

Independent Parliamentary Standards Authority Board Effectiveness Review

Executive Summary

1.1 The Independent Parliamentary Standards Authority (IPSA) is the independent body that regulates and administers the business costs and decides the pay and pensions of the 650 elected Members of Parliament and their staff. It was established by the Parliamentary Standards Act 2009 (“the Act”), as amended by the Constitutional Reform and Governance Act 2010. The Act specifies the composition and powers of IPSA’s governing body, the Board.

1.2 Following a formal Invitation to Tender process FinWell Coaching & Consulting Ltd were asked to undertake an external Board effectiveness review of IPSA in Q1 2023. The review included analysis of key governance documentation and meeting packs, individual questionnaires and interviews, alongside observation of Board and People Committee meetings. This review is part of a good governance cycle following the last external review conducted in 2019-20.

1.3 To IPSA’s credit a great deal of progress has been made in the past 2-3 years to develop the effectiveness of the Board by implementing many of the recommendations of the previous review. For example, the appointment of a Senior Independent Director and implementation of an organisation-wide assurance framework.

1.4 Overall, this is an effective Board with clear strategic priorities that support the organisation’s long-term sustainable success. Assessed against the principles of public life, and other good practice codes, the governance framework is proportionate, fit for purpose, and facilitates good quality decision making. With these sturdy foundations in place, our observations for development focus on three key themes.

1.5 Firstly, it is readily acknowledged that statutory restrictions around its size and composition have constrained the Board’s diversity in terms of skills, experience, background, and protected characteristics. Further, we note that as a small Board it is inherently more exposed to the risk of group think, and potentially less resilient than it should be (for example, dependence on one individual’s specific skillset). In our opinion the Board comprises competent and capable individuals with a strong desire to learn and improve for the benefit of IPSA. There is wide agreement that the organisational challenges ahead mean the Board’s decision making could be enhanced if it were to benefit from timely input by relevant external specialists. Our core recommendations are to undertake a skills audit to identify the expertise needed for the organisation to succeed and use this insight to augment the three Board sub-Committees with non-voting representation from relevant external specialists. Alongside this, we encourage the appointment of a non-voting ‘apprentice’ who can bring a diverse perspective to Board discussions.

1.6 Secondly, whilst we observed that the Statutory remit of the organisation and strategic priorities of the Board are clear, there appears to be a missing piece that enables it to be consistently translated into the day-to-day operations of the organisation. This makes it more difficult for the Executive to position their upward reporting at an appropriately strategic level, which means the Board may not be engaged on the right issues at the right times. Further articulation of what the strategic priorities mean for the operational framework will enable the Executive to judge key matters for Board engagement. In turn this should underpin more effective Board decision making as the organisation embarks on a significant transformation and regulatory review project.

1.7 Finally, there are some areas of routine governance that would benefit from greater formalisation to meet external good practice. For example, the Board's focus can be quite reactive so there is a need to plan Board and sub-Committee agendas further in advance. Similarly, whilst we observed a number of informal processes that appear to work well there is a need to document some Board processes such as Continuous Professional Development (CPD) planning, individual and collective appraisal.

1.8 We are confident that implementing our recommendations will assist the Board in further enhancing its effectiveness in the years ahead.

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