HOUSE OF LORDS

Management Board

Joint Meeting with the Management Board of the House of Commons

14th Meeting
31 October 2012

MINUTES

Present:	David Beamish	Clerk of the Parliaments (Chair for item 1)
	David Leakey	Black Rod's Department
	Andrew Makower	Financial Resources
	Joan Miller	Director of Parliamentary ICT
	Tom Mohan	Human Resources
	Edward Ollard	Parliamentary Services
	Liz Hallam Smith	Information Services
	Rhodri Walters	Corporate Services
	Carl Woodall	Facilities
	Malcolm McCaig	Member of the House of Lords Audit Committee
	Robert Rogers	Chief Executive, House of Commons (Chair for item 2)
	Myfanwy Barrett	Finance, House of Commons
	John Borley	Facilities, House of Commons
	David Natzler	Chamber and Committee Services, House of Commons
	John Pullinger	Information Services, House of Commons
	Alex Jablonowski	External member, House of Commons
	Barbara Scott	External member, House of Commons
In attendance:	Richard Ware (for item 1)	Leader, Palace of Westminster modernisation study group
Apologies:	Ian Luder	Member of the House of Lords Audit Committee
	Andrew Walker	Human Resources and Change, House of Commons

1 **Palace of Westminster Restoration and Renewal**
Richard Ware attended for this item.
David Beamish took the Chair.
1.1 **Richard Ware** briefed the Boards on the outcome of the Commission and House Committee discussions of Palace of Westminster Restoration and Renewal on 30 and 31 October respectively. Both had agreed to the publication of the Group's report, and that an options study to provide detailed costings should be carried out. This would not include option 2, a new building for Parliament, as this had been ruled out by both bodies. Both had expressed a willingness to secure options on opportunities for temporary accommodation where appropriate and subject to a final decision in each case. The Commission and House Committee had issued separate statements rather than a joint statement being agreed. There had been no indication of division along party lines on the issue in either House. *[Additional information – Restricted Access].*

1.2 The Boards congratulated Richard Ware and the study group on their work and discussed next steps. The Chairman said that the discussion would be an opportunity for Board members to

raise points, but that no conclusions should be sought at this stage. **John Borley** suggested that the next stage should be a costed options study which would be commissioned from industry. A steering group could help direct the study and provide Parliamentary input. It would be important to put in place effective and appropriate governance arrangements for the next stage. A Board member said that the relationship between the Commission and the House Committee would be an important factor. The following suggestions were made in discussion:

- The contribution of Members of both Houses to the work of the study group had been helpful and the lessons learned from this experience should be applied to ensure an effective governance structure for the next stage.
- The Audit Committees of both Houses should consider the effectiveness of governance arrangements for the next stage of work at their joint meeting in January 2013.
- *Additional information – Restricted Access].*

1.3   The Boards discussed communication aspects of the proposals. The following points were made in discussion:

- Proactive stakeholder management was important. The public needed to be encouraged to be proud of the project through proactive initiatives promoting the heritage aspects of the work. The Frequently Asked Questions published on the Parliamentary website committed to public consultation on the proposals.
- *[Additional information – Restricted Access].*
- Communications needed to be resourced effectively as communication requirements were above current delivery capacity. Internal communications were also important, in particular allaying concerns over the safety of working in the Palace.

1.4   Further points raised in discussion included:
- The Major Projects Authority, based in the Cabinet Office, could be asked for advice on best practice in running the next stage.
- A debate had been scheduled in the Commons on savings which Members might use as an opportunity to raise restoration and renewal of the Palace. There may be pressure for a debate in either House on the report of the study group.
- It would be helpful for Commons and Lords members to be taken together on the tour for members of areas needing work in the Palace.
- The project should be publicly presented as the Houses of Parliament having control over their own resources.

1.5   **The Chairman** thanked contributors for the discussion. The Boards agreed that the Audit Committees would be invited to consider the governance arrangements at their meeting in January and that the Major Projects Authority should be invited to give advice.

2   **Medium-Term Investment Plan**
Robert Rogers took the Chair.
2.1   **Andrew Makower** introduced the Medium-Term Investment Plan (MTIP). There were no new projects in the Estates portfolio; any immediate further work on the restoration and renewal of the Palace would be funded from within the medium term M&E project. A new prioritisation system had been introduced for Estates projects which had operated effectively. The investment totals were reduced compared with the previous year; this indicated that the Estates Directorate was being realistic about delivery capacity but it also meant that the backlog of outstanding projects would

continue to grow.

2.2   There were a number of new ICT programmes including: Parliamentary Business, Information Services, Corporate Services, and HRPPP Time Recording. There had been no changes in the control totals for resource agreed in the previous year. PICTAB's process for assigning funding had been more rigorous and the programmes had worked hard this year to make ongoing costs, such as support costs and depreciation, more visible.

2.3   The Boards were invited to agree the MTIP, subject to any changes arising from their discussion. A finalised version would be circulated which would contain a correct list of listed buildings and some updated figures.

2.4   **Myfanwy Barrett** emphasised the importance of accounting for the ongoing cost of ICT investment. There were good reasons for some investment to result in ongoing costs, for example where the Houses were engaging in new activities. However, the ongoing costs of ICT investments were placing an increasing burden on budgets and a more rigorous approach was needed to ensure they were minimised or mitigated.

2.5   **John Borley** updated the Board on the Network Refresh Programme. *[Additional information – Restricted Access]*.

2.6   *[Additional information – Restricted Access]*.

2.7   The Boards considered the MTIP. During the discussion the following points were made:

- It was queried why ICT running costs threatened to erode a high percentage of the ICT strategy programme's savings. Could these costs not be accounted for from within the ICT Strategy savings?
- The ICT Strategy was about delivering existing ICT services at a lower cost. The majority of ICT savings were coming from transferring from manual to electronic processes and the benefits were reflected in other departments' budgets. In contrast the Cloud, and other projects, were about creating a platform on which it would be more cost-effective to deliver new services.
- The ongoing costs of investments were more than an accounting technicality. If an investment meant that the business would face higher costs as part of its business as usual expenditure after an investment was completed, then this funding would need to be found from departmental budgets.
- It was noted that the Estates portfolio was purposely over-programmed, while the ICT portfolio was purposely under-programmed.
- Over-programming in Estates was used as a performance indicator; as the Directorate improves its performance, the level of over-programming will decline. It was noted that under-staffing delayed the delivery of a number of programmes but that the situation had recently improved.
- ICT projects were regarded as being a "different type" of project from those in Estates. Under-programming was designed to provide central contingency and to allow PICT to deliver additional business change programmes that arose in-year.
- There was a recognition that previous ICT projects had operated in silos. This situation was improving, but more effort was need to join up ICT investment to maximise the outcomes

delivered. Suggestions were invited on what outcomes could be used to measure progress in integrating ICT projects.

- *[Additional information – Restricted Access].*
- *[Additional information – Restricted Access].*
- The process for prioritising projects had been successful; however there might be merit in reviewing both Houses' strategic objectives so they provided a more useful tool for prioritising projects and programmes.
- A number of umbrella programmes had been established to deliver ICT objectives; these would allow for more effective prioritisation of projects within those programmes.

2.8   The Chairman noted that he and David Beamish were, as the responsible persons under fire safety legislation, being kept informed about efforts to manage and improve the current fire safety risks on the Estate. Both emphasised the importance they placed on fire safety on the Estate.

2.9   The Board agreed the recommendations in paragraphs 4 and 5 of the covering paper and noted the issues raised in paragraphs 7b and 7c.

3   **Any Other Business**
3.1   No other business was raised.

4   **Programme and project assurance office: annual report**
4.1   The Boards took note of the annual report.

Next Meeting: 7 November at 10am.

Secretary to the Management Board
7 November 2011