

**Minutes of the Management Board meeting
held on Thursday 13 September 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)
Alex Jablonowski (external member)
Barbara Scott (external member)

Apologies: Joan Miller (Director of PICT, external member)

In attendance: Matthew Hamlyn (Board Secretary)
Ben Williams (Assistant Secretary)
Kate Thompson (McCallum Layton, for item 1)
Julia Horlov (McCallum Layton, for item 1)
Heather Bryson (HR M&D, for items 1 and 6)
Gavin Berman (House survey team, for item 1)
Jo Regan (House survey team, for item 1)
Patricia Macaulay-Fraser (Head of People Development, for item 1)
Jane Hough (Strategy, Planning & Performance Manager, for items 2 - 4)
Reg Perry (Head of Employee Relations, for item 6)

1. 2012 Staff survey

- 1.1. The **Chairman** welcomed Kate Thompson and Julia Horlov from McCallum Layton
- 1.2. **Kate Thompson** and **Julia Horlov** made a presentation to the Board setting out the main finding of the staff survey and identifying where further work might be needed.
- 1.3. Almost half of respondents indicated that they would be willing to take part in follow up work. This was positive as it indicated that staff wanted to be involved. However, there was also a belief that the results of the survey would not be acted upon.
- 1.4. The survey company recommended that any follow up work should focus on the following areas: bullying and harassment; opportunities for advancement; feeling valued, and co-operating with others to achieve goals.
- 1.5. The **Chairman** thanked Kate Thompson and Julia Horlov.

1.6. The Board discussed the survey. In discussion the following points were made:

- In the context of the savings programme, the results were quite encouraging. In the civil service engagement scores were falling because of the level of cuts and consequent change.
- The comparison data with the civil service was very helpful.
- The scale of change the House Service was going through was greater than anything staff had previous experienced; this had led to some staff were feeling insecure in their job.
- The bullying and harassment figures were very disappointing.
- There were reports of bullying in departments that were not Member-facing, implying that there were pockets of staff bullying that need to be addressed. However, bullying by staff was not felt to be pervasive
- There were areas where facilities provided to staff were not good enough and it was important to be seen to respond to these concerns.
- Performance management was clearly an issue where the Board needed to push harder.
- The number of staff who reported suffering from physical and mental ill-health was worrying; more work needed to be done to understand the scale of the problem and the underlying causes.
- There was clearly a lack of confidence in management. To address this management must be seen to take ownership of the process of identifying and implementing solutions. Clear milestones should be set for the next steps.
- There was a mismatch in some case between people's perceptions of what was happening to colleagues and the reality of the situation. Addressing this required leadership from the top of the organisation.

1.7. **Andrew Walker** commented that projects were already in hand to deal with some of these problems. For example, HRPPP had been initiated to address perceived unfair variations in people's terms and conditions, as reported in earlier staff surveys, even though it was now the subject of complaints in the present survey. The Board should aim to complete existing initiatives in response to the survey, rather than launch new ones.

1.8. The **Chairman** concluded that the organisation was suffering from a degree of initiative fatigue. There were a number of policies that whatever their merits were not seen by staff to be operating in a joined-up way. This was due in part to the difficulty in getting approval for some initiatives which meant schemes had been introduced in a piecemeal way – making it difficult to present them as a unified package. He congratulated Gavin Berman and Jo Regan on their hard work in supporting this year's survey.

- 1.9.** *Action: the survey team would hold meeting with heads of department within the next four weeks.*
- 1.10.** *Action: Follow up work, including focus groups, would be carried out by the survey company in the four areas identified in their presentation*
- 1.11.** *Action: The presentation, overall report, departmental report and anonymised comments would be made available to staff as soon as possible with a covering message from the Clerk, setting out next steps for follow up work.*

2. Matters arising from previous meetings

2.1 Matthew Hamlyn updated the Board. The action on remote access was completed, although the Board might wish to return to this issue in due course in the context of wider HR policy.

2.2 Board Members were reminded to ask their teams to discuss internal audit report, and to ensure managers were completing and updating actions in the Internal Audit shared area. The **Chairman** emphasised the importance of this.

2.3 The Administration Committee had endorsed the Board's proposals to widen staff access to some facilities and the Clerk would be writing to the Speaker to seek his approval for changes to access to the Terrace. The new arrangements would be communicated to staff in due course, including via the new e-briefing for line managers.

2.4 Barbara Scott's meeting with Gary Inman on Investors in People had been postponed, but a new meeting was being arranged.

3. Performance and risk

3.1 The Board considered the Performance and Risk Report.

3.2 **Andrew Walker** updated the Board on the return rate for staff appraisal forms (PDMs) which was now 89%. Further work was needed to remove from the baseline staff not required to submit an assessment (because they were on secondment, maternity leave etc). A list of outstanding staff appraisals would be sent to heads of department for review. **Matthew Hamlyn** noted that managing the process should be easier when the PDM process could be completed on SPIRE, subject to successful piloting.

3.3 *Action: **Heads of department** to review the list of outstanding staff appraisals in their department and inform HR of any staff listed who were not required to complete an assessment this year.*

3.4 **Myfanwy Barrett** updated the Board on HAIS. There was a problem generating reports on payments to suppliers. **David Natzler** referred to some cases of late payment in his department. The Department of Finance would look into these cases.

3.5 The **Chairman** noted how well the House Service had dealt with the impact of the Olympics and Paralympics. He also praised the recently produced guidebook, which was an excellent example of cross house work and benefitted the House's outreach goals.

3.6 The Board approved a change in the description of Board level risk 6 to include a reference to contracts.

3.7 The Board considered the Monthly Financial Performance Outturn

3.8 **Myfanwy Barrett** said that the Department of Finance realised more work was need on the HAIS report but this would involve addressing wider question of how budgets were structured. There was a backlog of budget adjustment requests which had not been dealt with due to other calls on resources. These would be processed soon. Overall the report showed a £2m underspend, after upward pressures on utilities, postage, business rates had been included.

3.9 **Alex Jablonowski** asked what the central provision covered. **Myfanwy Barrett** explained that this was primarily pension liabilities, but also included some grants to other bodies, audit fees and the budget for supporting the savings programme. **Alex Jablonowski** commented he was now seeing financial data with which he was comfortable, in terms of controllable cash costs.

4. Strategic planning

- 4.1** The **Chairman** said that this paper was preparatory, ahead of the Board November meeting on strategy.
- 4.2** **Jane Hough** commented that this paper was about process, scope and timing, rather than content. It envisaged a limited refresh in the strategy to bring it forward to 2016/17, to align it with financial planning which was already looking that far ahead.
- 4.3** The **Chairman** said he was happy with a continuation of the existing strategy, especially in light of the staff survey message on the need for clarity, stability and simplicity in this area.
- 4.9** The Board agreed to proceed as outlined in Jane Hough's paper, and decided to bring forward to 2014 the decision point on whether to continue the existing strategy into the next Parliament.

5. Oral updates from Directors General

- 5.1 David Natzler** reported that the House had agreed to earlier sitting times on Tuesdays and Thursdays, from October.
- 5.2 Myfanwy Barrett** reported that the Pensions Bill had been published; it included the clauses the Board had sought, which if passed would allow for the merging of the staff pension scheme with the principal civil service scheme. The Finance and Services Committee had considered a draft of the report on which a debate on the saving programme would take place and were content with the proposed approach. The departmental challenge meetings had gone well thanks to the effort of all the staff involved; it had been particularly helpful to integrate diversity and workforce planning into this exercise.
- 5.3 John Pullinger** reported on the recent Westminster Hall debate on visitor services. Those who spoke had been very supportive, and had been complimentary about the House Service. Business cases were now being worked up for the income generation strands of the saving programme. **Myfanwy Barrett** noted that John Thurso had made some very helpful comments about the challenges facing the House's catering operation.
- 5.4 The Assistant Secretary** reported on behalf D-PICT. There had been a performance issue affecting the internet in the previous week; some workarounds had been implemented but the problem was still not resolved. An incident management group had been created. Provision of iPads to Members was going well with 150 Members having now received them under the terms of the policy agreed by the Commission.
- 5.5 Andrew Walker** reported on recent cases under the Respect policy that had been resolved to the satisfaction of the members of staff concerned. The cases had been handled by the nominated directors. An open meeting for staff had been held to discuss the review of the alcohol policy and a formal meeting was to be held with the Trade Union Side. He hoped to come back to Management Board with a revised policy in 4-6 weeks.
- 5.6 Action: Andrew Walker** to bring a paper containing a revised alcohol policy to the Management Board in October.
- 5.7 Barbara Scott** reported that she had met Andrew Walker and members of his team during the summer and was planning on becoming more involved in the department in future. **Andrew Walker** commented that Barbara's involvement had been positive.
- 5.8 The Chairman** will reported that he would attend one of the weekly meetings of permanent secretaries. He would also be having a meeting with the Cabinet Secretary,

5.9 He had also held helpful introductory meetings with both the new Leader of the House and Chief Whip.

5.10 The Commission had considered a paper on ways to improve diversity in the House Service. A number of the recommended initiatives would be challenging to implement but the direction of travel was the right one. A paper explaining the Commission's approach was being prepared to share with staff.

6. Pay

6.1 Reg Perry introduced his paper. The paper drew attention to a number of issues that needed to be addressed as part of the House's pay and reward strategy.

6.2 Any new pay strategy could be implemented either by amending the existing scheme (which had tended to be the practice in the past) or, more radically, by introducing a new pay system to address all the existing problems at once. There were obviously interdependencies with HRPPP. Effective engagement with the Trade Union Side would be important.

6.3 The **Chairman** thanked Reg for his paper and commented that he had long been concerned by the disconnection between SCS and A-E pay systems, and the existence of long, overlapping pay bands. A new strategy would provide an opportunity to address these issues.

6.4 The Board discussed the paper. In discussion the following points were made:

- Pay comparability should be about comparing people's real pay, not the maximum and minimum of their pay band. This comparison should cover the entire reward package, including annual leave entitlement, pension provision, season ticket loans, etc.
- The Board had to be able to demonstrate to staff that their pay was genuinely comparable to that in the civil service.
- Systematic benchmarking of pay rates with the civil service was achievable and could help make any new pay system credible to staff.
- Currently SCS received non-consolidated performance awards but bands A-E did not, following the suspension of the performance award scheme. There was no reason why they should be treated differently.
- There had traditionally been opposition to performance related pay from many staff.
- There were a number of ways to implement performance related pay: a large number of small bonuses, a few large bonuses or linking performance to progression through a pay band.
- For performance related pay to be effective it needed to account for around 10% of the staffing budget.
- It was difficult to administer performance related pay in a way that was seen to be fair and did not place a disproportionate administrative burden on management.
- It was important that the pay strategy and HRPPP, if implemented, integrated well with each other.

6.5 Barbara Scott noted that perceptions of HRPPP were having a very negative effect on morale in the House; a final decision on it should be taken as soon as possible.

6.6 Myfanwy Barrett said that some of the comments in the staff survey about HRPPP reflected an incomplete understanding of the proposals.

6.7 Action: *The Board agree that Reg Perry should proceed on the basis set out in his paper, and agreed to consider a new pay strategy in November.*

7. Savings programme

7.1 John Borley reported that Business Improvement Plans had been being agreed in all areas except for catering, which was likely to be finalised shortly. Business cases would be drawn up and considered by the Board in October, for agreement and submission to the Finance and Services Committee and the Commission for a decision. It would be important to keep the Administration Committee informed of developments.

7.2 The Chairman agreed that the proposals should be presented to Member bodies as a complete package; given the interdependencies it would not be feasible to “cherry pick” proposals without jeopardising the financial and service benefits.

7.3 Myfanwy Barrett said that the Improvement Plans were very strong. She had briefed the Finance and Service Committee on the progress of market testing.

7.4 The Board agreed that a communications plan for the outcome of the Business Improvement process should be developed.

8. Members' Survey of Services

- 8.1** The Board discussed the paper and agreed to the recommendation not to commission another full scale annual survey of Members and their staff.
- 8.2 Barbara Scott** said that a number of the suggestions in the paper for new ways to get Member feedback were really good and innovative. The aim should be to make it as easy as possible for people to give feedback.
- 8.3 Myfanwy Barrett** commented that some extra investment in a central system for reporting complaints would be justified.
- 8.4** The Board agreed to develop with department other ways of collecting member feedback and to keep the Administration Committee informed of developments.

9. Any other business

Matthew Hamlyn encouraged heads of department to send in comments to Jane Hough on the performance indicators paper. He emphasised that the proposals in the paper were not intended to increase administrative burdens on departments, rather the opposite.

[adjourned at 6:20pm

Matthew Hamlyn
Secretary

Robert Rogers
Chairman

September 2012