

## Minutes of a meeting of IPSA's Board

Thursday 27 June 2019

**Board Members:** Ruth Evans, Chairman

Rt. Hon Jenny Willott

Will Lifford

Sir Robert Owen (Telephone)

**In attendance:** Marcial Boo, Chief Executive

Vicky Fox, Director of Regulation and Insight

Georgia Wilson, Director of Improvement and MP Support

Alastair Bridges, Director of Finance and Corporate Services

Head of Policy and Assurance

Head of Communications

Head of Data, Publication, and Validation (Agenda Item 5)

Assurance Analyst (Agenda Item 6)

Head of Finance (Agenda Item 8)

Executive Assistant and Board Secretary (Minutes)

**Apologies:** Richard Lloyd, Board Member

**Status:** Submitted for approval at the meeting of the Board on 10 July 2019

## **1. Welcome and Declarations of Interest**

- 1.1 The Chair opened the meeting and welcomed those attending, inviting the Board and members of staff to declare any interests not previously recorded. No declarations were forthcoming.

## **2. Minutes and Actions List**

- 2.1 The minutes of the meeting of the Board held on 8 May 2019 were approved as a correct record.

### Actions arising from the previous meeting

All actions due from the previous meeting had been completed.

## **3. Chief Executive's Report**

3.1 The Chief Executive introduced his report to the Board. He informed the Board that IPSA's focus was on embedding IPSA Online and responding to the increased level of demand on teams. He informed the Board that many of the queries received by phone, letter and email stemmed from MPs' offices familiarising themselves with the system, but certain issues raised bigger questions. He informed the Board that an internal Change Advisory Board is now considering these systemic issues in a structured way. A more in-depth analysis of the implementation of IPSA Online will be presented to the Board in July.

3.2 The Chair recognised the stress felt internally and externally. She noted the number of MPs who had spoken to her about issues with IPSA Online. She highlighted the importance of dealing with these issues in a structured way, but also in responding with interim measures to meet demand and relieve pressure on teams.

3.3 The Chief Executive noted that the nature of the demands had changed. There were initial questions of user access; now MPs were asking specific questions about how to use the system. The sustained increase in demand was not sufficiently anticipated. This created pressure on team capacity. The temporary support of the Civil Service Surge Team was therefore procured to answer and triage calls. This has resulted in phone waits dropping. Technical issues are being resolved too. In three of the last four weeks, more IT tickets were closed than opened. This indicates that the situation is stabilising. The volume of phone calls is also edging down.

3.4 The Chief Executive also noted that the new system was also designed to improve financial controls and to gather higher quality data so we could reassure the taxpayer and account for public funds. A knock-on effect of this has been that some MPs have had claims returned to them that were previously unqueried under the old system. This has in part

been due to stronger inbuilt financial control with IPSA Online. But this has caused understandable frustration among MPs and contributed to the phone and email queue.

3.5 The Board asked whether MPs' expectations had been managed before rollout, with the Chair noting that some MPs expected their involvement in expenses and workload to reduce. The Chief Executive recognised that MPs' offices were having to change the way they worked. In some cases, tasks are mandatory for the MP, such as approving a pay rise for a proxy or signing a lease. But the workload was likely to decline once an office became familiar with the new system. The Chief Executive noted again that issues with the system would be considered by the Change Advisory Board so that it can be made more user-friendly.

3.6 The Director of Improvement and MP Support concurred. She informed the Board that more and more MPs' offices have submitted claims successfully. Yet she too recognised that some MP offices were nervous about submitting claims without step-by-step guidance by IPSA staff for fear of inaccurate claims being published. She also noted that the Surge Team had made a positive impact on staff workload and morale and on response times to MPs. She also informed the Board that we were planning to re-package our guidance in bite-sized training guides that would be more useful to MPs. There would be more communication in bulletins to MPs, and we would continue with our presence in Portcullis House every Wednesday which had been welcomed.

3.7 The Director of Improvement and MP Support also updated the Board on her recent meetings with MAPSA and Unite. These had been constructive and helpful and gathered useful feedback from MPs' staff. We would work in partnership with the unions on an agreed priority list.

3.8 The Director of Finance and Corporate Services also agreed with the Chief Executive's summary. He commented that key functions are working well. The payroll had run smoothly with very high accuracy. The Change Advisory Board was a welcome forum for thinking through and agreeing change in a structured way based on the qualitative and quantitative feedback of internal and external stakeholders. He agreed that the Surge Team had made a difference and outlined the financial and contractual aspects of their procurement. He also commented on the work with IPSA's IT supplier for further support.

3.9 In light of the pressures faced by teams, the Chief Executive informed the Board that some less pressing organisational priorities may be delayed to 2020. The Board agreed that this was sensible, expressing concern about the pressure on staff and the reputational risk to IPSA if this period was not managed carefully.

3.10 The Board asked about the data breach mentioned in the Chief Executive's Report and whether there was an individual affected by this one as well as the larger breach of March 2017. The Director of Finance and Corporate Services informed the Board that one individual was affected by both, but that the recent case was a non-reportable data breach of a

considerably smaller scale. He assured the Board that staff are continuously reminded of the importance of data security, especially at times of high workload.

3.11 The Board asked about the Information Tribunal decision concerning the European Research Group and whether the judgment should prompt IPSA to take a fresh look at its policy on pooled services. The Director of Regulation and Insight updated the Board, informing them that relevant material will be published on 11 July to coincide with the next bimonthly publication date. She informed the Board that an assurance review of all pooled services would also start shortly.

3.12 The Chief Executive drew the Board's attention to three media stories about three different MPs, which highlighted that IPSA was performing its role as a watchdog well. These concerned IPSA's role in a recent recall petition, the pursuance of monies owed, and mileage claims. In all three cases, IPSA was reported to be recovering taxpayers' money appropriately.

3.13 The Board asked about the reputational risk to IPSA from other media coverage relating to MPs' parental leave. The Head of Communications confirmed that IPSA was under sustained media pressure, with the case of parental leave cover heavily covered in the media, leading to criticism of IPSA by MPs and journalists. The Head of Communications noted that the stories conflated parental leave and the linked, but separate, issue of cover for MPs.

3.14 The Chief Executive and the Director of Regulation and Insight updated the Board on their meeting with Dr Stella Creasy MP. They confirmed that IPSA had approved Dr Creasy's application for contingency funding in principle before the publication of her article in The Guardian. The Board noted that IPSA's media response had been communicated in a timely fashion, particularly the reminder that all MPs, as office-holders, receive full pay whilst they take leave.

3.15 The Chief Executive informed the Board that he has discussed this issue with a number of MPs. There was a range of views. He told that Board that he and Directors were available to talk to MPs about personal issues, as well as points of principle. In addition, the Director of Regulation and Insight would bring a paper to the Board for its July meeting. This would set out the range of options for the Board, for full consideration. She reiterated IPSA's long-standing wish to work in partnership with the House and to support family-friendly policies, especially in light of the recommendations of the Good Parliament report. IPSA's 2017 review of the Scheme had implemented some of these recommendations, including the increase to the dependant uplift for accommodation and the removal of the dependant travel cap. IPSA had felt it appropriate to follow the lead of the House in this area given the constitutional implications and the House's responsibility to implement the Good Parliament recommendations. The proxy voting pilot was an important development and paved the way to implement the relevant recommendation.

3.16 The Board thanked the Chief Executive and Director of Regulation and Insight for taking this issue forward proactively, and looked forward to considering the fuller paper at its July meeting. The Board also agreed that it was right to engage privately with MPs on sensitive issues such as this, rather than to debate policy issues on social media.

3.17 Finally, the Board asked for clarification of specific Freedom of Information requests which was provided.

#### **4 Office Move Update**

4.1 The Director of Finance and Corporate Services updated the Board on IPSA's recent office move from 30 Millbank to 85 Strand. The consensus amongst staff was that it was an improved office space in a better location. There were still some snagging issues relating to noise on the phones and data collection. Noise-dampening technology was being looked at.

4.2 The Director of Finance and Corporate Services noted that the rental agreement reached was at a competitive rate. There have been some Parliamentary Questions about this which were responded to, but a confidentiality clause formed part of the lease agreement.

#### **5 Validation Process**

5.1 The Board congratulated the Head of Data, Publication, and Validation on his promotion into the role. He introduced his paper which noted changes to the validation process from April 2019.

5.2 The new process would mean that most validation would take place pre-payment, but be complemented by three dedicated off-system checks on direct suppliers, duplicate claims, and any outliers. The new process would benefit from a new register of expense types and an ability to track the riskier claims based on their frequency, content or value.

5.3 The Head of Data, Publication, and Validation summarised the benefits of the new approach. It would give IPSA a better understanding of risk, with reviews of data taking place every three months instead of annually. This would bring greater flexibility to IPSA's approach. The new process would also give a better experience to MPs and their offices as most validation would be done before payment rather than afterwards, when MPs are contacted about a claim up to a year after it has been paid. The new process is fully integrated into IPSA Online, rather than using secondary IT tools, as previously. This saves time, improves data quality and shortens the life-cycle of a claim. It would also improve IPSA's ability to use data analytics in future.

5.4 The Board thanked the Head of Data, Publication, and Validation. They asked about the proportion of claims that would be checked. He replied that IPSA would check around 35 per cent of all claims, including 100 per cent of high-risk claims and 25 per cent of all claims, randomly selected.

## **6 Payment Cards Assurance Review**

6.1 The Board welcomed the Assurance Analyst and thanked her for the report on MPs' use of payment cards. She summarised the findings of the paper. There was generally high compliance, but there had been examples of misuse by some MPs and a need for IPSA to tighten its internal procedures. The Board agreed that IPSA should withdraw payment cards from any MPs who consistently misused them. They also agreed that IPSA should improve the process for recovering monies owed.

6.2 The Director for Improvement and MP Support noted that work is ongoing to tighten the rules, but that the immediate pressures of IPSA Online had diverted attention. Until these were resolved, IPSA was reluctant to turn off payment cards without giving MPs a chance to reconcile them on the new system. She noted, however, that there had been many instances of card suspension, as had been reported in our answer to a Freedom of Information query in November 2018.

6.3 The Board asked that some of the wording in the paper should be reframed to better reflect the high compliance among MPs. The Board also asked that the policy on suspension and withdrawal should be explicitly mentioned to show IPSA takes misuse seriously.

## **7 MPs' Pension Scheme Report & Updated Consultation Report on MPs' Remuneration**

7.1 The Chair thanked the Head of Policy and Assurance for the thorough papers presented. She informed the Board that there was one policy question to settle, concerning payments upon death when the death was attributable to the role and duties of an MP.

7.2 She noted that Civil Service scheme definitions do not always transition well into rules designed to apply to MPs. MPs do not have defined hours, defined duties or a defined managerial chain of command. The proposal is that the rules in the MPs' scheme apply to situations of death wholly or mainly attributable to parliamentary functions and occurring in the course of such duties or when the death is directly related to the fact of their being an MP but not necessarily occurring in the course of parliamentary duties.

7.3 The Board approved the definition and the revised pension scheme, subject to proof-reading for typing errors and minor formatting changes. The Board also approved the updated consultation report on MPs' remuneration for publication.

## **8 Finance Work at IPSA**

8.1 The Board welcomed the Head of Finance and Payroll who delivered a presentation on finance work at IPSA.

8.2 The presentation described how the finance function operates within IPSA and how it impacts external stakeholders. The presentation noted how the functions would change with the implementation of IPSA Online, allowing the organisation to improve its project accounting and financial controls. The Head of Finance and Payroll commented that this was a major improvement and would lead to improved data quality and fewer audit recommendations. This would also lead to efficiencies that would allow his team to focus on higher value activity.

8.3 Following questions of clarification, the Board thanked the Head of Finance and Payroll for his welcome presentation.

## **9 Financial Position and Management Accounts**

9.1 The Director of Finance and Corporate Services introduced the first report of this kind generated from IPSA Online. He showed that year-to-date spending is close to budget.

9.2 He highlighted areas to monitor, such as variances in uncapped costs and the difficulty of forecasting spending on MPs' security measures. IPSA had spent some of its contingency funds in the months following the implementation of IPSA Online, including on the Civil Service Surge Team. There would be a full financial review after the first four months of the financial year in order to take stock of spending and take appropriate decisions.

9.3 He also outlined plans concerning the monitoring of future payroll and consultancy costs, recruitment activity, and work to be done in the event of a snap General Election.

## **10 The Board's Programme of Work for 2019-20**

10.1 The Board considered the Programme of Work for 2019-20. A substantive discussion on MPs' parental leave was added to the July agenda. The Communications Strategy was deferred to September. An item concerning the formal approval of accounts was added to October's agenda.

10.2 The Board considered future Audit Committee and Board meeting dates for the financial year starting April 2020 and agreed to confirm these, and future Remuneration Committee meeting dates, at its meeting in July, and again in the Autumn.

## **11 Any Other Business**

11.1 The Chair thanked the Board and Executive for their attendance and for their work since the last meeting, bringing proceedings to a close.

11.2 The date of the next Board meeting was confirmed as 10 July 2019.

**END**