# HOUSE OF LORDS

**Management Board**

6th Meeting
Wednesday 5 June 2013

MINUTES

| **Present:** | David Beamish | Clerk of the Parliaments |
|---|---|---|
| | Liz Hallam Smith | Information Services |
| | David Leakey | Black Rod's Department |
| | Ian Luder | Audit Committee Member |
| | Andrew Makower | Financial Resources |
| | Joan Miller | Director of Parliamentary ICT |
| | Tom Mohan | Human Resources |
| | Edward Ollard | Parliamentary Services |
| | Rhodri Walters | Corporate Services |
| | Carl Woodall | Facilities |
| **In attendance:** | Jake Vaughan (for item 2) | Principal Clerk of Select Committees |

## 1    Continuous improvement                                        MB/2013/42

1.1  Andrew Makower introduced the paper inviting the Board to consider joining the House of Commons in pursuing a programme of "continuous improvement", following the end of the Commons Savings Programme. It was not a repeat of the savings programme, but instead a means to do better with less and to effect a culture change in the Administration. It was strategic in nature, involving all offices and providing them with the tools to put value for money more at the heart of their business as usual approach. It offered the potential to shift mindsets and assist in decluttering, which would improve the chances of success for the Restoration and Renewal Project. Success would be represented not just financially, but also by people doing their jobs more effectively.

1.2  The proposition was that the exercise be a truly joint enterprise with the House of Commons. This made sense: CI looked for improvements to systems, and though the two Houses were separate organisations they were a single system. ICT was a prominent example in that respect, and a PICT representative would form part of the CI governance structure.

1.3  The Board discussed the proposal to take forward further work on the initiative. The following points were made in discussion:

- The joint approach with the House of Commons was welcomed. CI could provide an opportunity to make changes jointly during the Restoration and Renewal period. It would also allow for the Administration to influence the direction of the work from the earliest stage.
- Percentage or financial targets were not appropriate for a CI approach, and their absence was welcomed.

- There would have to be a clear starting point; it was suggested that shared services would provide some opportune areas in which to begin.
- The choice of methodology would be crucial. Some activity areas, such as supply chains, were particularly suitable for normal CI methods, while others would need more tailored approaches. The context of the House would need to be borne in mind. Selecting the most suitable approach might benefit from external advice; to that end it was noted that the NAO would be giving early advice about implementing CI to both Houses.
- A small central team might not be sufficient on their own to effect widespread cultural change. All staff would need to be engaged to see CI as an opportunity to identify ways to work more effectively, and to be supported to express themselves accordingly. It might be worthwhile to identify change agents in each part of the Administration.
- *[Additional information – Restricted Access]*

1.4 The Board **agreed** to remit further work as to whether to pursue a CI approach jointly with the House of Commons to a joint working group of the Business Planning Group in the Lords and the Business Management Group in the Commons, with any further proposals to be considered by the Board in the autumn. The Board **agreed** that any initiative decided upon would then be included for Member endorsement as part of the 2014/15 business and financial plans.

## 2 CRS financial report [RESERVED]            MB/2013/43

2.1 Carl Woodall and Jake Vaughan introduced the paper outlining the Catering and Retail Service's performance in 2012/13 and suggested financial targets for 2013/14 onwards. *[Additional information – Restricted Access]*

2.2 *[Additional information – Restricted Access]*

2.3 The programme would be budgeted and structured so as to enable targets to met and attendant risks to be mitigated. There would also be a strong communications plan in place to relay any changes to Members and staff.

2.4 The Board discussed the report. The following comments were made in discussion:
- There was no desire to micromanage the Change Programme team during its work.
- *[Additional information – Restricted Access]*

2.5 The Board **took note** of the paper. *[Additional information – Restricted Access]*

## 3 2013-14 Pay remit [RESERVED]            MB/2013/44

3.1 Tom Mohan introduced the paper, which outlined a proposed pay remit to be put to the trade union side and a proposed settlement for SCS pay. The proposals took account of House of Commons benchmarks, Treasury

guidance on pay for grades A-D, and the pay recommendations of the Senior Salaries Review Body. *[Additional information – Restricted Access]*

3.2 *[Additional information – Restricted Access]*

3.3 *[Additional information – Restricted Access]*

3.4 The Board discussed the proposal. *[Additional information – Restricted Access]*

3.5 The Board agreed the remit to be put to the trade union side:
- A 1% consolidated increase for Bands A-E, with a £250 underpin for all staff earning below £21,000, delivered by revalorisation of spine points.
- A flat rate non-consolidated award of £400 for all satisfactory performers.
- A 1% consolidated pay increase, with a pro-rata underpinning arrangement, for housekeepers.
- A revalorisation of AFS spine points by 1%.

3.6 *[Additional information – Restricted Access]*

| | |
|---|---|
| **4 Pensions: auto-enrolment** | **MB/2013/45** |

4.1 Tom Mohan introduced the paper outlining the proposed approach to pension auto-enrolment. The Administration would have a legal duty to automatically enrol all members of staff in a "qualifying pension scheme" with effect from 1 November 2013 (the Administration's "staging date"). Auto-enrolment was an important part of public policy in this area, but had little impact on the Administration as nearly all employees were part of a qualifying pension scheme. Letters were to be sent to all staff to outline the changes. *[Additional information – Restricted Access]*

4.2 The Board **agreed** that the House of Lords Staff Pension Scheme should be the Administration's "qualifying scheme" for the purposes of auto-enrolment. The Board **agreed** that all staff would be enrolled at the staging date, with staff having the right to opt out of auto-enrolment if they chose. The Board **took note** of the administrative and financial consequences of auto-enrolment.

**5 Fourth quarter reports:**

5.1 Andrew Makower and David Beamish introduced the fourth quarter finance and performance reports. The following points were made in discussion:

| | |
|---|---|
| ***Finance report*** | **MB/2013/46** |
| - *[Additional information – Restricted Access]* | |
| ***Performance report*** | **MB/2013/47 and** |
| - *[Additional information – Restricted Access]* | **47A** |

- A new activity indicator relating to the number of Members connecting iPads to the Parliamentary network would be welcome. The indicator

relating to ICT devices was to be clarified.

- Reference queries had decreased in the quarter, while take-up of research products had increased. One Board member suggested that this was because of proactive targeting of Members, though also suggested that the indicator data may need to be checked ahead of the next report.

5.2   The Board **took note** of the reports.

## 6   Corporate risk register as at 27 May            MB/2013/48
Risk 6 - reputation
6.1 *[Additional information – Restricted Access]*

Risk 8 – House of Commons
6.2      David Beamish updated the Committee on joint working. Constructive working on various developments, including on retail arrangements, led to a reduction in risk in this area. *[Additional information – Restricted Access]*

## 7   Risk report: Facilities (i)                     MB/2013/49
7.1  Carl Woodall introduced the paper. *[Additional information – Restricted Access]*

7.2 *[Additional information – Restricted Access]*

7.3 *[Additional information – Restricted Access]*

7.4  The Board agreed a risk score, target risk, risk appetite and a Board response.

## 8    Any other business
8.1  Tom Mohan informed the Board that there had been a good response for applicants for the post of Deputy Director of Human Resources.

8.2 *[Additional information – Restricted Access]*

## 9         Minutes of the meeting on 10 May 2013
9.1      The minutes had been previously agreed by correspondence.

**Next Meeting**:  Wednesday 3 July at 10am.

Management Board Secretary
21 June 2013