrown up a few anomalies which were being addressed.
- The Board could approve the staff handbook but that would delay its publication, currently due for March. The aim had been to publish the handbook with the new rules. It had already been through the Legal Services Office and the unions were now being asked to comment. RMG was also being consulted on specific points.
- The Board should not be engaged at the level of drafting, but departments did need to be consulted on any changes that might impact on their staff and the Board should agree any new policy.
- The Board had been sent a draft of the new finance and procurement rules, with a covering email explaining the changes. Following consultation, a revised version would come to the Board for approval. The document did not change policy – it merely pulled rules together and shifted the emphasis to make it clear they were mandatory.
- The Board could consider the hospitality issue when it considered a paper from DHRC on alcohol policy in February.

9.2. The Board **agreed** that heads of departments should have an opportunity to review the staff handbook before it was issued and that it should consider the outstanding issue on hospitality when it considered a separate paper on alcohol policy.

9.3. The **Chairman** reported that he had just recorded an interview with the BBC Westminster Hour programme for broadcast on 22 January.



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[adjourned at 18.50

**Matthew Hamlyn  
Secretary**

**Robert Rogers  
Chairman**

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