



HOUSE OF LORDS

Management Board

3rd Meeting
Monday 3 February 2014

MINUTES

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| Present: | David Beamish Liz Hallam Smith David Leakey Andrew Makower Joan Miller Tom Mohan Edward Ollard Rhodri Walters Carl Woodall | Clerk of the Parliaments Information Services Black Rod's Department Financial Resources Director of Parliamentary ICT Human Resources Parliamentary Services Corporate Services Facilities |
| Apologies: | Ian Luder | |
| In attendance: | James Taylor (for item 2) | Deputy Director of Human Resources |

I **Draft Business Plan 2014/15**

MB/2014/7

1.1 Rhodri Walters introduced this item and noted that a number of Board members had already provided comments on earlier drafts. The draft business plan was leaner than its predecessors and the introduction emphasised the savings that had been achieved on the resource budget. The intention was for the business plan to be published in a format consistent with the new strategic plan.

1.2 The Board discussed the draft business plan and the following points were raised in discussion:

- A Board member asked if it was sensible for the draft plan to emphasise Office 365 in terms of deliverables and benefits given the problems experienced during the roll out. The Board noted that despite the teething problems the roll out was now progressing well and was likely to meet the target dates stipulated in the plan.
- The Board noted that the reference to corporate risk 5 (finance) might have to be amended subject to the Board's consideration of item 5 on the agenda.
- The Board noted that, as a House Committee paper, the financial plan referred to in the draft plan was not a public document. The Board considered that it may be desirable to produce a version of the financial plan that was suitable for publication.

1.3 The Board **agreed** the draft business plan, for submission to the House Committee.

2 Draft People Strategy

MB/2014/8

2.1 Tom Mohan introduced this item and noted that the Morrison HR review had recommended the development of a “people business plan”, to be adopted and owned by the Board. The first draft of the strategy had resulted from a bottom-up process, and was not the final product. The Board was requested to indicate what their priorities were in terms of support to deliver their office business plans and the Administration’s strategic plan.

2.2 *[Additional information – Restricted Access]*

2.3 James Taylor provided an overview of the feedback received on the draft strategy from the workshop members who had helped to produce it. This included questions about the capacity of the Administration to deliver the strategy; the consistency in application of flexible working and leave across the Administration; strong support for opening up access to career opportunities; and support for the establishment of a staff council separate from the existing trade union structures.

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

- The current form of the strategy was more akin to a shopping list than a strategy and work was needed to confirm priorities. Some strands in the draft strategy were longstanding HR initiatives or workstreams.
- The next version of the strategy should set out the strategic choices that needed to be made by the Board as there was too much to deliver in present draft.
- A Board member asked how the draft strategy related to other corporate documents, including the business and strategic plans.
- A number of Board members expressed enthusiasm for the content of the draft strategy and how it had been formulated.
- The capacity of the HR Office, and other offices, to deliver the strategy.
- A pay and grading review was likely to be a protracted process, which would have a significant impact on resources. Tom Mohan noted that there was provision within the HR Office’s budget for 2014-15 to support such a review.
- A Board member endorsed the reference to encouraging greater portability within the Administration but noted that this would require grade management, which was not provided for in the draft strategy. This should not be achieved by promoting short-term secondments to other offices. The Board noted that grade management had existed within HR in the past.
- The following further topics for the draft strategy were suggested by Board members:
 - Whether “Clerk” described a group of positions or people
 - Performance management needed greater emphasis
 - Diversity and inclusion policy. *[Additional information – Restricted Access]*
 - Staff’s professional relationship with Members

- The following priorities or strategic considerations were identified by Board members:
 - Pay and grading review
 - Provision of a management learning module
 - Greater standardisation of conditions of employment, including leave
 - Whether the Administration wanted to become more aligned with the House of Commons and wider public sector or become more autonomous
 - Performance-related pay
 - The development of competences
 - Mapping of career paths and talent management
 - How homogeneous the Administration wanted its staff to be in terms of pay and conditions
 - Part-time and flexible working
 - *[Additional information – Restricted Access]*
- The Board noted that the Administration’s priority was to support the work of the House and that any staff changes needed to be in accordance with this objective.
- *[Additional information – Restricted Access]*
- A Board member said that there was a potential conflict between talent management and promoting mobility within the Administration.

2.5 The Board **agreed** that it should consider the draft strategy further before further engagement with staff took place, including further engagement with senior management; and that David Beamish would contact Board members to confirm what their priority areas for strategic choice were and what people management and development interventions would help them deliver the priorities of their offices. In the meantime David Beamish would discuss the draft strategy and future engagement on it further with Tom Mohan and James Taylor.

DRB/TM/JT

3 **NAO Board effectiveness review**

MB/2014/9

3.1 David Beamish introduced this item. He noted that the Board had been asked by the National Audit Office (NAO) to complete a questionnaire, the NAO’s analysis of which had then been discussed by the Board on 16 December 2013.

3.2 The Board **considered** the summary of actions (in italics) arising from the review in the NAO’s note of the Board’s discussion on 16 December:

- *Communicate a clearer vision to the Administration of its role. Consider how to ensure its work, its discussion and its decisions might be better communicated to all staff.* The Board noted these actions.
- *Provide more support to the House Committee, providing early warning and relevant background information on significant issues in advance of these being formally discussed by the Committee. Determine whether a similar approach could be taken with other Member Committees such as the Refreshment Committee.* The Board agreed that such an approach may have merit, including with respect to the Administration and Works Committee.

- *Subject to availability and resource constraints, the Board should give further thought to how the attending member of the Audit Committee might be used outside meetings.* The Board noted that Ian Luder had met David Beamish on 15 January 2014 and had expressed a willingness to be used as a sounding board by Board members with regard to particular projects.
- *The second attending member of the Audit Committee should, in due course, be invited to attend Board meetings.* The Board noted that Liz Hewitt, the other external member of the Audit Committee, was likely to start attending the Board in the summer, in order to shadow Ian Luder before his departure at the end of the year.
- *Staff who drafted papers on behalf of Board members should be allowed to attend Board meetings to present these papers.* The Board noted that this was already the case and David Beamish invited further suggestions from Board members on this basis.
- *Opening up Board meetings to staff would help increase transparency, demystify the work of the Board and provide development opportunities for staff.* David Beamish invited Board members to suggest when staff should be invited to attend Board meetings for development purposes.
- *All staff should know who represents their work on the Management Board.* The Board did not consider this to be a problem which needed to be addressed.
- *The Clerk of the Parliaments should meet those managers who responded to the survey to explain the results and the proposed actions.* The Board noted that the results of the review had been discussed with senior management at a meeting on 28 January 2014.
- *Consider whether wider staff meetings would help raise the profile of the Board and provide staff with a better understanding of its work.* The Board noted that All Staff Meetings and Management Seminars contributed to this aim.

3.3 A Board member noted a suggestion that had been made during the meeting on 28 January that reserved papers should be made available to senior management. The Board discussed the risks and noted that the House of Commons Management Board already made such papers available to their senior managers as a matter of course, except when they concerned sensitive matters such as pay negotiations. The Board **agreed** to make reserved papers available to senior management on a case-by-case basis.

DRB/MBT

4 Third quarter performance report

MB/2014/10

4.1 The Board discussed the report and the following points were raised in discussion:

- The nature of the Member communication initiatives referred to in the House and Committees section of the report. Ed Ollard explained that the Lord Speaker had requested a refresh of the Red Benches Member newsletter and had also requested consultative meetings with Members.
- The appropriateness of the reference to Office 365 under the update on the external communications strategy.

- The reasons for the reduction in usage of the Lords intranet portal usage. The validity of the figures was questioned and it was agreed that the Secretary would investigate this matter, as well as the Office 365 reference, further.

MBT

4.2 The Board **took note** of the third quarter performance report.

5 **Corporate risk register as at 24 January**

MB/2014/11

5.1 The Board noted the reduction in length of the risk register and that limited changes had been made to the register since the Board last considered it on 15 January 2013.

5.2 The Board **took note** of the corporate risk register.

6 **Risk report: Finance**

MB/2014/12

6.1 Andrew Makower introduced this item and noted the potential financial impact of the judgment in the Commons court case and the delayed Office 365 roll out.

6.2 With respect to the establishment of the unified procurement service he noted that the House of Commons Commercial Services Directorate (CSD) staff had transferred to the House of Lords and that consultation about the structure of the unified service was ongoing. A lot of support had been received from the HR Office and the House of Commons DHRC. Good progress had been made but there continued to be risks going forward. The Board noted that House of Commons terms and conditions with respect to pay and leave still applied to the transferred CSD staff, on a protected and no-detriment basis, including any Commons pay deal for 2013/14.

6.3 The Board considered the current residual risk score of 12 (amber) and **agreed** a risk appetite of "Cautious", a target risk 9, a response of "Treat", and to amend the second limb of risk 5 (finance) by adding the words "or procurement", so that it read as follows: "to comply with legal or audit requirements relating to finance or procurement".

7 **Any other business**

• **Oral updates**

7.1 Andrew Makower said that as a consequence of the unification of procurement he was seeking to alter the informal leave arrangements that were in place in the Finance Department, on the basis of advice from HR that the existing arrangements did not constitute a condition of employment. He would continue to address this matter locally in the absence of a corporate initiative. Tom Mohan said that it was important for all leave to be recorded as this was a requirement under financial reporting standards and that he intended to bring a paper to the Board in due course to seek clarity about the Administration's approach to this matter. A Board member noted that accurate leave measurements would be important in the context of the pay and grading review and suggested that Time Off in Lieu (TOIL) could also benefit from consideration in such a paper.

7.2 Elizabeth Hallam Smith drew the Board's attention to the paper which had been considered by the House Committee on 28 January 2014, regarding the 2015 Year of Parliament events, and said that she would be happy to discuss this further with any interested Board members after the meeting.

8 Minutes of the meeting on 31 January 2014

8.1 The minutes had been previously agreed by correspondence.

Next Meeting: Wednesday 5 March 2014 at 10am.

Management Board Secretary
5 February 2014