



HOUSE OF LORDS

Management Board

8th Meeting
Wednesday 1 July 2015

MINUTES

Present:	David Beamish Simon Burton Rob Greig Elizabeth Hallam Smith Andrew Makower Tom Mohan Edward Ollard Carl Woodall	Clerk of the Parliaments Corporate Services Digital Services Information Services Financial Resources Human Resources Parliamentary Services Support Services
Audit Committee member:	Liz Hewitt	
Apologies:	David Leakey	Black Rod's Department
In attendance:	Margaret Pieroni (item 1) Jonathan Smith (items 3-5)	Assistant Director of Human Resources Head of Finance

1. Shared Parental Leave Policy

MB/2015/51

- 1.1. Tom Mohan introduced the paper and thanked Margaret Pieroni for her help in preparing it. He noted that the Shared Parental Leave Regulations came into force on 1 April and that one note of interest from a member of staff had been received so far. The Administration was legally obliged to provide shared parental leave if requested so a policy was required, which he hoped could be agreed with the trades unions. The House of Commons already had such a policy in place, which the proposal was similar to.
- 1.2. A Board member welcomed the proposed policy and asked about alignment with paternity leave and whether the due date was the actual date or deemed due date from which parental leave would commence. The Board member also asked what would happen if a member of staff became ill during a period of parental leave. Margaret Pieroni replied that shared parental leave took effect from the actual date and explained that the person would have to return to work to bring the parental leave to an end before they were eligible to claim sick leave.
- 1.3. A Board member considered the policy to be too complex and asked if it could be simplified. Another Board member suggested that the abbreviations used in the policy could benefit from greater clarity. Margaret Pieroni replied that the policy was a legal document and that FAQs would be made available on the intranet, which would provide clearer information including flow charts and graphics. The Board noted that both parents were required to be in employment before shared

parental leave would apply.

1.4. The Board discussed the possible financial implications. A Board member suggested that if the policy was more generous than other organisations then this might place a greater burden on the Administration. Another Board member noted that as it would add to the leave entitlement this would have obvious cost implications. Margaret Pieroni noted that the Administration was more generous in terms of paying the enhanced rate before it reduced to the statutory rate but this was the same as the Commons and main Civil Service shared parental leave policies. The Finance Director noted that there was no intention to earmark funds for this purpose nor any expectation of a saving.

1.5. The Board **agreed** the proposed Shared Parental Leave Policy and noted that it would be taken to the trades unions for formal consultation.

2. Draft Annual Report 2014/15

MB/2015/52

2.1. Simon Burton introduced the paper and thanked Board members for their comments and assistance with its production. He considered it to be a more focused and readable document than previous years.

2.2. A Board member suggested that the reference to financial support to members in the Audit Committee annual report would benefit from clearer definition.

2.3. The Board considered the Report's coverage of diversity issues, including recruitment statistics, and the following points were raised in discussion:

- A Board member suggested that it could be discussed at a future Board meeting. Another Board member said that they were in favour of the Administration doing more work in this area.
- The Board noted the Lord Speaker's interest in this area and that it was likely to be considered at the Senior Management and Board Awaydays, as well as at the Management Seminar.
- A Board member noted the HR Office's limited resource in this area compared to the Commons.
- A Board member suggested that an alternative approach would be to consider this matter as a corporate resource. A further question was whether it should be approached jointly with the Commons in the context of the Bicameral Review of Joint Working.
- A Board member suggested giving further consideration to how diversity figures were presented in the Report.
- The Board noted that the Administration's intention to conduct future work in this area could be referenced in the Clerk of the Parliaments' foreword to the Report. The Board also noted that an indication of early intent regarding this area was included in the Planning Instructions and the Towards the Financial Plan paper.

2.4. The Board agreed that the Report should include trend figures with regard to the 2014 member and staff surveys. The Board also agreed changes to the organisation and governance charts.

2.5. The Board **agreed** the draft Annual Report for 2014/15, with amendments, ahead of its consideration by the House Committee on 14 July 2015.

3. Draft Resource Accounts 2014/15

MB/2015/53

3.1. Jonathan Smith introduced the paper. He noted that the NAO had completed its audit, which had proceeded well. The external members of the Audit Committee had reviewed the first draft of the Accounts and the other Committee members had also been invited to attend this meeting, with Lord Shutt of Greetland participating as a result. The remuneration report would be updated and circulated to the Board; amendments had been made on the presentation of assets under construction, and the catering reference included some additional narrative. The Accounts were due to be considered by the Audit Committee on 8 July, with the Clerk of the Parliaments scheduled to sign them off the following day before they were sent to the Comptroller & Auditor General. The NAO was likely to suggest that the Board could receive monthly rather than quarterly accounts as per best practice elsewhere.

3.2. *[Additional information – Restricted Access]*

3.3. A Board member said that the section on information risk in the Governance Statement was too long. Jonathan Smith replied that this section had already been revised to address this.

3.4. The Board **agreed** the draft Resource Accounts 2014/15 subject to any recommendations made by the NAO and the Audit Committee.

4. Finance Manual and Financial Delegations

MB/2015/54

4.1. Andrew Makower introduced the paper and emphasised that it was work in progress. While not many substantive changes had been proposed to the main text, he hoped the revised text would be considered helpful. He noted that the financial delegations were more important and were ultimately a matter for the Clerk of the Parliaments rather than the Board. The financial delegations regarding projects and programmes had been substantively recast, which was intended to make it easier for these to apply in both Houses. If agreed by the Board the revised Finance Manual would apply from 1 September. It would also provide an opportunity for the Finance Department to provide more training and guidance, which had been requested, later in the year. Further work would include the process of approving invoices and responding to an Internal Audit report which was due concerning general payments. With regard to Appendix G, which concerned temporary employees and consultants, work was ongoing with the Commons to produce clearer, and in some areas more demanding, guidance.

4.2. The Board considered the paper and the following points were raised in discussion:

- A Board member suggested that it might be beneficial to distinguish between a physical register for IT assets and an accounting register. Andrew Makower agreed this. The Board member also suggested that it might be beneficial to produce a list, by job title, of the delegated authorities that each position had which could be appended to the relevant job descriptions.
- A Board member said that they had discussed how this information could best be presented to staff with Andrew Makower and noted the enthusiasm for further training on financial management among Heads of Offices.
- A Board member said that, contrary to what was stated in the paper, the Head of Internal Audit did not provide assurance to “the Board”. Andrew Makower agreed to discuss this further with Paul Thompson. The Board member also said that the prohibition of virement from non-staff to staff should be drawn to budget holders’ attention. The Board member noted the requirement to make travel bookings through the Travel Office, whenever possible, but considered that their tickets could sometimes be more expensive than elsewhere, and that it was important to seek value for money in this respect. Another Board member noted that the costs would decrease the more frequently the Travel Office was used. Andrew Makower agreed to review this.
- A Board member said that the role of SROs could benefit from clarification with respect to the financial delegations, which were made to budget holders. Andrew Makower agreed that the position of SROs was ambiguous and noted that this would be discussed by the Digital Strategy Board and possibly also by the Joint Investment Board. He also undertook to discuss this matter with Myfanwy Barrett.
- The Board noted the House Committee’s past agreement of financial limits and the read across with the Finance Manual, as well as the Commons position.

4.3. The Board **agreed** the revised main text for the Finance Manual and **took note** of the proposed amendments to financial delegations.

5. Towards the Financial Plan

MB/2015/55

- 5.1. Andrew Makower introduced the paper and noted that this was the first of a six-stage process. He invited the Board to consider the questions posed in the paper, as well as the paper's presentation to the House Committee.
- 5.2. The Board considered the paper and the following points were raised in discussion:
- The Board noted that the BPG had agreed to include a diversity question in the Planning Instructions.
 - A Board member noted that the planning assumptions concerning sitting days were historically quite low. It was suggested that they should be drawn to the attention of the House Committee.
 - The Board discussed income generation opportunities and agreed to remove the reference to events in the Royal Gallery. A Board member said that while the Administration had a clear policy on savings and Continuous Improvement, its position on income generation was less

clear. It would be worthwhile having a separate discussion regarding the definition of income generation before this area was considered further, including the development of a policy. The Board agreed.

- A Board member said that the Bicameral Review of Joint Working was key and should be mentioned in the savings section, and suggested removing Annex B from the paper. Andrew Makower agreed.
- The Board agreed that the House Committee should be provided with an update about staff pay and suggested changes to the wording of the relevant section.
- The Board noted that the BPG did not consider that the Resourcing for Change initiative should be run again. The Board agreed.
- With regard to the Central ICT Contingency, the Director of the Digital Service informed the Board about a proposal for a funding increase to develop the website (continuously rather than as a project), improve service levels, and use a pot of money to finance minor projects such as HAIS and Agresso. Further work was also required on a new telephone system, cyber security and perimeter work. The total additional resource budget required was £2.9m gross. He noted that a senior management restructure, as well as a review of contracts, was underway. Andrew Makower agreed to flag this to the House Committee as a strategic priority. The Board agreed to invite the House Committee to budget for a Central ICT Contingency in future years and noted the read across to the priorities noted in the subsequent section of the paper.
- Andrew Makower agreed to emphasise diversity and inclusion in the paper, and to expand the reference to major work projects in the House of Lords.
- The Board noted that the green agenda and outreach were two of the Lord Speaker's priorities.
- The Board discussed engagement with the Lord Speaker and the House Committee regarding the content of the paper.

5.3. The Board **took note** of the proposed content of Towards the Financial Plan, ahead of its consideration by the House Committee on 14 July.

6. Changes to the Corporate Risk Register

MB/2015/56

- 6.1. Simon Burton introduced the paper and noted that it was one of the final elements to result from the Internal Audit review of the Administration's risk management arrangements.
- 6.2. A Board member noted that the scoring of some of the target risks were defined as 'issues' under the new risk matrix, which the Board might not be comfortable with. Simon Burton agreed to conduct further work on the target risks and to consult the Commons risk management team.
- 6.3. A Board member said that significant progress had been made with the corporate risk register over the last year. The Board member asked if those assigned with actions were content with these and had adequate resources to tackle the issues. Simon Burton replied that the BPG could examine resource issues when considering individual risks and that Heads of Offices would also be asked to address this in the Planning Instructions.

6.4. The Board noted that the classification of inherent risks under the new risk matrix did not necessarily lend itself well to security matters.

6.5. The Board **took note** of the changes to the corporate risk register, **agreed** the inherent risk scores for each corporate risk, and **agreed** the reconfiguration of residual risk scores for some of the corporate risks.

7. Risk report: Facilities & Buildings

MB/2015/57

7.1. Carl Woodall introduced the paper. He noted that a number of red risks existed in relation to the Millbank House Development, although these were expected to improve in the short term, as actions were now in place.

7.2. The Board discussed the agreement to share decant space with the House of Commons, in principle, for the purposes of fire safety (life safety) improvement works. David Beamish noted that this matter would be discussed with David Natzler during their next bilateral meeting.

7.3. With regard to health and safety on the parliamentary estate, Carl Woodall noted that meetings had been held with all of the project leaders, and that the House of Commons Facilities Department now acknowledged this to be a priority matter.

7.4. The Board:

- Took note of the risks and levels of assessment for the Facilities and Buildings corporate risk (risk 3).
- Took note of the revised definition of risk 3 to refer to the Millbank House Development rather than Millbank House Phase Three.
- Agreed the proposed score of 12 for risks 3i and 3ii with amber status and the proposed score of 16 for risk 3iii and red status.
- Agreed the target risk of 8 for risk 3i and 6 for risk 3ii with amber status and a target risk of 4 for risk 3iii with green status.
- Agreed a cautious risk appetite for all parts of risk 3.
- Agreed to the revised definition of risk 3ii as detailed in paragraph 27.
- Considered revising the scope of risk 3ii to become a wider scoping risk for major shared or House of Lords projects. The Board did not agree to the suggestion of a more general description but did agree to the inclusion of a reference to 6 and 7 Old Palace Yard.

8. Any other business

8.1. Elizabeth Hallam Smith informed the Board that an agreement had been signed with the National Museum of Scotland and ProQuest to digitise nineteenth century House of Lords sessional papers.

9. Period 12 Finance report

MB/2015/58

9.1. The Board **took note** of the Period 12 Finance report.

10. Parliamentary Safeguarding Policy

MB/2015/59

10.1. A Board member asked if the Safeguarding Policy would require all contractors to receive CRB checks. Tom Mohan replied that this matter, among others, would best be considered once Barnardo's had produced their recommendations.

10.2. The Board **took note** of the Parliamentary Safeguarding Policy.

11. Annual Environment Update 2014/15

MB/2015/60

11.1. A Board member commended the good progress which had been made in this area.

11.2. The Board **took note** of the Annual Environment Update.

12. Parliamentary dashboard portfolio

MB/2015/61

12.1. The Board **took note** of the Parliamentary dashboard portfolio.

Next Meeting: Monday 20 July 2015 at 10.00am

Management Board Secretary
7 July 2015