Minutes of a meeting of IPSA's Board

28 June 2023

Board Members:	Richard Lloyd OBE (Chair)
	Will Lifford
	Lea Paterson CBE
In attendance:	Ian Todd, Chief Executive
	Karen Walker, Director of Strategy and Change
	Thomas Fitch, Director of Finance
	Lee Bridges, Director of Policy and Engagement
	Chief of Staff
	Head of Policy (Item 6 onwards)
	Parliamentary Commissioner for Standards (Item 3)
	Jonathon Blair-Tidewell, Compliance Officer for IPSA (Items 3-4)
	Policy Manager (Item 6)
	Remuneration Policy Specialist (Item 8)
	MP Services Manager (North) (Item 9)
	MP Services Manager (Scotland, Wales, and Northern Ireland) (Item 9)
Apologies:	Helen Jones, Board Member
Status:	Submitted for approval at the meeting of the Board on 12 September 2023

1. **Welcome and Declarations of Interest**

1.1 The Chair welcomed Jonathon Blair Tidewell, Compliance Officer for the IPSA, to his first Board meeting and noted apologies from Helen Jones, Board Member, whose views would be fed into discussions throughout. He invited attendees to declare any interests not previously recorded. No such declarations were forthcoming.

2. **Minutes and Actions**

2.1 The minutes of the Board meeting of 29 March were approved. The Board noted the actions update and approved the action plan for implementing the governance review of 2022-23, with a progress report to return to the Board in September for updates and key decisions.

3. **Parliamentary Commissioner for Standards**

3.1 The Board welcomed Daniel Greenberg CB, Parliamentary Commissioner for Standards, to the meeting for an introductory conversation on matters of mutual concern and interest.

3.2 Following a short set of remarks and open discussion, both parties agreed that there was greater scope for IPSA and the office of the Parliamentary Commissioner to collaborate in order to promote professionalism, compliance, and trust across the standards landscape, including via a revised Memorandum of Understanding.

3.3 The Board thanked the Commissioner for his time.

4. **Compliance Officer's Report**

4.1 The Compliance Officer summarised the latest quarterly report of activities. It was noted that the Compliance Office had not received an appeal request from an MP following a rejected claim or contingency application for a considerable time.

4.2 Having assumed his formal responsibilities on 2 June 2023, the Compliance Officer outlined some initial reflections on his role and its interplay with IPSA and where both may benefit from closer collaboration in full respect of each other's independent remits. This included closer assessment of the information gleaned through referrals and investigations in order to identify risks and potential lessons to be learned.

4.3 The Board noted the report and recommendations with thanks. It encouraged the Compliance Officer to take the proposals forward in full respect of both IPSA's and his own office's independence and recognising the assurance and internal audit work already conducted by IPSA so to avoid confusion or duplication. It further noted that the authority of

interpreting the definition and meaning of Scheme provisions rested with the Board and that, given the trajectory of the Improving IPSA Programme, the Compliance Officer's focus may more usefully evolve to concentrate on higher-level risks. Following the session with the Parliamentary Commissioner, it encouraged the Compliance Officer to maintain and build engagement with relevant authorities in the House and Met.

5.   Report from the Audit and Risk Assurance Committee (ARAC)

5.1   The Chair of ARAC summarised the discussions held at the meeting of 27 June for the benefit of the wider Board and to formally raise matters to its attention. This included the CEO's risk report which focused on a system outage, the impact of IPSA's system customisation, and the external environment ahead of the General Election. The ARAC Chair also highlighted the audit and assurance recommendations with revised timelines. The Committee had been clear, however, that the revised timeframes could not slip. The Chair further noted progress in the cybersecurity sphere and an uptick in the volume of Freedom of Information requests received.

5.2   The Board noted the update with thanks and encouraged ongoing dialogue with the office of the Information Commissioner.

6.   Scheme Consultation

6.1   The Head of Policy outlined the responses received under the statutory consultation undertaken through spring and the recommendations flowing therefrom.

6.2   Following discussion, the Board agreeing the following to be effective for the next General Election:

- That the loss-of-office payment (LOOP) be paid to all MPs who lose their seat at a general election, meaning that they were an MP on the day before the dissolution of Parliament and a candidate for re-election; but not re-elected. This would include where they stand unsuccessfully in a new or different seat, for instance because of constituency boundary changes.
- That any LOOP a former MP is entitled to be paid at the end of the winding-up period, rather than once all winding-up tasks are complete. There would be discretion for IPSA to withhold amounts relating to known debts and to withhold payment in cases of exceptional risk.
- That the winding-up payment be paid to all MPs who leave Parliament at a general election.
- That the winding-up period and payment be four months.
- That IPSA should wholly restrict payment of PILON relating to any period beyond the end of the four-month winding-up period.

- That a change to the Scheme, family leave policy, and guidance be made to allow MPs to request the full amount of occupational family leave pay in the event a staff member in receipt of such pay is made redundant as a result of an election.
- That IPSA exercise existing Scheme discretion to shorten the 90-day period for making claims in respect of winding-up costs, given the extension of the winding-up period to four months, with the Executive to determine the appropriate period.
- That IPSA should support the House of Commons in leading the work and engagement with the Administration Committee on non-financial, wellbeing and career transition support for former MPs.
- That the current position remain of a start-up supplement of £6,000 be made available to all MPs newly elected (in terms of their first election to Westminster) at the next election. Those elected to a new constituency following the boundary review, but who have served in Parliament up to that point, would be invited to make applications to the contingency panel if there is a need for additional funding. It also did not judge it appropriate to offer financial support or incentive to staff who are required to relocate in order to remain with their employer if elected to a different seat.

6.3. The Board asked the team to consider how best to operationalise the decision on the length of the winding-up period and to update it in due course.

6.4 The Board also noted that, in line with the legal position, IPSA will amend its guidance to make clear that staff members who become MPs may be entitled to redundancy pay, depending on whether they have resigned or whether they have been given notice of redundancy before becoming elected, but will not fund PILON costs for staff members who become MPs (for any period after Polling Day). It also noted that guidance will be amended to strengthen the need to keep accurate records of annual leave and time-off in lieu to set the expectation that any remaining leave should be taken during the notice period, and remind MPs and staff that IPSA will not make payments for untaken leave for more days than the staff member accrued in the relevant financial year.

6.5 The Board agreed to reconsider all of the issues raised above during its next statutory review of MPs' remuneration within the first year of the next Parliament and once a lessons-learned exercise had been conducted following the next General Election.

7.   Strategic Communications Review

7.1   The Director of Policy and Engagement introduced a report and recommendations made by external specialists having conducted a strategic review of IPSA's communications function and approach. He sought views on whether the recommendations and IPSA's proposed actions matched the Board's ambitions, and suggested that strategic communications form part of agenda of the IPSA Board Strategy Day of 13 September.

7.2 The Board welcomed the report and supported its direction of travel, with a more proactive approach bringing benefits, especially across digital communications. It noted the risks of a higher profile and communications activity and that its risk appetite would have to be clearly delineated and aligned with publication policy. It, however, noted corresponding risks of non-proactive communications and operating in a vacuum where others set the narrative.

7.3 The Board made a distinction between IPSA's different stakeholder audiences and the need to tailor and focus contents accordingly. Effort was, for example, required to communicate IPSA's new regulatory philosophy (and wider Improving IPSA Programme) with parliamentary stakeholders, whilst more resource should be directed at raising awareness of IPSA's role, statutory functions and independence, and effectiveness to the public.

7.4 The Board asked the Executive to produce a stakeholder engagement plan for the Improving IPSA Programme and new assessment of risk appetite at pace this summer, as well as a considered, strategic public-facing communications approach by December. It asked the Executive to keep it sighted on what activities should be kept in-house versus outsourced. It also offered suggestions as to IPSA's communications approach to laying the new Scheme on 19 July as part of IPSA's overall preparedness for a General Election, close collaboration with the House in supporting new MPs, and engaging constructively with the Administration Committee's recent inquiry.

8. MP Budgets 2023/24 and 2024/25 & MP Staff Pay Review

8.1 The Remuneration Policy Specialist outlined a discussion paper taking a first look at the KAC9 average public sector earnings index and seeking views from the Board as to what data and information they would find helpful in making pay determinations for 2024/25.

8.2 The Board expressed its desire for further discussions on the benefits of consistently using KAC9, its potentially retrospective nature, the merits and demerits of a cap, and the importance of a differentiation between MPs' and MP staff remuneration. To this end, the Board requested a timeline of when various indices and datasets would become available, the timeline for decision-making on IPSA's side, and the approximate dates for communication. It noted that it could be flexible in the timing of the consideration of MPs' pay, particularly given uncertainty around public sector pay, though earlier certainty was noted as important for staff members.

8.3 The Board asked the Executive to establish special briefing sessions in due course for the Board to consider options in line with its statutory remit and in view of the wider Estimate, which would factor in decisions made following the Scheme consultation and include General Election costs for 2024/25. Such sessions should also include an outline of risks and their mitigations, as well as associated communications strategy, so that the Board could consider the most appropriate determination and the timing of the decision.

8.4 The Remuneration Policy Specialist introduced a draft scoping paper designed to agree the contents of the second phase of the MP staff pay review IPSA would conduct in 2023/24.

Following external exercises conducted in 2016 and 2019, and an in-house pay benchmarking exercise in 2022, the second phase intended to consider remuneration in a broader sense. Engagement with trade unions and staff representative groups had informed the contents, which included pay and career progression, pensions, and flexible working, and helped to shape the prioritisation and substance of the issues tabled. Whilst there were dependencies on the Speaker's Conference, the aim was to align some aspects of the review and its output, such as updated model contracts, for rollout at the next General Election.

8.5   The Board acknowledged the broad scope and the ambition of the proposed review, which it felt necessary, important, and deliverable. It encouraged the team to take a pragmatic and flexible approach to reprioritising given finite internal capacity and uncertain external pressures. It was also important to make clear what is and, importantly, what is not within IPSA's remit under the Parliamentary Standards Act 2009 and respecting MPs as legal employers of their staff. It agreed the scope of the review on the understanding that phasing would be sensibly sequenced (including aligning where appropriate with the General Election), engagement would be held with MPs and staff to ensure understanding, buy-in, and clarity of expectations, and that the team would operate in an agile fashion given competing priorities. Items such as automaticity and to what extent could or should IPSA introduce mandatory conditions of funding or further opt-out provisions would return to the Board in due course.

9.   General Election Planning

9.1   The Board welcomed two MP Services Regional Managers who led the new MP workstream for IPSA's General Election planning. The Managers noted that much had changed since the 2019 election, including with IPSA Online more embedded, more capacity, more experienced and resilient teams who had already been involved in by-election onboarding processes, named account management, and a stronger working relationship with the House of Commons and its new Members' Services Team. A guiding principle of the plan to onboard new MPs was developing a supportive, reassuring, and human approach and provide them with the resources and information they need at the appropriate point, including a range of training live or recorded for new MPs' staff.

9.2   The workstream leads provided an outline of the vision thus far, which had incorporated the recommendations made in the recent Administration Committee evidence session on new MPs and their induction. Some innovations planned by IPSA included providing new MPs with a briefing on average staff headcount amongst their peers, average rent costs, and other practical helpful advice, such as utilities cost as a percentage of overall office costs budget, to support new MPs when establishing their parliamentary set-up. It would also strongly recommend that they appoint a proxy to support them in conducting IPSA business.

9.3   The Board welcomed the proposed vision. It enquired as to whether IPSA or the House had considered engagement with prospective parliamentary candidates to provide information in advance, as well as whether the House planned to repeat its buddying scheme matching

returning MPs with new colleagues. It also enquired as to the agility of IPSA's resource plan and if flex was built in to ensure effective support could be delivered to both new and departing MPs, as well as business-as-usual activity, if turnover was higher than anticipated.

9.4   The Director, MP Services, Strategy and Change, confirmed that IPSA was working closely with the House on capacity, was exploring the role of automation to manage demand, and had developed IPSA-wide training and repurposing plans (based on roles, not individuals) to ensure continuity of service and clarity of policy on overtime and holidays. The election would be managed with clear, strong governance and executive oversight.

10.   Chief Executive's Report

10.1   The Board noted the report and enquired as to the engagement and morale of staff.

10.2   The Chief Executive summarised recent engagement surveys which continued to show high staff engagement, greater empowerment through delegated decision-making, and flexibility through hybrid working. IPSA had recorded improving KPI performance since shifting permanently to hybrid working across the UK and received positive feedback on its virtual induction. General Election principles had been drawn up which recognised the need for presence in central London to meet demand, but which sought to minimise disruption for staff based at home who would need to support efforts in Westminster. These issues fed into the Chief Executive's desire to become a leading, modern employer in the public sector on flexible and remote working.

10.3   The Board welcomed the figures and that hybrid working had been well-received by staff. It discussed the scope for a second-line assurance assessment of where these benefits have been most usefully drawn and maximised, and equally where hybrid working has presented challenges. Whilst IPSA retained a central London office space, this would prove helpful in identifying areas for improvement, such as in workshop settings which may lend themselves to face-to-face environments and in ensuring accessibility and visibility in the House of Commons.

10.3   The Board additionally approved the recommendation that Will Lifford be appointed Senior Independent Director under the standing orders until the end of his term.

10.4   The Director, MP Services, Strategy and Change, introduced the latest KPI dashboard for May 2023. The measure on productivity would be further finetuned in the next report.

10.5   The Board noted the report with thanks and congratulated the team on the progress made. It was encouraged by readership rates of the IPSA communications bulletin and the results of IPSA's recent pulse survey of customer satisfaction, with over 86% of responses scoring 'satisfactory' or higher, was welcomed.

11.   Improving IPSA Programme

11.1   The Director, MP Services, Strategy and Change, updated the Board on the Improving IPSA Programme, following dedicated sessions with the Improving IPSA Assurance Group (IIAG) on IPSA Online, property management support, and direct supply. IPSA had commenced the procurement stage for the IPSA Online project before co-designing a solution with customers, and testing its feasibility. On property management, a supplier specification had been drafted to go out to market, with the timelines having slipped slightly in order to ensure the specification was watertight and outcomes based.

11.2   The Board sought further detail on the criteria to be used at and moving beyond proof-of-concept stage and assurance that both the property management support and direct supply projects could and would deliver genuinely national coverage. It additionally asked the Executive if their view of feasibility and deliverability had changed.

11.3   The Director, MP Services, Strategy and Change, confirmed that IPSA remained confident in delivery, that coverage would be national, and that the establishment of the IPSA Design Authority had already proved helpful in blocking unnecessary change and ensuring potential pinch point areas, such as policy and technology, are not overloaded by the volume of work more generally or overwhelmed by the timing of poorly sequenced change.

11.4   The Chair of IIAG provided summary reports of previous subcommittee meetings and invited discussion as to how it could properly report to and support the whole Board in understanding the Improving IPSA Programme without re-litigating all matters discussed therein. After noting the reports, the overall view was that the Strategy Day of 13 September was a useful opportunity and that a timeline of future decision points would be helpful.

11.5   IPSA's Technology Strategy and Commercial Strategy were presented to the Board, both of which had been updated and amended following previous Board discussions. The documents intended to provide strategic principles and frameworks for activity and discussion until 2025 before a fresh, longer-term strategic review. The Technology Strategy included a Contact Strategy to set a pathway to freeing time for real value-add engagement, including via greater use of automation for more transactional demand.

11.6   The Board approved the Strategies. The Board noted that it would need to approve any significant rollout of AI, particularly on ethics and bias matters, and that ARAC could consider it from a risk perspective. AI was also an area where the Board, following its governance review of 2022-23, might usefully procure ad hoc or permanent specialist support and include in Board members' continuing professional development plans, with the Director of Policy and Engagement adding as SIRO that IPSA should conduct an assessment of potential data protection issues. Such issues could be discussed under the Corporate Plan 2024-27 at the September Strategy Day.

12. Validation Review

12.1 The Director, MP Services, Strategy and Change introduced a report responding to a Board action to outline current drawbacks with the validation process and how IPSA could make improvements. Overall, the current approach took too much time to administer, risked inconsistent application, and did not take a sufficiently risk-based approach to validation. She proposed a new targeted and efficient approach aligned with IPSA's new regulatory principles and risk-based framework. Tactical changes would be made by the end of September. Wider system changes were planned for the end of the financial year to ensure alignment with the Improving IPSA Programme.

12.2 The Board welcomed the direction of travel and asked for a progress update in the autumn.

13. Publication Policy

13.1 The Director of Policy and Engagement introduced findings of a recent research report conducted externally into IPSA's publication data, design, and policy. He proposed that the Board approve the smaller scale recommendations on both value for money and future-proofing grounds to ensure alignment with the Improving IPSA Programme. Such tactical changes could be made by and reported to the Board in September, with more fundamental policy decisions on aggregation to return to the Board in due course.

13.2 The Board endorsed the proposal and encouraged the Executive to adopt a bold and open mind when exploring such changes, particularly on staffing costs, as part of this work, whilst recognising a significant proposed departure from the current Publication Policy would have to return to the Board and be open to consultation.

14. McCloud

14.1 The Head of Policy updated the Board on issues encountered in implementing the McCloud remedy, with options packs not yet sent to impacted members due to external delays. IPSA continued to work with the Parliamentary Contributory Pensions Fund (PCPF) and the pensions administrator to iron out such issues.

14.2 On the potentially unfair tax consequences facing some impacted members, some technical information had been received from HM Treasury on 26 June on potential tax impacts. IPSA had been requested to draft a proposal by the end of June to this end but had not yet been able to incorporate such vital technical detail. That said, IPSA will meet the deadline and had been assured of engagement with HMRC on next steps. The Chair of the Board would also attend a PCPF Trustee meeting on 6 July.

14.3 The Board noted the update and reiterated that IPSA had taken all reasonable actions within its remit to progress the matter and that matters remaining were outwith its jurisdiction.

15. Improving Customer Service Report (for information only)

15.1 The Board noted the latest quarterly Improving Customer Service Report with thanks.

16. Financial Position & Management Accounts

16.1 The Director of Finance updated the Board on the latest monthly accounts, which the Board noted. The Chair of ARAC and Director of Finance would consider, in line with the governance review, the frequency and contents of Finance papers tabled to the Board henceforth.

17. Board Work Programme, Reflections, and Any Other Business

17.1 The Board noted its Programme of Work for the remainder of the calendar year, with the agenda for the Strategy Day to be circulated shortly.

17.2 The Board thanked colleagues for producing clear and insightful papers which deftly drew out highly complex matters for the Board's determination. It additionally welcomed the attendance of the Parliamentary Commissioner for Standards and expressed a desire for further such external speakers in future.

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