

## Minutes of a meeting of IPSA's Board

Thursday 2 November 2017

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**Present:** Ruth Evans, Chairman  
Sir Robert Owen  
Liz Padmore  
Anne Whitaker  
Rt. Hon Jennifer Willott

**In attendance:** Marcial Boo, Chief Executive  
Alastair Bridges, Director of Corporate Services  
John Sills, Director of Regulation  
Vicky Fox, Director of MP Support Services  
Chief of Staff  
Head of Communications  
Head of Policy and Assurance  
IPSA Online Project Lead (Item 4)

**Apologies:** None

**Status:** Submitted for approval at the meeting of the Board on 29 November 2017

**Publication:** Approved for publication.

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

- 1.1 The Chairman opened the meeting and welcomed those attending.
- 1.2 No apologies were received.
- 1.3 The Chairman invited the Board and members of staff to declare any interests not previously recorded. No new interests were declared.

## **2. Minutes of previous meetings and matters arising**

### Minutes

- 2.1 The minutes of the meeting of the Board held on 27 September 2017 were approved as a correct record.

### Actions arising from the previous meeting

- 2.2 The Board noted the actions that had been completed since the last meeting.

## **3. Presentation on the work of IPSA's payroll team**

- 3.1 IPSA's Payroll Manager provided a presentation to the Board on the functions and activities of IPSA's payroll team, in relation to the IPSA Online improvement programme, the recent General Election and more generally. The Board noted the following key points, in particular:
  - IPSA's payroll team of eleven staff manages the payment of salaries to 650 MPs and over 3,000 MPs' staff members each month.
  - There is a 30 per cent annual turnover of MPs' staff with an average of 500 changes that need to be made to the payroll on a monthly basis. The team process the salaries and payments for the staff who start work, and leave the employment of MPs, throughout the year. The team nevertheless administer the monthly payroll with over 99 per cent accuracy.
  - The payroll team have an integral role before, during and after each General Election. They are responsible for all the redundancy calculations for MPs' staff members, and the loss-of-office payments for MPs who lose their seats too. In addition, they provide payroll and employee-related advice to standing down, defeated and new MPs throughout the dissolution and winding-up periods, and throughout the Parliament.

- The new IPSA Online system will significantly reduce the number of manual calculations that the team are required to undertake to administer the payroll, thereby improving further the accuracy of the payments. It will also facilitate the production of electronic payslips, and will enable MPs to delegate more responsibility to their proxies for the approval of timesheets and viewing staffing budgets, for example.

3.2 The Board thanked IPSA's Payroll Manager for her hard work, and that of her team, and congratulated them on their achievements to date, particularly in relation to their work on the General Election.

#### **4. IPSA Online: Highlight report**

4.1 Sarah Bagnall, IPSA's Project Lead for the IPSA improvement programme, presented the highlight report for October to the Board. She noted, in particular, that she had received confirmation from IPSA's supplier for the programme that all staff who would be handling IPSA's data as part of the second phase of User Acceptance Testing will be security cleared at the necessary level. These arrangements will be verified by an independent data security expert, who will conduct a detailed assessment of the controls that are in place, prior to testing.

4.2 The Board discussed how IPSA would support MPs' staff members who do not have a Parliamentary email account, which they will need to access the new online system to view their electronic payslips. It noted that IPSA will continue to send these staff members paper payslips until April 2018. Doing so will reduce the business benefit of the programme, but will ease the transition to the new arrangements.

4.3 The Board further noted that IPSA is actively engaging with MPs and their staff in Westminster and in their constituencies through country-wide roadshows, to inform them of the implementation of the programme and the forthcoming changes that will take place when the new system launches in July. By the New Year, e-learning guides and other online training materials will be available to MPs and their staff to use.

**ACTION:** IPSA's Director of MP Support Services to provide the Board with the key messages about the new system and the engagement and communication plan for the coming months.

#### **5. IPSA's Annual Assurance Report for 2016-17**

5.1 IPSA's Head of Policy and Assurance introduced the final version of the annual assurance report to the Board for its approval, for publication on 16 November 2017 alongside IPSA's annual publication of MPs' expenditure for 2016-17 and IPSA's annual report and accounts for 2016-17.

- 5.2 The Board considered the first draft of the document at its meeting on 27 September and requested a number of amendments. The final draft was presented to the Board with these changes incorporated, for its review. The Board confirmed that it was content with the redrafted document.
- 5.3 The Board raised one substantive point of assurance to be resolved prior to publication, relating to whether it was compulsory for SNP MPs to subscribe to the pooled service provided by the SNP Group, or whether those MPs could opt out or choose not to subscribe, if they wished. Subject to receiving clarification on that point, the Board approved IPSA's annual assurance report for publication on 16 November 2017.

**ACTION:** IPSA's Head of Policy and Assurance to seek clarification from the SNP Group about whether it was compulsory for SNP MPs to subscribe to its pooled service.

## **6. Financial Position and Management Accounts**

- 6.1 IPSA's Director of Corporate services updated the Board on IPSA's financial position at the end of September 2017, including the outcome of the mid-year review that been undertaken. The Board noted the following, in particular:
- As part of the mid-year review, all budgets in subhead A (MPs' pay, staffing and business costs), were re-phased and the forecasts were thoroughly reviewed. As a result, some changes had been made to the budget profiles for the remainder of the year based on year-to-date trends and the trends in previous years. This resulted in a 2 per cent increase in the forecast year-end underspend.
  - Subhead B (IPSA operations) forecasts and budgets were also revised as part of the mid-year review. The year-end forecast for Subhead B is a resource underspend of 13 per cent, which is a slightly lower forecast than in August. The underspend was primarily on IT, consultancy, office running costs and legal costs.
- 6.2 The Board also discussed the costs associated with the IPSA Online improvement programme. It noted that, since the original budget was set in 2015, a number of unbudgeted pressures had arisen, mostly notably the snap General Election in June 2017. The unexpected General Election had, in particular, delayed the implementation of the new systems, which in turn resulted in the slippage of some costs into 2018-19 and additional project costs.
- 6.3 In addition, a number of unbudgeted pressures have arisen as a result of the unanticipated complexity of the project, including the need for an expanded work stream on the IPSA Online homepage. Previous reports to the Board provided updates on the emerging position over the first half of the financial year. As part of the mid-year review, project resource and capital forecasts and budgets had been updated to accommodate these in-year pressures and adjust for slippage.

- 6.4 The Board questioned whether the increase in the overall costs for the programme, from £4.6 million in 2016-17 to a forecast total cost of £6.4 million, will outweigh the benefits of the programme. It also noted its concern that the revised forecast cost might increase further, on the basis that there were existing pressures still to be mitigated.
- 6.5 The Chief Executive detailed the reasons for the increase in costs, including the unexpected General Election which required a number of staff at all levels of the organisation to refocus their time and resources on the delivery of the election, rather than the IPSA Online programme. This necessarily delayed the programme by a number of months, thereby increasing its cost. The Board also received assurance of the realisation of the benefits of the programme, which will be the subject of a separate report to the Board at its next meeting on 29 November.

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

- 7.1 IPSA's Chief Executive presented his monthly update report to the Board. He noted that IPSA continue to support MPs who were not returned at the recent election to wind-up their financial affairs, and the newly elected MPs too. Of the 31 former MPs who stood down at the General Election, six had signed their final declarations. Of the 67 who were defeated, 43 had received their loss-of-office payments by the end of October. In addition, IPSA had given training to nearly 90 per cent of new MPs and continue to offer support, as necessary.
- 7.2 The Chief Executive further noted that, following the productive Board workshop on 28 September, a first draft of IPSA's next strategy had been produced which will be presented to the Board at its meeting on 29 November. The strategy will include proposals to revise IPSA values.
- 7.3 The Board discussed the recent issue of the alleged mistreatment of MPs' staff members and the extent to which IPSA has a role in addressing the issue, along with the House of Commons, the political parties, the Government, and others.
- 7.4 The Chairman reported that she had written to the Prime Minister to offer IPSA's support and to suggest some ways in which it could do so. The Chairman informed the Prime Minister that should the House of Commons' wish, IPSA might fund or provide a formal HR service for those employed by MPs, which would be independent of both political parties and the current Members' HR service provided by the House of Commons. She further noted that IPSA had raised with the House of Commons the issue of the gap in the provision of Human Resources services for staff employed by MPs over two years ago. The Board agreed that a suitable solution needed to be put in place by the House to address these problems.
- 7.5 The Chief Executive informed that Board that Tom Watson MP had also written to him to ask IPSA formally to recognise the Unite union in relation to MPs' staff. The Chief Executive had responded to Mr Watson to inform him that IPSA cannot, under the

Employee Relations Act 1999, legally recognise a union on behalf of MPs as they are the employers of their own staff, not IPSA or Parliament. IPSA is the payroll provider and regulates MPs' spending on staffing. Its remit extends no further. At present, for unions to be recognised in relation to MPs' staff, it would require MPs themselves to do so.

- 7.6 The Chief Executive noted that IPSA nonetheless has very strong links with trade unions and other staff representative groups. IPSA has formally recognised the Public and Commercial Services union for its own staff, and holds regular meetings with Unite and MAPSA (the MPs' and Peers' Staff Association) amongst others, to discuss issues relating to the terms and conditions of MPs' staff. The most recent such meeting them was in October.
- 7.7 The Board agreed that IPSA welcomed the commitment made by party leaders at their recent meeting to introduce new arrangements for MPs' staff, and that IPSA would be willing to discuss its role in these arrangements, as appropriate.

Meeting closed.