



# HOUSE OF LORDS

## Management Board

6th Meeting  
Wednesday 3 June 2015

### MINUTES

<b>Present:</b>	David Beamish	Clerk of the Parliaments
	Simon Burton	Corporate Services
	Rob Greig	Digital Services
	Liz Hallam Smith	Information Services
	David Leakey	Black Rod's Department
	Andrew Makower	Financial Resources
	Tom Mohan	Human Resources
	Edward Ollard	Parliamentary Services
	Carl Woodall	Support Services

**Audit  
Committee  
members:**

Liz Hewitt

<b>In attendance:</b>	Carlos Freitas	Policy, Performance & Compliance Manager, PPCS
	Fiona Smith	Head of Property & Office Services

## I Sustainable Procurement Policy

**MB/2015/44**

1.1. David Beamish introduced Carlos Freitas to the Board.

1.2. Carlos Freitas introduced the paper and highlighted the following points:

- The Sustainable Procurement Policy took into account the objectives of both Houses. It also took into consideration specific differences between the Houses, concerning the approach to the London Living Wage (LLW) and catering policies. It was considered important to acknowledge these differences and reflect them in the Policy.
- Most of the policies were already being enacted and the Policy simply combined and structured them in a more coherent manner. Three new aspects had been introduced: apprentices, social enterprises and SMEs. The Parliamentary Procurement and Commercial Service (PPCS) intended to monitor these very closely regarding the applicability and suitability of contracts, and to report on them to ensure that there was a baseline.
- The policies had been aligned with the Public Contract Regulations 2015, which entered into force on 26 February 2015. The Policy was also aligned with the Procurement Rules and Contract Management Rules, which supplemented the Policy in many ways.

1.3. David Beamish suggested that the Policy should be referred to the House Committee subject to the approach adopted by the House of Commons Management Board. The Board noted that the Lords had adopted the standard approach to LLW, while the Commons had adopted a variant.

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

- A Board member noted that SMEs enjoyed a number of statutory exemptions which the PPCS might wish to take into account when procuring from such companies. Value for money (VFM) was also important and further information about how this would be appraised would be welcome. The Board member agree with the suggestion that it should be considered by the House Committee.
- A Board member supported the Policy and said that it would help to focus the Administration's thinking about sustainability in more general terms. A different approach by both Houses to the application of LLW might raise problems in achieving a consistent approach to joint contracts. The Board member suggested including a reference to the Policy in the 2014/15 annual report, as well as including it in the next set of planning instructions for the 2015/16 business planning round.
- A Board member noted the requirement for a communications plan to be implemented once the Policy had been agreed.
- A Board member asked if the experiences of other organisations, who had already adopted such a policy, were available, including whether it had a significant impact on existing practices or had any unintended consequences.
- A Board member expressed enthusiasm for apprentice schemes but noted that, like the payment of LLW, such schemes would incur costs.
- A Board member drew the Board's attention to Lord Lisvane's maiden speech on 1 June, which included a suggestion to establish a Westminster academy to develop heritage skills and crafts during the Restoration and Renewal (R&R) programme.

1.5. Carlos Freitas responded to the points raised. He undertook to examine the exemptions for SMEs and explained that, in terms of achieving VFM, all contracts were awarded on the basis of evaluation criteria that were relevant to the contract, which also took into account quality and price. With regard to LLW the Commons approach was followed for joint contracts. A communication plan was referred to in the paper and workshops had been arranged to take place until the end of the year. The Policy would also be disseminated through the contract management community. A Board member also suggested that it could be promoted in Red Carpet News. Carlos Freitas noted the reference to "responsible purchasing" in the Scottish Parliament's procurement policy. The introduction of sustainability criteria had now become standard as a result of the 2015 Regulations. There was a possibility that the Administration might be challenged by unhappy suppliers but with robust systems in place its decisions should be easily defended. Andrew Makower added that the desired approach in this area depended upon what outcomes were considered to have value. There was a risk of the Administration being expected to satisfy too many interests, undermining attempts to achieve VFM as a result. He trusted PPCS to take steps to avoid this circumstance arising. He also noted that the Policy fleshed out the Administration's value of "obtaining vfm while recognising our corporate responsibility to wider society" for the first time.

1.6. The Board **agreed** the Sustainable Procurement Policy and that the Finance Directors should update it in future, as might be required, referring only significant changes to the Management Boards. The Board also **agreed** that the House Committee should be invited to agree the Policy subject to the approach adopted by the House of Commons Management Board in relation to the House of Commons Commission.

## 2 **Review of Accommodation Strategic Principles and Plan** **[RESERVED]**

**MB/2015/45**

2.1. David Beamish introduced the item by noting that it had generated a great deal of interest and suggested that the Board's discussion could identify areas that required further work before the Board returned to this matter in July.

2.2. Carl Woodall welcomed the opportunity to return to this matter in July. He also thanked the BPG for its earlier consideration of the paper. He made a number of introductory remarks:

- With regard to the proposed risk register he cautioned that, while the Administration's drivers were not the same as government departments, in terms of its staff and facilities policies, some of the substantive risks were nonetheless the same, not least the reputational risk of not using space efficiently.
- *[Additional information – Restricted Access]*. He considered that the key drivers for the Administration, as agreed in 2010, still stood. He hoped the Board would concur and he would also welcome its view on the suggested ranges in the table of assumptions, the bicameral aspects of which he would look forward to discussing and validating further with DIS and Commons colleagues, as well as the assumptions regarding committee activity and staff numbers.
- *[Additional information – Restricted Access]*.
- With regard to the strategic principles he noted that many of these remained unchanged, while some had been updated. He noted that the creation of flexible space might be possible in 5 Great College Street but options were limited elsewhere on the Lords part of the estate. A space and requirements audit was also proposed in consultation with Heads of Offices. He considered that space should be treated as a corporate resource with the Administration examining how efficiently it was being used.
- *[Additional information – Restricted Access]*.
- *[Additional information – Restricted Access]*.
- *[Additional information – Restricted Access]*.
- With regard to the accommodation principles, it was important for the Board to consider business needs and who was ultimately responsible for making decisions regarding the allocation of rooms. It was proposed that meeting rooms should be owned on a corporate basis rather than by departments, and that a method of prioritisation should be determined for their use. It was not desirable for departments to retain rooms for meetings when they were underutilised.

- He concluded by inviting the Board to agree the proposals to consult Heads of Office about how intensively they were using their allocated space, with a revised paper to be presented to the Board for further consideration in July.

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

- A Board member said that the Administration was in a different position from that of government departments. For example, home working was less of an option. It would be important to work with Offices to make the accommodation policy a reality. [*Additional information – Restricted Access*].
- Rob Greig noted that the current accommodation allocation to PDS by the Lords was split 20:80 between the Lords and Commons, which did not reflect the 30:70 funding ratio. Rob Greig suggested that the Administration could think more creatively about the type of devices members and staff would use in the future. The use of desktop PCs was likely to decline over time and this could have a bearing on total staff numbers located on the estate, which was presented as a static figure in the paper. A choose-your-own-device policy had been introduced in Commons and it might make sense to introduce a similar policy for members and staff in the Lords in due course. PDS were open to examining new ways of working. As the staff complement of PDS had been cut in the past it was likely to require either more staff in future or place a greater reliance on external contractors. He also raised the possibility of some staff working elsewhere in the UK, citing the BBC's approach in this respect.
- A Board member observed that the Palace had multiple, and often conflicting, identities and uses – including heritage site, working parliament, visitor attraction, dining location, among other things – and it was unclear what the order of precedence was. Until this was decided it would be difficult to develop an approach to education and outreach numbers. Both Boards also needed to consider this in a broader strategic context, including security considerations. The Board member suggested asking the Parliamentary Security Director about the total access numbers that could be accommodated in this context. Well-designed open plan offices could be very efficient, which could include a co-location of DIS and Committee Office staff, but it was difficult to accommodate such arrangements on the estate. The Board member agreed with adopting a centralised approach to the allocation of accommodation. [*Additional information – Restricted Access*].
- The Board noted that the use of Old Palace Yard as flexible work space and possible decant accommodation had been agreed but the potential use of its basement as a shop had been ruled out on security grounds.
- A Board member noted that the total staff numbers indicated in the paper were slightly higher than the current complement. A distinction should be drawn between desk-based and non-desk-based staff for future planning requirements. The Board member said that the Administration still tended to approach planning in silos rather than on a corporate basis. Some form of rational framework was required to

improve corporate decision making, so the accommodation paper was welcome on that basis. There was a clearly established system for financial planning but not to the same degree in other corporate areas. The Board member was concerned about the paper's suggestion that the Clerk of the Parliaments should be the ultimate arbiter regarding the allocation of accommodation. With reference to the role of the Staff Adviser, impartial advice should be presented to senior management without the risk of it being compromised due to pragmatic considerations. This approach also resulted in less efficient decision making.

- A Board member welcomed the paper. It included some implications which could benefit from more explicit expansion. This included security considerations, which could act as a major restraint and determinant on any preferred approach. The paper should also include reference to resilience considerations and other facilities, which form part of a modern office and working environment such as a gym, bicycle storage and changing and shower provision. The Board member emphasised that the Administration's policy on bars and restaurants was also relevant as these outlets occupied a significant amount of space on the estate. The Board noted that the last point would be a bicameral consideration.
- The Clerk Assistant said that the Parliamentary Services Group had held an interesting discussion on the proposals as the Offices concerned were the biggest users of office accommodation in the Administration. It would be desirable to have a discussion with Heads of Offices in general about how they used their accommodation, and how they would like to use it in future. In principle, accommodation had always been managed as a corporate space and no Office had ever enjoyed exclusive use of particular areas. The historic nature of parts of the accommodation, including fireplaces, meant that it could not easily be reconfigured and the Administration's use of some space was therefore more restricted compared to other organisations. As the Administration operated in close proximity to members there was also a need for private areas to be available at all times for confidential discussions to take place, otherwise the service level which members expected would not be delivered. Discussing the needs of the business would be an important starting point but the approach to space standards might need to be nuanced in different parts of the Administration. Regarding the assumptions it would be impolitic to state that the Administration will not provide any more space for shared services. The Administration needed to be more flexible about how it provides accommodation in response to changing circumstances. Assumptions regarding the overall size of the House might change in the short term so it would not be desirable for any policy to tie the Administration into one assumption in that regard. It was important to consider what the Administration was driven by and was seeking to gain at the strategic level from this process; either meeting the requirements of R&R or going beyond this with a free-standing policy. Perhaps there was a need for two separate policies to be adopted. How the Administration used Millbank House and the Palace was an important consideration which had not yet been determined. *[Additional information – Restricted Access]*.

- *[Additional information – Restricted Access]*.
- A Board member said that PEB had attempted to address objectives in this area by including a principle in the bicameral Estates Strategy about managing space to support the work of Parliament. The Board member was in favour of developing space standards as a way of ensuring the Administration used its resources in the most efficient manner subject to business needs and practicalities, which would vary in different parts of the estate. The agreement of a policy on visitor numbers was required as some of the suggested numbers probably went beyond what could be accommodated. *[Additional information – Restricted Access]*. Making provision for additional shared staff was important but this should not be linked to a cost sharing ratio. The Board noted that in the past the Lords had covered 40% of the accommodation costs for PED until the review of ratios had removed hard charging and that there was no desire to reinstate this system. The Board member agreed with Rob Greig's point that the possibility of some staff not working from the estate, or even SWI, was worth considering but that this should not be limited to PDS.
- A Board member said that, typically, while it was possible for organisations to agree a corporate approach to the management of accommodation, local pleadings still predominated in practice. If space was treated as a corporate resource then it had to be standardised to a certain extent but there would always need to be exceptions, which would be the most difficult aspect to determine. If accommodation limits were set then it would be important to apply these consistently. The Board member suggested that the Administration should identify the areas where change was not possible and agree these at the outset. If this was achieved then it would form a good basis for making more difficult decisions subsequently. With regard to flexible working, while working from home could have its advantages there could also be disadvantages, so it would be important for principles to be agreed so that this could be adequately managed. With regard to the allocation of space to contractors it was important to manage their expectations in this regard. The Board member suggested including a reference to the importance of health and safety in the principles *[Additional information – Restricted Access]*. A balanced carrot and stick approach would be necessary to implement a new policy successfully. It was also important to address disability access requirements and be explicit about this when allocating space. Making the Clerk of the Parliaments the arbiter of allocations was not a good idea as it might lead to a long queue of people making special pleadings.
- A Board member said that it would be important to achieve consistency and coherence across the two Houses, which was not addressed in the paper, especially as working became more bicameral. Fiona Smith replied that this matter had been raised with Commons Facilities whose direction of travel appeared to be towards open plan arrangements and noted that their recent co-location of DIS and DCCS in Tothill Street had produced tighter space standards. Further engagement would take place with the Commons about this matter.

2.4. The Board **agreed** to the proposed review of space allocation, involving consultation with Heads of Office and Board members prior to the summer recess. In the meantime David Beamish invited Board members to submit comments to Carl Woodall directly. The Board also noted that the BPG would consider this matter further in advance of the July meeting.

### 3 **2014/15 end of year performance report**

**MB/2015/46**

3.1. The Secretary introduced the paper and noted that some of the performance measures and activity data had already been revised in response to feedback from Board members.

3.2. The Board noted the red performance measure for completing formal processes. Tom Mohan reminded the Board of the deadlines for the return of this year's reviews and emphasised that the Administration's performance needed to improve in this area.

3.3. A Board member suggested that the BPG might wish to consider refining some of the current performance measures. The Secretary noted that suggested refinements were always welcome from the provider of the information.

3.4. The Board **took note** of the 2014/15 end of year performance report, including the intended publication of the activity data in the 2014/15 annual report.

### 4 **Any other business**

4.1. Board members provided the following oral updates:

- David Leakey noted that the assumptions for the Relocation Contingencies Programme had recently been reviewed and that draft plans were now being developed for different scenarios that had been identified.
- The Board noted that Lawrence Ward was due to stand down as Serjeant at Arms in September and that Bob Twigger, the current Secretary to the House of Commons Commission, would become the Interim Serjeant at Arms until the appointment of a successor.
- Elizabeth Hallam Smith noted the launch of an improved [www.parliamentlive.tv](http://www.parliamentlive.tv). The Board noted that Bow Tie would now begin work on the design of live logging.
- Rob Greig noted that a written question had been tabled in the Commons regarding staff's ability to access members' emails. The Board noted the draft response, including its applicability to the Lords.

### 5 **Commercial Units – Blast Risk [RESERVED]**

**MB/2015/47**

5.1. The Board **took note** of the paper on Commercial Units – Blast Risk.

### 6 **Parliamentary Portfolio Dashboard**

**MB/2015/48**

6.1. The Board **took note** of the Parliamentary Portfolio Dashboard.

**Next Meeting:** Wednesday 1 July 2015 at 10.00am

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Management Board Secretary  
4 June 2015

**ACTIONS**

<b>Meeting date</b>	<b>Minute item</b>	<b>Action</b>	<b>Owner</b>	<b>Deadline/ Status</b>
2 June 2015	2.4	Carl Woodall to consult Heads of Office and Board members prior to the summer recess before presenting a revised Accommodation Strategic Principles and Plan to the BPG and then the Board in July.	CVW/ BPG	July 2015