

**Minutes of the Management Board meeting
held on Thursday 12 July 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)
Alex Jablonowski (external member)
Barbara Scott (external member)

In attendance: Matthew Hamlyn (Board Secretary)
Gosia McBride (Assistant Secretary)
Ben Williams (Assistant Secretary designate)
Lee Bridges (Head of Media and Communications (Chamber
and Corporate))
James Robertson (Director of Accommodation and Logistics, for
item 5)
Mel Barlex (Parliamentary Director of Estates, for item 6)
Richard Ware (Leader of the Study Group on Palace of
Westminster Modernisation, for item 6)
Alix Langley (Head of HR operations, for item 7)
Janet Rissen (Director of Business and Capability, for item 7)

1. Matters arising from previous meetings

1.1. The **Chairman** welcomed Jane Kibirige, Clerk of the Parliament of Uganda, who was observing part of the meeting.

1.2. **Matthew Hamlyn** reported that most actions were complete or in hand. Action 13 (briefing the Administration Committee on the agreed proposals on the Atrium) could now be considered complete, as the Chair of the Committee had been briefed on the plans and was content with what was proposed.

1.3. Further to action 15 (DHRC to send heads of departments lists of outstanding PDMs), **Andrew Walker** said that he had updated lists to give heads of department. The percentage of staff who had returned completed PDMs currently stood at 67%. This slightly understated the actual figure as the baseline included staff who did not have to complete PDMs, for example those on career breaks.

1.4. Further to action 18 (OCE to carry out a sensitivity analysis of the Access to Facilities proposals and put forward an appropriate communications and

engagement plan), **Matthew Hamlyn** said that he had met Sir Alan Haselhurst who had been content in principle with most of the proposals. He would appear before the Administration Committee in September, with a representative from Catering and Retail Services (as most of the changes affected catering venues), to explain the proposals in detail to the Committee.

2. Performance and risk

2.1. The Board considered the Performance and Risk report.

2.2. The **Chairman** noted that problems continued to be reported with the new HAIS system. **Andrew Walker** said that he had just chaired the first meeting of the project board looking at HR data in SPIRE and would shortly be asking heads of department for nominees to support its work. On the finance side, **Myfanwy Barrett** reported that progress was being made. A formal project group had been set up, tasked with improving finance reports. That group would also be the gateway for any requests for change. A full set of reports had been issued for June, with guidance notes for budget holders, but summaries were not yet available as the individual reports first needed to be improved. Quite a few budget adjustments were needed, for example to take account of restructuring, and a further review was needed of the non-cash parts of the budget. There were also some upward pressures to consider, including utility costs, business rates and Members' postage. Departmental forecasts for the period to end of June, including the identified pressures, and any issues with non-cash costs, would be incorporated in the first detailed monitoring report to the Board and F&S in September." Summary reports would be available before the summer recess so that departments would have the information they needed for the challenge meetings in September. The **Chairman** thanked the HAIS team for their work. **Myfanwy Barrett** said that departmental finance managers had been very helpful.

2.3. **Matthew Hamlyn** noted that the performance dashboard now indicated the change in status from the previous month, following a suggestion by Barbara Scott. The Board welcomed the addition. The **Chairman** said that the indication of progress against business plan milestones was also very helpful.

3. Oral updates from Directors General

3.1. **Joan Miller** reported that she had just held a meeting with PICT staff to outline the department's structure from 2014. The assumptions on which the plans were based had also been published and staff had been asked to help validate them. 40 posts would be lost as a result of the restructure, although some of these post reductions had been facilitated through the Voluntary Exit Scheme and others were already vacant. Staff were being

encouraged to refocus their skills, and were being offered training, to help them build a career in the new structure.

3.2. Joan Miller said that a question had been raised about the possible impact of SPIRE on network and PC performance levels. PICT had set up a project to examine whether the issues were with the SPIRE system, desktop machines or the network.

The Board considered the potential impact of the changes in sitting hours. In discussion the following points were made:

- The bunching of hours was unlikely to cause resource problems.
- Catering might lose income. Widened access to facilities by staff could help fill this gap, although this would need to be handled sensitively.
- Tuesday morning tours would be affected. The impact on other events still had to be considered.

Matthew Hamlyn noted that Angela Eagle was planning to raise the impact of the changes on staff at the Commission. He was preparing a brief for the Clerk.

3.3. David Natzler reported that DCCS was facing two potential additional pressures on its resources: the Joint Commission on Banking and the Intelligence and Security Committee.

3.4. John Borley noted that the coffee loyalty cards were proving popular with low paid staff.

3.5. Barbara Scott said that she had had a very well planned induction. She had met Andrew Walker and Heather Bryson earlier in the day and they had agreed that she should become involved in supporting DHRC.

3.6. Further to the take note paper on income generation (MB2012.P.83), **John Pullinger** reported that the Finance and Services Committee had considered the paper the previous day and had welcomed all the recommendations made. They would now recommend the paper to the Commission.

3.7. Further to the take note paper on visitor services (MB2012.P.84), **John Pullinger** reported that one aspect of the response to the Administration Committee's inquiry was a stated determination to reduce queuing times. The solution would involve the Serjeants, room bookings and the Catering and Retail Service examining visitor flows.

3.8. John Pullinger reported that the annual PICTAB review had highlighted three main areas: the importance of getting a grip on the broader question of information management (a bicameral group chaired by Liz Hallam Smith was looking at this with support from PICT); the need for

confidence in the quality and availability of developer support for programmes; and the right level of senior input into key areas.

- 3.9. John Pullinger** noted that the new Palace of Westminster guidebook had just been launched. It had been a brilliant collaborative effort. The **Chairman** said that it was an outstanding production; he had been hugely impressed by the extraordinary range of people involved. **John Pullinger** added that the Library had just also launched a book on the Olympics, *Olympic Britain*.
- 3.10. Alex Jablonowski** reported that the Audit Committee had discussed the Internal Audit report on learning and development. The Committee had agreed that more pace and commitment was needed in this area. **Andrew Walker** said that he had taken that on board. **Alex Jablonowski** said that the Committee had also considered a list of outstanding Internal Audit actions. The list was unacceptably long and the Committee had agreed that unless managers had made progress by October they and their head of department would be called to answer questions at the Committee. The **Chairman** said that he fully supported the Committee's proposal. He had felt very uncomfortable during that discussion and urged heads of department to pass the warning on to their senior managers. **Alex Jablonowski** said that the Committee had also noted that recommendations should be shorter and snappier. The head of Internal Audit had agreed that some recommendations could be sharper, but emphasised that effective internal audit was not about recommendations and responses but agreed management actions. More of a partnership was needed between IA and management. **Andrew Walker** said that he could not see all the outstanding actions within his department on the internal audit SharePoint site.
- 3.11. Alex Jablonowski** said that the Committee had also discussed Internal Audit's Quarterly Report, which was a very useful document setting out various cross-cutting issues. The Committee had recommended that managers should put the report on their team meeting agendas for discussion. The Committee had also asked the NAO to review its own cross-cutting reports and to send a summary of recommendations to the House when they felt they were relevant. There had been an interesting discussion on the Metropolitan Police Contract at the joint meeting with the Lords Audit Committee. The **Chairman** noted that he had already talked to the Commissioner about the need for a robust partnership.
- 3.12. Action:** *Heads of Department to remind their senior managers that outstanding audit actions must be complete by October and to place the Head of Internal Audit's Quarterly Report on the agendas for their team meetings. OCE (Head of IA) to explain to Andrew how to gain full access to the SharePoint site.*

3.13. Andrew Walker reported that the contract manager for the Metropolitan Police Contract had just been recruited and would start shortly. He reminded Board members that details of their remuneration would be published in the Administration Estimate Annual Report and Accounts.

There had been some problems with participant attendance at the Leading for Parliament modules, with staff arriving late or leaving early or in the middle of sessions. Westminster Business School had suggested that that might be addressed by hosting the modules in their premises. The Board considered this proposal. In discussion the following points were made:

- Another way to address the issue would be for managers to enforce attendance more rigidly. That was all part of changing the culture in the House.
- There were other advantages. Being offsite would help delegates be more focused on the course and less distracted by the day job.
- Staff were very busy and the course required a lot of time. There might be good reasons why they were missing parts.
- DHRC had tried to be flexible, for example allowing staff to attend a module with a different cohort if they were unable to make the timings for their own cohort.

The Board **agreed** that DHRC should trial delivery of the course at Westminster Business School.

3.14. Andrew Walker said that he and the Chairman had just received an interim Investors in People report based on the work of internal assessors. The report would be sent to Board members shortly. It warned that the House might not meet the standard in the autumn. The main areas of improvement required were in management and staff engagement. Those could be placed in context of the staff survey results. He would be grateful for Board members' feedback. **Barbara Scott** said that she knew Gary Inman and would ask him what quick improvements might be made.

3.15. Action: Barbara Scott to speak to Gary Inman to discuss what quick improvements might be made to the House's performance for the final Investors in People report.

3.16. Myfanwy Barrett reported that the Finance and Services Committee had discussed the Operations strand proposals. Their input had been very helpful. They had welcomed the savings identified and given useful comments on possible sensitivities. The next stage would be to work with departments on taking forward consultation on the individual proposals.

3.17. The Chairman drew the Board's attention to the recent EDM on Operator Bureau staff. **Matthew Hamlyn** noted that parliamentary questions had also been tabled on the issue.

- 3.18. The **Chairman** noted that Barry Sheerman had been successful in his bid for an intervention on morale of staff in Parliament during the pre-recess adjournment debate on 17 July. A briefing was being prepared for the Deputy Leader, who would reply to the debate (although the issue was a matter for the Commission, not the Government) stressing the value which management placed on House staff.
- 3.19. The **Chairman** said that he and Joan Miller had had a constructive meeting with Daniel Kawczynski. PICT staff were going to visit Mr Kawczynski's constituency office to provide training for him and his staff.
- 3.20. The **Chairman** reported that he had hosted a very useful meeting between the Cabinet Secretary and No 10 team and DCCS senior staff on Chamber-related matters. It had helped show Cabinet Office staff how closely their preoccupations paralleled those of the House Service and was a positive step towards increasing direct contacts.

4. Medium Term Financial Plan

4.1. Myfanwy Barrett introduced her paper.

She thanked Library Economists for their help with the economic analysis in the paper. She would be consulting Board members individually on whether they would prefer to keep one baseline over the four years or to roll forward the base line every year and just show the year on year adjustments.

4.2. The Board considered the paper.

4.3. **Alex Jablonowski** said that it was an excellent paper, which showed serious stewardship by the House Service. The Board might want to move away from annual analyses of the financial position, and instead focus on risks and opportunities. The Board **agreed** that the focus on the target figures for the annual Estimate was important for providing a clear narrative but that a more sophisticated approach should also be considered for its own discussions. The Board also **agreed** that the paper should be amended to make it clear that HRPPP costs related only to expenditure on the programme team.

5. Savings: estate strand

5.1. The **Chairman** congratulated James Robertson on the award of the OBE. The Board considered the Third Party Review paper and **agreed**:

that the House should, as a matter of principle, regularise the terms of occupancy of all third party occupants, to include commercial terms where appropriate; and

- that the House should not seek to charge civil service occupiers, Member associations, the Press Gallery or CPA International.

5.2. The Board **agreed** that the paper should be put to the Finance and Services Committee in September, together with a paper on residences and overnight accommodation.

6. Estates issues

6.1. The Board thanked Richard Ware and the rest of the Palace of Westminster Modernisation Study Group for producing an excellent pre-feasibility study. The Board considered the study document and the Parliamentary Estate Programme Integration paper. In discussion the following points were made:

- Real progress needed to be made. Decisions could not be postponed again.
- The study document did not include timescales. Those were set out in the paper on estates programme integration. The sequencing of communication (with Members, senior leaders, staff and the public) was also important.
- The activity was now starting to feel more like a programme rather than an academic study.
- Putting the work on a programme footing was essential.
- It was also vital to include external members on the programme board.
- A version of the Study Group report should go to the Commission with a draft communications plan. Work on the plan had already started and the media team had the capacity over the summer to complete it.
- Having a single client body was a very good idea. It would be foolish to try to attribute different parts of the work to the Commons or Lords . The work was all about Parliament renewing itself. It was important to ensure governance wasn't complicated by multiple bodies.

6.2. The Board **agreed:**

- that the modernisation team should be kept in place for the next phase, to guide the necessary feasibility studies and support production of an Outline Business Case;
- that a revised version of the report should be submitted to the Commission in October with a draft communications plan and a recommendation to make a suitable version of the report available to Members for consultation and to the public, and that that action should be coordinated as closely as possible with parallel action in the Lords;
- that the next phase should be constituted as a “programme” with appropriate and proportionate controls and documentation, a Senior Responsible Owner and programme board agreed by the two Accounting Officers and a suitably resourced programme team as recommended in the Study Group report;
- that for implementation the aim should be to have a single legal client;

- that pending such an arrangement the programme should report to a joint steering group appointed by the Commission and House Committee;
- in addition to setting up a joint steering group, the Commission and House Committee should be invited to refer the matter of modernisation to a joint committee;
- that further feasibility studies were needed, as set out in the Study Group report;
- that a “measured integration” approach should be adopted to planning and delivering the various major Estate related programmes (fire safety, data network, outbuildings, cast iron roofs and conservation) currently in gestation, delivering as many as could sensibly be jointly delivered within Palace of Westminster modernisation;
- that the Commercial Services Director should be invited to work with the team to develop proposals for engaging industry support, on a risk sharing, partnering basis;and
- to invite the Network Convergence Programme Board to explore options for network solutions compatible with the proposed Palace of Westminster Modernisation Programme timetable, while maintaining consistency with Parliament’s ICT Strategy.

7. Staffing issues

7.1. Alix Langley introduced her paper on Approaches to Human Resources and Change within the Savings Programme. In discussion the following points were made:

- The generic recruitment restrictions were starting to cause inefficiencies and were affecting staff morale, and should be brought to an end as soon as possible.
- The Board had always known that they would become less effective over time.
- DHRC would need time to make sure the restrictions were lifted in an orderly way. There were long chains of consequential to work through. In some areas it would not be possible to lift restrictions on permanent appointments.
- Workforce planning needed central HR support; it should not simply be another burden on line managers.
- DHRC would provide a framework and business partners would help departments. They had also just recruited a new workforce planning expert. Many departments were already carrying out workforce planning.
- The proposed change analysis would help the Board to understand the overall impact of change on staff. It would be carried out by the change team.
- Rather than more process, the Board should have a map of areas of change. Those in “hot spots” needed to be managed very differently from those outside.

- The savings team had not been consulted on this paper, including the proposal to move to greater central co-ordination of consultation/negotiation with the TUS as part of the savings programme and other interdependencies. More discussion was therefore needed before a decision could be taken.

7.2. The Board agreed:

- that although the recruitment restrictions had been necessary when they were introduced, they had now achieved their original aims, were affecting staff morale and had started to create inefficiencies;
- that a new approach was therefore needed: restrictions could not all be removed at once and in some areas would still be necessary, but work should be done over the summer so that the restrictions could be lifted in an orderly way, starting in October;
- that this decision should be included in the Clerk's summer recess message to staff;
- to support improvements in workforce planning to develop more targeted approaches to post reductions;
- that the policy of seeking to avoid compulsory redundancies through redeployment should continue;
- that the change team should produce a detailed analysis of the cumulative impact of change for particular groups of staff, to enable the Board to assess the House's ability to cope with the amount of change; and
- that that analysis should include a simple heat map of where change was occurring so the Board could see and develop strategies for managing the areas most affected.

7.3. Introducing her Future of Capability in the House Service paper, **Janet Rissen** explained that the Audit Committee had commented on the audit report and management response at its meeting the previous day, in particular the need to make quicker progress. The Board considered the proposed L&D strategy. The **Chairman** said that the Deloitte audit report and the management action plan seemed to be process driven. A vast plan was unnecessary. It was far more important to take a pragmatic view of departments' needs and identify what was missing in the development offers and availability. He suggested this should happen by the end of September. Where there were gaps these should be filled quickly.

7.4. In discussion the following points were made:

- To support this a learning needs assessment was important.
- A better grip was needed on what was already provided. It would be good to have a breakdown of expenditure on learning by department – for example, money spent on FE courses and separately mandatory training, e.g. in finance and catering, from developmental training. The latter was key to changing the culture in an organisation and required a different approach.

- The House needed to move towards more focused, accessible and better value for money training solutions.
- Training courses away from the office were not the only means of training staff. Mentoring, for example, was a real strength in the organisation. The paper helpfully cited the 70/20/10 ratio devised for educational establishments.
- Training should not be elective, but more directive towards the House's business needs, e.g. connection between the House's change programmes and investment in L&D and linking the learning activity to where the organisation was seeking to go.
- The Board also needed to provide greater direction, telling L&D where in the change strategy it could have the biggest impact. Talent management could not be delegated to L&D.
- The paper (para 16 and 20) was wrong to imply that the House service would be able to get the best possible person for every post, but rather that the House should be developing all staff to their full potential.

7.5. The Board agreed:

- that the L&D team should review what departments needed and what was missing in the training offering by the end of October and plan to fill any gaps identified soon after that;
- that following the 70/20/10 model, only a small proportion of what was offered as a result should be formal training;
- that L&D should return to the Board with more detail on a proposed talent management scheme, as set out in the paper, including costs and risks.

8. Any other business

8.1. David Natzler asked whether the aspiration set out by DIS to reduce visitor waiting times to 15 minutes was measurable. **John Pullinger** confirmed that it was possible to get fairly accurate measures of queue lengths.

8.2. The Chairman, on behalf of the Board, warmly thanked the outgoing Assistant Secretary for her work for the Board, for the Audit Committees and in her role as his Private Secretary; and welcomed the new Assistant Secretary to his post.

[adjourned at 18.22

Matthew Hamlyn
Secretary

Robert Rogers
Chairman

5 September 2012