

## **Management Board minutes Monday 1 November 2010**

### **Members and other attendees present**

Vicky Best	Director Organisational Development
Andrew Cryer	Head of Finance (agenda item 4 and 5 only)
Simon Entwisle	Director Operations
Susan Fox	Director Corporate Affairs
Christopher Graham	Information Commissioner and Chief Executive (chair)
Andrew Hind	Non-executive Director
Jane May	Non-executive Director
Neil Masom	Non-executive Director
Enid Rowlands	Non-executive Director
David Smith	Deputy Commissioner
Graham Smith	Deputy Commissioner
Peter Bloomfield	Senior Corporate Governance Manager (secretariat)
Jonathan Kay	Corporate Governance Officer (secretariat)

### **1. Introductions and apologies**

- 1.1. There were no apologies.
- 1.2. Andrew Hind was welcomed to his first ICO Management Board meeting. All were welcomed by the Commissioner to the new Wycliffe House conference suite. The newly extended and re-furbished building had been officially opened by George Osborne MP the Friday before.
- 1.3. Christopher Graham provided an update on key matters arising.

## **2. Declaration of interests**

- 2.1. There were no specific declarations of interest. Enid Rowlands reminded the Board of her husband's role as Auditor General for Wales. This was on the register of interests.

## **3. Action points from the Management Board meeting of the 26 July 2010**

- 3.1. Outstanding action points from the meeting of 26 July were considered. Christopher Graham advised that changes had been made to the finance report as requested although these had been constrained by the difficulty of changing reporting in-year.
- 3.2. Management Board had asked for further discussion on arrangements for signing off decision notices on freedom of information cases. The action point had been completed immediately after the meeting. A further meeting was planned for 9 November to consider how best to deal with freedom of information cases in the latter half of the reporting year.
- 3.3. Comments had been fed back on the format of reports coming to Management Board.
- 3.4. Sue Fox and Enid Rowlands had liaised over Welsh Language Act compliance.
- 3.5. Matters arising were then discussed. The need for a good understanding of the in-year financial position and the impact of financial decisions on future years was highlighted.
- 3.6. Christopher Graham reported back on recent meetings with the Ministry of Justice. The discussion led into consideration of the planned Management Board strategic review on 22 November.
- 3.7. Executive Team agreed to complete action point updates before meetings.

## **4. Finances**

- 4.1. It was reported that £160k of grant in aid had been surrendered to the MoJ as in-year savings. In addition it had proved possible to fund the refurbishment of Wycliffe House out of funds this year rather than making use of an agreed lease arrangement resulting in future savings. The MoJ had however asked about further in-year savings of grant in aid. Discussions with the MoJ were ongoing. It was noted that the

business case for £500k of grant in aid to clear the backlog of freedom of information cases this year has yet to be agreed.

4.2. At the mid-point the financial position was much as expected. £750k was assigned to the DUIS replacement (the system that administers data protection notifications) but there was a risk that delays in the project might mean the money was not spent. Similarly the provision was an estimate; the cost could be greater. There would therefore need to be tight financial control. In addition it was asked whether there were corporate risks associated with the project.

4.3. Simon Entwisle provided an update on the project. The aim was to procure a customer relations management system, with the procurement agreed possibly by the end of December. This would be an off the shelf product suitably modified for ICO needs. As such the risk of the system not working was reduced.

**Action point 1: Peter Bloomfield to consider further the risks associated with the DUIS replacement project.**

4.4. There was a potential £300k data protection under spend.

4.5. Legal costs for freedom of information appeals were a risk as these were very difficult to budget for. It was emphasised that much had been done over past years to do more legal work in-house which helped mitigate the risk.

4.6. Travel and subsistence costs continued to reduce, partly as a result of in-house train ticket printing and partly due to behavioural change.

4.7. The reasons for cash accounting were discussed. It was explained that the cash accounting was because the ICO still faced annual cash controls. Discussion followed on the need to balance management requirements for financial information against MoJ accounting needs. Accuracy was critical and a statement of the impact of significant variances would be added in future.

4.8. The Head of Finance advised that quarterly resource accounts were prepared. It was also confirmed that any changes in the forecast were agreed by Executive Team.

**Action point 2: Quarterly resource accounts to be tabled at Audit Committee and to be made available to non-executives (possibly via Management Board)**

## **5. Comprehensive spending review and its implications for the ICO**

- 5.1. The results of the Comprehensive Spending Review (CSR) had recently been announced. The MoJ is to have a reduction in income of (on average) 6% per year for the four years of the review; ie a 23 % reduction in total. It was expected that there would be a consequential reduction in grant in aid for the ICO which would affect freedom of information work. Data protection work is funded by notification fee income and is not expected to be affected.
- 5.2. There will be discussions with the MoJ as to the exact impact on the ICO in terms of the timing and size of reductions. It was agreed that a range of options, covering cuts and service impacts, would be submitted. In the meantime, as part of corporate planning, the ICO would work on funding scenarios.
- 5.3. The apportionment model, used to ensure that data protection fee income was not spent on freedom of information work, and grant in aid not spent on data protection work, was discussed. The need to apportion expenditure in this way did limit the ICO when making savings and there was therefore a need to make sure that the model adequately reflected the true position during discussion.

## **6. Business Plan 2010/11**

- 6.1. Christopher Graham introduced the final version of the ICO Business Plan for 2010/11 for formal adoption. Comments had been taken into account following the last meeting. The plan also highlighted half year performance albeit not across the board. Colour coding could be useful to indicate where plans were being met, or not.
- 6.2. The plan was primarily aimed at an internal audience, although it was published on the ICO web site. Given this, in future more context would be helpful and enable the document to stand alone. It was noted however that (to an extent) context this year this was provided by the direct link to the Corporate Plan.
- 6.3. How embedded the plan was in directorate and other business plans was also discussed. It was felt that staff may well be sighted on particular parts of the plan which related to their area of work.
- 6.4. The Business Plan 2010/11 was adopted.

## **7. Risk Register**

- 7.1. Peter Bloomfield introduced the risk register. Some comments from the recent Audit Committee had been taken into account. The register had been written before the CSR had been announced.
- 7.2. There were fewer than 10 risks included. This was welcomed as having too many risks articulated on the register could make it more difficult to monitor risk across the ICO.
- 7.3. The website update was noted as being mitigation for several of the risks. The need to prioritise and fund the website improvement project was highlighted as was the feeling that a website could no longer be classed as a back office function.
- 7.4. The trend in risk status needed to be shown.
- 7.5. Reputational risk was discussed, in particular the risk of not picking up on technical issues early enough.
- 7.6. In respect of the impact on the ICO of the new government's transparency initiatives it was felt that the ICO did have access to government officials and ministers. There was a need to continue to influence in Europe and the devolved administrations as well as in central government.

## **8. Issues reports**

- 8.1. Directorate reports were introduced by the relevant director.

### Operations

- 8.2. Simon Entwisle introduced a six month review of Operations, reflecting on the amount of change over the period and highlighting the freedom of information and data protection casework clearance figures. The continuing rise in freedom of information complaints received by the ICO was noted.
- 8.3. The importance of identifying the reasons for any changes in case load and outcomes, and for including forecasts of year end service levels, was stressed. The aim would be to enable appropriate actions to be taken in advance.
- 8.4. There were significant changes in the enforcement outcomes reported from previous quarters.

**Action point 3: Simon Entwisle to report back on the reasons for the changes in enforcement outcomes.**

Information rights report

- 8.5. David Smith and Graham Smith updated Management Board on issues within their areas. The report was a combined report, rather than the previously provided separate reports, to give an overview of information rights issues.
- 8.6. There was detailed consideration of the ICO's new data protection power to impose monetary penalties for breaches of the Data Protection Act and the need for clear and transparent arguments for imposing a penalty in particular cases.
- 8.7. Freedom of information work highlighted included the new government's transparency agenda, the Muir Russell report and Cabinet meeting minutes. Stakeholder behaviour and the updating of the stakeholder strategy was discussed in more detail.
- 8.8. It was agreed to include a short summary of key activities and issues at the start of the paper and statements on outcomes where possible.

Corporate Affairs

- 8.9. Sue Fox introduced the Corporate Affairs papers. Included were a quarterly evaluation report and papers detailing an agreed and new approach to corporate governance at the ICO. For communications the quarter had been strong for the ICO with more proactive than reactive media items and more positive coverage.
- 8.10. The Annual Track report would be published later in the month.
- 8.11. Government expenditure restrictions and the website convergence initiative were noted.
- 8.12. The frequency of stakeholder surveys was raised. There are funding limitations and also the risk of stakeholder fatigue if surveys are undertaken too frequently.
- 8.13. The changes to the corporate governance approach were also discussed. The main message was that whilst the building blocks were in place they needed to be coordinated and understood better. It was confirmed that the Corporate Plan, detailing the ICO's three year strategy, was updated annually on a rolling basis.

8.14. The corporate governance proposals were endorsed by Management Board.

#### Organisational Development

8.15. Vicky Best provided an update on the accommodation project. In terms of old accommodation in Wilmslow, dilapidations have been received on Town House and the Hesketh House keys handed back.

8.16. The single equality scheme is being consulted upon and an update on pay negotiations with trade union side was given. Checking with other organisations negotiating annual pay deals under treasury guidelines was thought useful.

### **9. Executive Team minutes**

9.1. Peter Bloomfield confirmed that the Treasury value for money report had not yet been published. When it was the report would be circulated.

9.2. Christopher Graham explained he was planning to hold meetings on Monday mornings with Executive Team members when there was not a formal Executive Team meeting scheduled.

### **10. Audit Committee report**

10.1. Neil Masom, as chair of the Audit Committee, reported back on the most recent Audit Committee meeting. This had been the first meeting with Neil as chair and Jane May as a new member. There had been useful discussion on the risk register and on corporate governance (the papers discussed above had come to Audit Committee as well).

10.2. There was an outstanding action point for Christopher Graham and Neil Masom to recruit a third independent member of the Audit Committee. The plan was for an advert to go out by the end of the week.

### **11. Any other business**

11.1. Given that this was the first meeting with all of the new non-executives in place, there was discussion as whether or not expectations had been met. It was felt that there was a need for further consideration by Executive Team members as to how useful the non-executive input had been. There was however a feeling that the Board should concentrate on forward looking strategic issues rather than detailed reporting on operations and that the agenda should not be too ambitious on timings.

- 11.2. There was discussion as to the format of the forthcoming strategic away day on 22 November, to be held on site in Wilmslow. It was agreed that the meeting should start at 10am and end at 4pm.
- 11.3. The aim of the meeting would be to agree strategic direction for the next three years taking account of the environment in which the ICO is operating (and expected to be operating).
- 11.4. Enid Rowlands and Jane May offered to provide agenda ideas via email.
- 11.5. It was agreed that documents should include work on the scenario planning along with the Treasury's value for money report.

**Action point 4: Christopher Graham and Peter Bloomfield to develop an agenda and circulate papers for the strategic review.**