



# HOUSE OF LORDS

## Management Board

4th Meeting  
Wednesday 20 May 2015

### MINUTES

<b>Present:</b>	David Beamish Simon Burton Rob Greig David Leakey Andrew Makower Tom Mohan Edward Ollard Liz Hallam Smith Carl Woodall	Clerk of the Parliaments Corporate Services Digital Services Black Rod's Department Financial Resources Human Resources Parliamentary Services Information Services Facilities
<b>Apologies:</b>	Liz Hewitt	Audit Committee member
<b>In attendance:</b>	Judith Brooke Talitha Rowland	Clerk, Leader's Group on Governance Private Secretary to the Clerk of the Parliaments

David Beamish welcomed Rob Greig to his first meeting of the House of Lords Management Board as a member. The Board also noted Judith Brooke's attendance as an observer, in her capacity as the Clerk to the Leader's Group on Governance.

#### I Investment Board Proposal

**MB/2015/30**

1.1 Andrew Makower introduced the paper and provided an overview of the background. He said that investment would be particularly important in the new Parliament so the proposed creation of an Investment Board was timely. He also considered that the proposed joining up and reduction of barriers between ICT and estates planning, as well as achieving a greater degree of partnership with the House of Commons, was desirable. In response to feedback, the remit had been clarified and confined, the suggestion of developing an investment strategy had been removed from the proposal and the terms of reference for the Investment Board now included provision for a review to take place after two years. He also noted the associated development of a Parliamentary Estates Delivery Partnership Agreement which described a new Parliamentary Estates Forum in place of the Parliamentary Estate Board. He considered that the Forum would help to continue representing the Lords interests regarding the Parliamentary estate. As an administrative matter it was not considered necessary for member committees to be invited to agree the proposal.

1.2 The Board noted the points raised by Liz Hewitt by correspondence.

1.3 The Board noted that on 14 May the House of Commons Board had discussed and agreed the proposal to establish an Investment Board.

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

- A Board member welcomed the significant efforts that had been made to address the Board's concerns regarding the original proposal. It would be important to keep the Investment Board's terms of reference under review. With reference to the Parliamentary Estates Forum the Board member asked if a broadly similar approach should be adopted to Digital Services. There was an issue of how the ICT remit of Investment Board would map onto business-as-usual and lifecycle work and where the boundaries would lie in practice. In terms of membership ICT was also underrepresented.
- In response to the last point, the Chairman observed that the proposed composition was proportionate to spend, that it reflected the reality of having a single Director of the Parliamentary Digital Service but two for Facilities, that the Investment Board was unlikely to decide things by voting, and that each "side" would have a non-executive. Nonetheless, to achieve balance, it was suggested that one or other House should nominate its Director of Information Services to fill the "nominated Head of Department" seat.
- A Board member noted that the work of the Investment Board would be conducted in adherence to the strategies and business plans of both Houses and asked if the Investment Board would be adequately resourced to conduct its work.
- Two Board members suggested that there was a need for security representation on the Investment Board in order to ensure security considerations were taken into account at an early stage.
- A Board member said that if a more joined-up approach to the MTIP could be achieved by the Investment Board then this would be a welcome outcome. If it were to be a success its remit should not be too ambitious; the Board member queried whether it was the right body to scrutinise delivery. The proof of its effectiveness would be in meeting the business needs of the two Houses, which would be subjected to careful scrutiny. The scrutiny of ICT projects needed to continue in a different manner post-PICTAB. The Board member agreed with the security point but did not consider it to be necessary for the Parliamentary Security Director (PSD) to sit on the Investment Board. The security team should instead take steps to feed in to projects at an earlier stage. The terms of reference of the Digital Strategy Board (DSB) would require further clarification once the Investment Board was established.
- Rob Greig said that the PSD had been invited to attend the PDS Directors' Board, which he hoped would allay the concerns that had been expressed about ensuring adequate security feed in to ICT projects. He had suggested that the DSB external member with digital experience, once appointed, should also sit on the Investment Board. He also considered that there was still a role for the DSB to play in considering business cases before they went to the Investment Board.
- Andrew Makower said that the existence of the Investment Board would present a good opportunity to improve consideration of security

matters but queried whether the PSD would welcome having to sit on another board. Regarding the Investment Board's workload he drew attention to the original Board paper, which stated that it would require a dedicated secretariat. This would require further discussion. He also agreed that the Investment Board's work would adhere to each House's strategies and business plans. With regard to scrutiny of delivery, he referred to John Borley's presentation to the joint meeting of the Boards in November 2014 and said that the vision was for the Investment Board to achieve more integrated assurance. Another Board member suggested that the Investment Board could also help achieve greater value for money.

#### 1.5 The Board **agreed**:

- The proposal to establish a bicameral Investment Board.
- The proposed terms of reference with the proviso that these should be kept under review in order to ensure alignment with the terms of reference of the Digital Strategy Board and Parliamentary Estates Forum.
- To consider further how best to reflect security considerations in the Investment Board's deliberations.
- The proposed commencement date of June 2015.

1.6 The Board noted that the Clerks would agree the chair and membership of the Investment Board in due course.

1.7 The Board also **took note** of the proposed establishment of a Parliamentary Estates Forum in place of the Parliamentary Estate Board (PEB). The Board noted that the PEB was expected to meet in June and July, on a transitional basis, and **agreed** that it should not be wound up until the Forum's terms of reference were considered and agreed at a future Board meeting, including their alignment with the terms of reference of the Investment Board and the Digital Strategy Board.

## 2 **Risk report: Governance**

**MB/2015/31**

2.1 David Beamish introduced the paper. Most of the mitigating factors were ongoing but a significant recent development was the establishment of the Leader's Group on Governance. He intended to submit a paper to the Group in his name, which Board members were welcome to contribute to, but there was also likely to be an opportunity for others to make their own contributions to the Group.

2.2 The Board noted the points raised by Liz Hewitt by correspondence.

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

- A Board member welcomed the clear articulation of the risk but suggested that the focus of the mitigations could be wider than just the Clerk of the Parliaments and the Board, with an emphasis on the range of high quality services delivered to members by the Administration.

- A Board member queried the suggested risk appetite of Open and noted that the terms of reference of the Leader's Group were narrower than the scope of the proposed Governance risk, and focused mainly on member-level governance rather than the Administration.
- The Board discussed the rationale for the Open risk appetite, noted that it has been recommended by the BPG on the basis of the Risk Appetite Discussion Framework and agreed that it was appropriate.
- A Board member welcomed the first mitigation of maintaining alignment of Lords governance arrangements with good public sector practice as far as possible. This would provide visibility for members and hopefully demonstrate that governance arrangements were not developed in an ad hoc manner. The Board noted Lords governance arrangements would always have to depart to some extent from public sector guidance due to the differences between the Administration and government departments.
- *[Additional information – Restricted Access]*. The Board member suggested that proactive steps should be taken to inform members about how the Administration operated in a regular and timely, rather than ad hoc, manner; perhaps also making it part of the induction of new members. Another Board member cited the financial planning process as a good example of helping members to understand a complex process through repeated exposure and deliberation, which could be applied to other areas. The same Board member noted that while the House Committee approved the content of the corporate business plan there could be a gap regarding engagement with its implementation. Another Board member hoped that the Leader's Group would consider the House Committee's role in this respect.

2.4 The Board **took note** of the proposed content of the Governance risk and its entry in the Corporate Risk Register and **agreed** the proposed risk score, risk appetite, target risk and response.

### 3 Corporate risk register as at 6 May 2015

**MB/2015/32**

3.1 David Beamish introduced the paper.

3.2 The Board noted that scores had now been presented for the Security risk in three parts and that the Parliamentary Security Director, the Director of the Parliamentary Digital Service and the Senior Information Risk Owners were working together to mitigate the cyber security risk.

3.3 With regard to the red Facilities risk Carl Woodall explained that the outcome of the review of contract management arrangements for both Houses was awaited and that the risk would remain red until PED could demonstrate the effectiveness of the new arrangements. Many actions had been taken since the last Board meeting, including engagement with all project leaders working on the Lords part of the estate, and he was grateful for the Board's support and engagement so far.

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

- A Board member welcomed the reduction in length of each corporate risk to one page on the register.
- A Board member asked whether any additional resources were needed to address the red risks.
- Carl Woodall noted that a number of near misses in the Old Palace Yard project, where a number of different contractors were working in challenging conditions, had led to a series of visits by the Parliamentary Safety team and the Acting Director of PED. He was glad to report that there had been a demonstrable improvement in the working environment as a result.
- *[Additional information – Restricted Access]*. The Board noted that the BPG would scrutinise the Security risk in due course.
- A Board member emphasised that it was important for the Board to remain vigilant about the significance of the Facilities risk and noted that other organisations had the option of calling in the Health & Safety Executive (HSE) in similar circumstances.
- A Board member said that it would be helpful to provide clarity in the corporate risk register regarding whether the scores were made against mitigations or likelihood.
- The Board discussed the Facilities risk, including the balance in responsibility between management and contractors. Carl Woodall noted that the Parliamentary Safety team had recently recruited safety advisers (some with HSE experience), one of whom would be embedded in PED, which were intended to provide independent oversight and report to the Head of the Parliamentary Safety team. He also noted that contract hosts would be recruited shortly to provide project leads with health and safety expertise. Another Board member suggested that the hosts should be empowered to halt work if considered necessary.
- Tom Mohan, in his capacity as co-chair of the Parliamentary Safety Assurance Committee (PSAC), noted that this was an extremely complex matter which partly reflected the distinct cultural approach of each House. The division of the Health, Safety and Wellbeing service between safety and occupational health in 2014 was making a difference, as were the additional resources that had already been allocated to the Parliamentary Safety team. The appointment of contract hosts should also help. He noted that further actions were presented in more detail in the next agenda item.
- With respect to the Staff risk, a Board member suggested that concerns might arise from the work of the review of shared services. In this context, the Board noted that both Houses' HR functions were working on achieving greater alignment in their engagement with the Unions.

### 3.5 The Board **took note** of the corporate risk register.

## 4 Safety Management Update

MB/2015/33

4.1 Carl Woodall introduced the paper, which had already been considered by the Commons Board. PSAC was considering the recommendations made by the Deloitte report. He and Tom Mohan noted that a safety climate tool demonstrated a lot of potential, and would be taken forward across Parliament through an action plan, following a pilot. Carl Woodall explained that this would be accompanied by a culture change communications programme, which had been largely devised by the Internal Communications Manager, in consultation with the Head of the Parliamentary Safety team. The team had also prepared a draft vision and values statement, which would be actively pursued in the Lords. He also noted that a strong health and safety culture existed within Lords Offices.

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

- A Board member suggested making safety training mandatory for all staff passholders in the same manner as fire safety training.
- A Board member noted that three cultural change programmes were now running, with respect to safety, security and also an environmental engagement programme, and that perhaps all three needed to become more connected or learn lessons from one another.
- A Board member suggested that access to the network could be frozen until the requisite training had been completed. Rob Greig said that this was possible and that the best time to encourage people to undertake training was just after they joined the business. He noted that a clear statement had been made to new members in the Commons, during the induction programme, that they were responsible for matters of fire and safety regarding their staff. Such an approach would only work with strong support from senior management.
- A Board member agreed with Rob Greig's point and emphasised that culture change needed to happen at a corporate level in order to ensure its success across the business.

4.3 The Board **took note** of progress made with safety management, as well as the actions for completion and the next steps.

## 5 Fourth Quarter Performance report

MB/2015/34

5.1 The Board noted the red CRS subsidy and invoice payment performance measures and Carl Woodall explained that the subsidy had improved to a greater degree than the measure suggested, while the late payment of invoices was due to the recent adoption of a more punctilious approach to querying invoices in this area. The Board noted that Carl Woodall and the Secretary intended to discuss the refinement of these measures to make them more representative.

5.2 Tom Mohan emphasised the importance of managers accepting corporate responsibility for completing formal processes, including performance reviews, on time. The test of how well this was being achieved would be reflected in the Q1 2014/15 performance report.

5.3 The Secretary agreed to amend the report to include reference to the intruder incident which occurred on 7 March.

5.4 The Board **took note** of the fourth quarter performance report.

**6 Business Planning Group: revised terms of reference**

**MB/2015/35**

6.1 The Board discussed the proposed revisions to the BPG's terms of reference, including its role in reviewing the corporate risks and identifying Black Swan risks. Simon Burton explained the BPG's consideration of these matters and noted that the proposed changes to the terms of reference were recommended by the Internal Audit review of risk management arrangements. The BPG had conducted a useful exercise in identifying potential Black Swan risks, which would be passed on to the relevant senior managers for further consideration, if considered necessary. David Beamish invited the BPG to conduct its approach to this area in a proportionate manner.

6.2 The Board **agreed** the revised terms of reference for the Business Planning Group.

**7 Security Culture Survey Results [RESERVED]**

**MB/2015/37**

7.1 Tom Mohan expressed concerns about the paper's suggestion that security could form part of the performance reviews of all staff. He agreed to discuss this matter further with Andrew Walker.

7.2 *[Additional information – Restricted Access].*

7.3 The Board **took note** of the Security Culture Survey Results.

**8 Any Other Business**

8.1 David Beamish provided an oral update to the Board regarding developments at the beginning of the new Parliament. The Board noted:

- That discussions were underway regarding the allocation of Cranborne Money and the future form of financial support for members.
- The appointment of some new peers.
- That the Leader of the Opposition intended to stand down, with elections to take place for the selection of her successor.
- That discussions were ongoing regarding the timing of the publication of the R&R Independent Options Appraisal and the establishment of the Joint Committee on the Palace of Westminster.

**9 Continuous Improvement: Annual Report 2014/15 & Forward Plan**

**MB/2015/36**

9.1 The Board **took note** of the Continuous Improvement Annual Report and Forward Plan.

**10 House of Commons Management Board Forward Look 2015 - 2017**

**MB/2015/38**

10.1 The Board **took note** of the Forward Look 2015 - 2017.

## 11 Parliamentary Portfolio Dashboard

MB/2015/39

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

## 12 Minutes of the meeting on 11 March 2015

12.1 The minutes had been previously agreed by correspondence.

## 13 Papers agreed by correspondence

13.1 On 19 March the Board considered paper MB/2015/26, concerning the Millbank House Development, by correspondence but **did not agree** with the proposal to remove the glazed cloister as part of the Development.

13.2 On 30 April the Board **agreed** paper MB/2015/27, concerning the revised Internal Audit Charter, by correspondence.

13.3 On 30 April the Board **agreed** paper MB/2015/28, concerning the revised Risk Management Policy and Guidance and Performance Management Framework Users' Manual, with amendments, by correspondence.

13.4 On 30 April the Board **agreed** paper MB/2015/29, concerning Housekeeper pay, by correspondence.

**Next Meeting:** Joint Meeting with the House of Commons Management Board on Friday 29 May 2014 at 10.30am

---

Management Board Secretary  
22 May 2015

## ACTIONS

Meeting date	Minute item	Action	Owner	Deadline/ Status
20 May	5.1	Carl Woodall and the Secretary to discuss the refinement of Facilities performance measures.	CVW/ MBT	June 2015