

Minutes of a meeting of IPSA's Board

18 December 2024

Board Members: Richard Lloyd OBE (Chair)
Dame Laura Cox
Helen Jones
Will Lifford
Lea Paterson CBE

See Annex for record of attendees.

Status: Submitted for approval at the meeting of the Board on 21 January 2025

1. Welcome and Declarations of Interest

1.1 The Chair invited attendees to declare any interests not previously recorded. No new declarations of interest were noted.

2. Actions and Minutes

2.1 The minutes of the Board meeting of 23 October were approved.

2.2 The Chair noted the completed and outstanding actions. The Chair of ARAC provided an update on the 2024-25 internal audit plan which had been revised due to the repurposing of people for General Election-related work. Internal audit activity would restart in earnest in January 2025 and the Head of Internal Audit was confident that enough work would be completed in order to produce the annual internal audit opinion.

3. MP Budgets, MP Pay, and MPs' Staff Pay

- 3.1 The Director, Policy and Engagement presented a paper outlining recommendations concerning 2025-26 MP budgets, MPs' pay, and MPs' staff pay. Firstly, the Board considered the recommendation to increase the Office Costs Budget in recognition of the difficulties that many MPs were experiencing in relation to securing appropriate office accommodation and evidence of rising office rents. The Board agreed to the recommendation.
- 3.2 The Board approved recommendations to increase the London Accommodation Budget and the non-London Accommodation Budget in line with the year-on-year increase in private rents in Westminster and across the UK. Whilst in previous years, the London Accommodation Budget was linked to an average of rental costs between Lambeth and Westminster, the Board acknowledged that increased security concerns meant that more MPs were reliant upon securing accommodation closer to Parliament hence the need to align the budget increase more closely to the average cost in Westminster. The Board also improved an increase to the dependant uplift.
- 3.3 The Board approved an increase, in line with the current rate of CPIH, to the Associated Costs Budget. It was also confirmed that there would be no change to the hotel nightly stay cost limits. It was agreed that flexibility could be applied when supported by evidence that no suitable hotel accommodation could be secured within these cost limits.
- 3.4 The Director, Policy and Engagement presented recommendations in relation to the MPs' staff automatic uplift and the Staffing Budget. It was noted that since the paper had been written, the government had recommended a 2.8% pay increase for public sector workers. Although IPSA is not bound by government policy which applies to other parts of the public sector, the Board acknowledged the key objective of seeking to align its decision as much as possible with the likely experience of working people. In addition to this, the Board approved a further uplift to the Staffing Budget to provide for appropriate flexibility in this transitional year for parliament. The Board were keen to address the Wellness Working Group's (WWG) concerns about low uptake of the Health and Wellbeing Budget amongst MPs, and asked that a commitment to scoping options for separating out this funding be added to the Business Plan. The Director, Policy and Engagement would engage further with the WWG and with a group of MPs in drawing up such proposals, and consideration would be given to how awareness and understanding of the budget could be better promoted. It was agreed that the guidance would be reviewed to this end.
- 3.5 The Board agreed to increase the London Area Living Payment (LALP) in line with the rate of CPIH.
- 3.6 Finally, the Board discussed MPs' pay. The Director, Policy and Engagement noted that work was ongoing in relation to the MP pay determination that was due by 3 July 2025. The Board decided that a cost-of-living increase should be included in the main estimate, but that IPSA should be clear in its communications that this was a two-stage process and would be followed by a

determination subsequent to the wider review of MPs' remuneration. The Policy team were asked to consider the process for achieving a cost-of-living increase from April, while conducting the more in-depth review of MPs' pay ahead of a new long-term determination by July. The Board also emphasised the importance of clear communications around the announcement of such a decision and the need to ensure that timescales concerning the main determination were still held to.

- 3.7 The Chair noted that, as agreed with the Speaker, a summary of staffing and office costs budget decisions would be provided to SCIPSA in January ahead of the public session on IPSA's supplementary estimate to enable early communication of these key elements of the 2025-26 budget for planning purposes.

4. Main Estimate and Business Plan 2025-26

- 4.1 The Director, MP Services, Strategy and Change presented the 2025-26 Business Plan, noting that updates would need to be made following the results of the recent Scheme consultation. The Board approved the Business Plan subject to some minor amendments. It was noted that IPSA should be realistic with its public commitments, particularly in terms of work on constituency office property management support as the results of the proof of concept were evaluated; it was asked that progress against KPIs be summarised in a table; and that, in light of feedback received from MPs, consideration be given to how the transition towards principles-based regulation be explained.
- 4.2 The Director, Finance presented the main estimate, noting that this year's budget was somewhat unusual given last year's General Election making prior year comparators difficult. The fact that IPSA's office lease would end in 2025-26 meant that costs relating to the new office lease would record a significant increase in capital costs. The lease costs were as yet uncertain, but a figure had been estimated based on an assessment of reasonable market options. The estimated Subhead A year-on-year increase included significant one-off McCloud remedy costs which would be moved to a separate subhead. Under Subhead B, savings had been made as a result of reorganisation, and the Board approved this budget to remain the same as the year prior. The Board approved the main estimate subject to the minor amendments requested, and provided delegated authority to the Chair and the Chief Executive to approve the final version for scrutiny by SCIPSA.

5. Compliance Officer's Quarterly Report, Annual Report, and Review of Procedures & Policies

- 5.1 The Compliance Officer presented their Quarterly Report, highlighting that there had been fifty-two new cases during this period, a significant increase on previous quarters. Many complaints were, however, out of scope of the Compliance Officer's remit, such as complaints about government decisions. The Board acknowledged that more needed to be done to join up the work of different standards bodies to ensure that complaints were being raised with the right

organisation. It was noted that IPSA had recommended this in evidence given to the Committee on Standards inquiry into the House of Commons standards landscape and had reiterated the point in a written response to the Modernisation Committee. One case had been carried forward, relating to a staff member who had held two full-time roles concurrently. The Compliance Officer recommended that more be done to avoid such situations through amendments to the contract and staff terms and conditions, and consideration of an MP's responsibility *vis-à-vis* their proxy. The Chief Executive confirmed that such work would be incorporated into the wider review of staffing and the Director, MP Services, Strategy and Change stated that a review of proxy access was also underway.

- 5.2 The Compliance Officer presented their annual Lessons Learned Report, setting out the most common areas of complaint and summarising recommendations made over the course of the preceding year. Two reviews had been conducted over the year, with IPSA decisions upheld on both occasions. Five recommendations were recorded, including for IPSA to republicise guidance to MPs on campaigning and use of their office premises; for MPs to provide IPSA with a contact email address that only they had access to; for guidance to be produced on privacy notices and the use of data extracted from IPSA-funded websites; and for a declaration process to be established in relation to bought-in services. The Chief Executive confirmed acceptance of the recommendations and that these would be incorporated into IPSA's ongoing improvement work. The Compliance Officer also noted that improved processes had been established to ensure that decision-making was clearly documented at all stages of case-handling.
- 5.3 The Compliance Officer presented revised versions of the Compliance Officer's Procedures and Complaints Procedure. The Board approved both revised documents, noting that the Procedures would need to go out for consultation. The Board advised that it would be better to complete this work in the current financial year, if possible, but that other planned engagement with statutory consultees needed to be considered.

6. Improving Customer Service Report

- 6.1 The Head of Payroll presented the Improving Customer Service Report which focused on payroll activity during the General Election period, including the registration of nearly 2,500 new starters and a similar number of leavers. The Payroll team were starting to look again at improvement work that had been put on hold during the General Election period. The Board noted the report with thanks.

7. Chief Executive's Report

- 7.1 The Chief Executive highlighted the key elements within the CEO's Report, noting that sustained General Election activity was now drawing to a close, a period of time which had seen many people temporarily repurposed into different roles. Though this work had been challenging, pulse survey results continued to be positive with upwards of 70% response and engagement

rates. The Annual People Survey had now gone out for responses and the results would be presented at a future Board meeting. The Board noted with approval the commitment to a new contract for the continued provision of the IPSA Online system. The Board noted that response times to freedom of information requests continued to be positive, and it was agreed that Dame Laura Cox would now be taking on the role of the Board's Qualified Person with regard to section 36 reviews.

- 7.2 The Director, MP Services, Strategy and Change presented the KPI dashboard, highlighting the continued high volumes of calls and emails being dealt with – over three thousand calls had been received since the start of November alone. Nevertheless, 87% of calls had been answered within twenty seconds. The Chair noted that the quality and tone of calls shadowed had been outstanding and the Director, MP Services, Strategy and Change noted that quality assurance scores were averaging 94%. The Board welcomed these impressive results.

8. IPSA Supplementary Estimate 2024-25

- 8.1 The Director, Finance presented the supplementary estimate, explanatory memorandum, and communications document to the Board, noting that General Election spend had been slightly higher than originally anticipated largely due to the high turnover of MPs. The Board noted that care needed to be taken in ensuring that General Election costs were explained well and that increased costs resultant from the extension of the winding-up period were suitably justified. The Board were satisfied with the content of the supplementary estimate but asked for some minor amendments to be made to the explanatory memorandum and communications document to ensure alignment. Authority was delegated to the Chair for final sign-off given the upcoming deadline for engagement with HM Treasury (HMT).
- 8.2 The Director, Finance highlighted that due to the costs associated with the General Election and the timing of the supplementary estimate process, a contingencies fund advance would need to be obtained from HMT. The Board delegated authority to the Chair for final sign-off of appropriate elements of the advance.
- 8.3 The Director, Finance provided an update on the management accounts, noting that spend was slightly higher than expected at present due to parallel running costs, but that IPSA was still forecast to underspend its budget by c.2%.

9. Board Programme of Work, Reflections, and Any Other Business

- 9.1 The Board noted the forward plan.

Annex One

In attendance:

Ian Todd, Chief Executive

Lee Bridges, Director, Policy and Engagement

Karen Walker, Director, MP Services, Strategy and Change

Thomas Fitch, Director, Finance

Matt Walker, Compliance Officer

Chief of Staff

Head of Policy

Remuneration Policy Specialist (Item 3)

Head of Strategic Communications (Items 3 and 8)

Head of Payroll (Item 6)