

NOTE OF SUPERVISORY BOARD MEETING HELD ON THURSDAY 27 JUNE 2002

Present:

Juliet Wheldon (Chair)
Robert Aitken
Len Berkowitz
Mark Blythe
John Davis
Martin Hemming
Rosemary Jeffreys
John Kempzell

Philip Kent
Isabel Letwin
Donald Macrae
Barrie McKay
David Pearson
Alison Schofield
Chris Simson (Secretary)
Mike Thomas
Doug Walters
David Bennett (part)

Apologies:

David Brummell
Mike Fuhr

Roland Phillips

1 MOVES

1.1 Juliet Wheldon noted that this would be Donald Macrae's last meeting as a member of the Supervisory Board (SB). She thanked Donald for his contribution to the work of the SB and on behalf of the Board wished him well in his new post in DEFRA.

1.2 Juliet also noted that Simon Harker, who had just been appointed to lead the new Employment and Commercial Contracting Group (ECCG), would be joining the SB. David Pearson (David P) noted that Simon, Barrie McKay and he were discussing the mechanics of moving the Employment Litigation Teams into ECCG. This had raised issues of joined-up working. David P's target date was 1 September. Rosemary Jeffreys agreed that this looked realistic to her. She was hoping to get out a trawl notice shortly for the post of head of the Cabinet Office Team [**Secretary's Note**: please see GLS Circular 02-84, issued 1 July].

2 MINUTES OF THE LAST MEETING: MATTERS ARISING

2.1 The minutes were accepted as an accurate record; notes on current action points are at Annex A.

3 MEETING THE AGENCY'S BUSINESS OBJECTIVES

3.1 John Kempzell (John K) reported that all stewardship reports had been received (apart from Bona Vacantia's, which was affected by the departure of Lindsay Addison). Cliff Woolley was preparing a draft statement of internal control for 2001/2002 for Juliet's signature. Internal Audit had advised

that Juliet could sign such a statement. There was also a report from Internal Audit on Corporate Governance, which had been discussed in detail in the Executive Board (EB) immediately preceding this meeting. John commented that it was very encouraging that the work we had done over the previous year was bearing fruit. This would feed into future examinations of our operation by the National Audit Office and Internal Audit.

3.2 John K noted that Pannell Kerr Forster (PKF) had been engaged to do two pieces of work. The first was the Litigation Business Process Review, which was related to the Practice and Case Management System, PRACAMS (albeit that it could be said to put the cart before the horse, given that we had got a long way with PRACAMS). The Review should provide guidance on how best to change processes to get maximum advantages from the introduction of PRACAMS. PKF would report back in early September. The plan was to place an order for the PRACAMS software in October, depending on what PKF said.

3.3 David P added that the Litigation Business Process Review fitted well with what Litigation were trying to do in relation to systems. The hope and expectation was that PKF's work would not impact on the PRACAMS timetable. PKF had been asked to give early warning of anything that might impact.

3.4 Stephen Smith had expressed a concern about PRACAMS from the Chair at the Audit Committee and suggested consultation with Les Haugh. Following discussion with Les, Juliet had commissioned James Kellock to produce a note on PRACAMS for discussion at the next meeting of the Audit Committee (on 23 July).

3.5 PKF were also looking at the new three performance measures, to a similar timetable. When they had reached a conclusion, this would form part of our discussions with the Attorney General, Cabinet Office and Treasury.

3.6 David P added that we were now using bodies such as the Audit Committee to test the quality of what we were doing.

3.7 John K noted that some contributions to the Corporate Plan were still missing, including single page summaries of Divisions' plans. The contributions had originally been due at the end of May and he would be grateful to receive them by 5 July at the latest.

ACTION: Directors as necessary by 5 July

4 MANAGEMENT INFORMATION

4.1 John K apologised for the absence of the monthly management information for May, as the staff concerned had been pulling out all the stops to clear the annual accounts.

4.2 First draft figures for May indicated that expenditure for the two months, budgeted at £7.6m, was £1.2m below budget. The saving mostly related to staff costs.

4.3 The debt profile was just under £6million. There were in this snapshot two major defaulters: the Ministry of Defence (although we might have their money, but in the wrong account); and the Office of Government Commerce, which we were addressing. On the former, Barrie mentioned that he and Martin Hemming were having a Service Level Agreement meeting with MoD on 12 July. John added that 26% of debt was not cleared within 30 days.

4.4 On staff in post, John wondered why we had 40 staff on unpaid absence, which made us look over budget. (This might be made up of staff on career breaks or maternity leave, but it looked high). Alison Schofield would investigate and report to the Personnel Group.

ACTION: Alison Schofield

4.5 The capital expenditure budget was £4.6m and a good half of it was currently unallocated to projects. LION would not need to draw on it; PRACAMS would not need to do so as much as originally expected. The IS Committee were monitoring the situation, but there was an opportunity to put forward worthwhile projects. The new Intranet, which Philip Kent mentioned, would mostly be funded from the running costs budget.

4.6 On prompt payment John reported that for the second successive month 100% of administrative invoices had been paid within the limit. For legal invoices the figure was 86%. From September Government departments would be able to claim interest on overdue debt. It was noted that such provisions would not apply to Counsel's fee notes, which were not invoices.

4.7 The news on chargeable hours in April had looked bad, and had been investigated in great detail. One reason was a blitz on overdue timesheets, which were processed against 2001/2002. There was a two-week lag in the information being entered onto Business Support's database. Litigation figures were 'real time'. Cumulatively, Litigation were 5% above the chargeable hours budget at the end of May. David P said that the concerns generated by the April report turned out to be without foundation, because of the time lag; in fact Litigation had delivered 20% over target in April. However the May figures were not as good. David had agreed with John K that the Litigation figures would be included in the information pack, and the narrative would reconcile them. David had also asked John to audit Litigation's figures. If they were accurate, which he was confident they were, problems could be identified and addressed sooner rather than later. It was also possible now to target underperformance in Teams in confidence that the figures were accurate. As part of reporting round, Litigation managers would have an objective to deliver their unit's chargeable hours; individuals should have targets included in their forward job plans; and there would be mechanisms to draw attention to possible shortfalls. If a case-officer were going to fall short of target, s/he should alert his/her supervisor at the earliest opportunity, even if both knew what the likely reason was (e.g. heavy involvement in PRACAMS).

4.8 Doug Walters mentioned technical problems in raising GLS Secretariat invoices. These were being addressed.

5 CLIENT CARE

5.1 David P reported that the Home Office remained a priority. There had been encouraging developments on the Prison Service side. Now that John Sandford was in place as the Leader of the Immigration Team, Litigation D2, immigration needed to be addressed. Juliet said that there was a need to liaise with the Home Office Legal Advisers Branch, the new Director of the Immigration and Nationality Department (IND) and the Lord Chancellor's Department. Early contact between IND and John Sandford was desirable.

ACTION: John Sandford before 25 July

5.2 Barrie mentioned Peter Messer's obtaining a certificate in respect of the sterling work he had done on the Abbey Wood case.

5.3 Philip noted that it was DEFRA's long-term intention to do all ex DoE/DETR work, and their employment litigation, in house. We would ultimately lose them as clients, equivalent to one G6/G7 across Litigation.

5.4 Juliet mentioned client care issues arising in relation to Inquiries. David P would think about how to keep the SB informed. Juliet said there were reputational issues associated with this work, positive and negative.

5.5 Isabel Letwin reported that the Alcoholic Licensing Bill needed to become law in the autumn and there was a lot of work to do. She therefore urgently needed someone to join DCMS. Juliet asked everyone to give serious consideration to suggesting names.

5.6 Barrie wondered about using the list of recently retired lawyers maintained by Doug. Rosemary said we should also add people who had just left the GLS. Doug said that his list did include other than retired lawyers, though it was referred to in shorthand as a 'retired' list.

5.7 Mark Blythe mentioned the irrational timing of some legislative proposals and wondered whether anyone was telling Ministers the implications of suggesting so much at once.

5.8 Chris Simson mentioned the possibility of using agency staff. He received many CVs from apparently very able candidates whom Litigation were unable to use in the light of the success of continuous recruitment.

5.9 Mark thought that the Personnel Group should consider a strategy for dealing with sudden crises. He had no slack for emergencies: nor did anyone else. Juliet said that there was a shortage of experienced Grade 6s throughout the GLS. We were addressing this by recruitment and 'growing' our own staff.

5.10 Donald said that when he had been looking for an experienced Bill lawyer he had brought in someone from a local authority. Might Isabel be able to arrange something similar?

5.11 Mark wondered whether the clients would be prepared to pay for 'slack'. Juliet agreed that this was a key risk and worth exploring. Alison commented that she would be surprised if client Departments would tolerate 'slack' – they had their own pressures on funds.

5.12 Mark mentioned that the private sector could be used to do other bits of work, freeing up DCMS lawyer time to do this (although private sector people still need to be managed).

5.13 Donald said that if the issue were making up the numbers we could use barristers on short-term contracts.

ACTION: Personnel Group to consider these issues at or before their **2 August** meeting

6 SMOKING POLICY (SB (02) 20)

6.1 Alison reported back on the consultation exercise. There had been a clear majority in favour of restricting smoking in Queen Anne's Chambers (QAC) to a smoking room. 33 had voted for this option, 22 for a complete ban, and 8 for retention of the status quo. A working group was proposed, working with the Trade Unions.

6.2 Doug mentioned that there would be management issues in relation to certain staff in moving to this policy. Alison agreed and said that there would also be management issues in relation to people going to the smoking room. Welfare were being consulted on the sorts of support that could be offered to those wishing to give up smoking.

6.3 An announcement to the office would be made in July. This should cite the numbers responding to consultation, and say that the SB recognised that some individuals would find this very challenging and were therefore looking at how to support them.

7 PAY AND GRADING (SB (02) 22)

7.1 Alison thanked David Bennett (David B) for his paper. Both he and she were new to this issue, to which there was something of a stop-start history. She was keen to have a clear notion of where we wanted to be as a business. The exercise should not just be seen as responding to Cabinet Office/Treasury initiatives. Alison noted that problems had been experienced elsewhere where people did not have a clear view of the business need.

7.2 Alison noted that reviewing pay and grading was part of Modernising Government process. We had not taken it very far in terms of specific conclusions and detailed recommendations and would have to account to the Cabinet Office/Treasury for this. We also needed to ensure that the trade unions were consulted. The competency work could be moved forward at this stage. More generally it was agreed that we should review the project to see if

more fundamental adjustments were needed. She would review the position and make proposals to the 25 July SB.

ACTION: Alison Schofield

7.3 Doug said that we needed to be clear what we wanted to achieve, and future work should be based on a plan with milestones that we knew we could deliver.

8 BUSINESS CONTINUITY (SB (02))

8.1 Alison introduced the paper. There was a crisis management plan in place. The main issue for the SB was what more we now needed to do.

8.2 Other organisations DOCS had looked at had other places they could go. We had not, and were therefore looking at using a Crisis Recovery Centre, which would give us the capacity, were disaster to strike QAC, to cope with the crisis and to start functioning again as TSol. Processes should be smoother once PRACAMS and ERIK (Electronic Records Data Management) in place; therefore this should be regarded as an interim measure.

8.3 Juliet, noting that BS7799 concerns had been expressed at the IS Committee, asked what IS resource was needed to back this up. John K said he had resurrected earlier work on BS7799 and would report to the next SB.

ACTION: John Kempell

8.4 John thought that the crisis management plan needed to be revisited. We needed to explore with Customs & Excise just what they were offering us as a first step. We were therefore a long way from deciding to move to step two set forth in the paper, spending £30,000 on accommodation (a Crisis Recovery Centre). Juliet thought the risk a serious one. She had no qualms about spending money *per se*, but wanted to be sure we were spending it wisely.

8.5 David P was concerned about our objectives: what did we want to do if the business went down? The big Litigation problem would be that the Division's work was largely on paper-based files.

8.6 Mark said that he was a member of a Treasury crisis management group. He agreed that only having one office was a problem. Treasury had rented a site in Nine Elms for 50 people, a number based on a bare minimum of staff deemed necessary to carry forward the Treasury's immediate business. Sheila Norris was the contact. Mark agreed that it was key to isolate what we wanted to achieve.

8.7 Len mentioned that he might have three papers on US law firms directly affected by the September 11 atrocities. He would look for them. Rosemary mentioned an American lawyer currently with the Financial Services Authority who might have knowledge to offer.

8.8 Robert said that the key problem appeared to be on the IS front, and that we should be spending money on this aspect first. We needed to be ready to handle a variety of situations.

8.9 John K said that we needed to concentrate on getting the resource to install hardware and software. Action was in hand to strengthen the IS team.

8.10 Doug said we should check with the police what might be closed down in the event of an incident in Central London. He wondered for example whether New Kings Beam House was far enough out from the centre to avoid its being closed too.

8.11 Alison would return to the SB with further proposals

ACTION: Alison Schofield

9 IT ISSUES (SB (02) 23)

9.1 SB thanked Clare Sylvester for her paper and noted what was proposed in respect of the IT Users' Group.

9.2 The document *When You are Away* was unfortunately unavailable at the meeting but would be circulated for any comments. [**Secretary's Note: Chris Simson** circulated for comments by close **5 July**].

10 REPORTS FROM DIRECTORS

10.1 It was noted that TSol Today was an interim solution. An Intranet Project Board and Plan were in place, and the Intranet should be established by the autumn, and complete by the end of the financial year. A content providers group was being established to encourage ownership.

10.2 Mike T noted that some annual reports on training and development in 2001/2002 had yet to be received, and should be supplied to the Training Team for use in framing an Agency-wide report.

10.3 Robert reported that DfES had asked the TSol band to attend a Jubilee street party that afternoon (27 June).

10.4 Juliet mentioned streamlining that had taken place in the Cabinet Office. Details could be found on their website. Andrew Turnbull, Cabinet Secretary elect, regarded delivery as his prime function.

11 NEXT MEETING

11.1 The Board would next meet on **Thursday 25 July 2002** at 11.00 in the Lecture Theatre, QAC.

ANNEX A ACTION POINTS FROM RECENT MEETINGS

Client Care

- 1 **ACTION: John Sandford** before **25 July** to make contact with the Immigration and Nationality Department of the Home Office [27 June].

Finance and Planning

- 2 **ACTION: Directors** as necessary by **5 July** to supply their contributions to the Corporate Plan, including single page summaries of Divisions' plans [27 June].
- 3 **ACTION: John Kempell** to report to the next SB (25 July) on BS7799 [27 June]

Freedom of Information

- 4 **ACTION: members of the SB** to offer thoughts to Juliet on whether we should publish e.g. the SB minutes and/or the EB minutes [30 May].

~~**ACTION: Mike Fuhr** to write a note setting out the issues following the reworking of the internal guidance on the complaints procedure. This referred back to the website which gave names. It might be more helpful to have accounts called e.g. complaints.litigation@treasury-solicitor, so as not to clog individuals' inboxes. These would need to be monitored regularly. Juliet was not clear about the desirability of this as against using individuals' names. [30 May].~~

Personnel

- 5 **ACTION: Alison Schofield** to prepare an indicative timetable, on the model of that done for SCS reports, for staff below the SCS. (Martin mentioned that leave would have an effect on any timetable). [30 May].
- 6 **ACTION: Alison Schofield** to investigate why we had 40 staff on unpaid absence (we appeared to be over budget: this might be made up of staff on career breaks or maternity leave, but looked high) and report to the Personnel Group. [27 June]
- 7 **ACTION: Personnel Group** to consider at or before their **2 August** meeting a strategy for dealing with sudden crises. [27 June]

ANNEX B AGENDA ITEMS FOR FUTURE MEETINGS

Pay and Grading	July 2002
Statement of Internal Control/ Stewardship Reports	July 2002
Risk Register [every other month]	July 2002
Business Continuity	July 2002
BS7799	July 2002
Quarterly report on Training and Development	September 2002

CHRIS SIMSON