

Minutes of a meeting of IPSA's Board

24 January 2024

Board Members: Richard Lloyd OBE (Chair)
Will Lifford
Lea Paterson CBE
Helen Jones
John Midgley (Boardroom Apprentice)

In attendance: Ian Todd, Chief Executive
Karen Walker, Director, MP Services, Strategy and Change
Lee Bridges, Director, Policy and Engagement
Thomas Fitch, Director, Finance
Acting Chief of Staff
Head of Policy
Head of MP Services and Validation (Items 5-7)
Policy Manager (Item 4)

Apologies: Dame Laura Cox

Status: Submitted for approval at the meeting of the Board on 20 March 2024

1. Welcome and Declarations of Interest

- 1.1 The Chair opened the meeting by welcoming IPSA's Boardroom Apprentice, John Midgley, to his first in-person Board meeting.
- 1.2 The Chair invited attendees to declare any interests not previously recorded. No new declarations of interest were noted.

2. Minutes and Actions

- 2.1 The minutes of the Board meeting of 13 December were approved.
- 2.2 The minutes of the Board meeting of 3 January were approved subject to a number of administrative changes.
- 2.3 The Chair noted the completed action concerning the research of ameliorative options such as offering a life-assurance-only model or an additional contributions system for the MP pension scheme, confirming that he had received the legal advice produced. Given recent developments, the Chair proposed convening a Board sub-group to be held in February to discuss these matters. The Director, Policy and Engagement confirmed that he would obtain legal advice concerning the provision of funding for the scheme's administration in light of these recent developments.
- 2.4 The Board asked for an update on the introduction of an FP&A tool. The Director, Finance confirmed that phase one of the project was nearing completion, by which time it would be ready for use within IPSA's management accounting function.

3. Business Plan 2024-25 and Corporate Plan 2024-27

- 3.1 The Chief Executive presented the Business Plan 2024-25, the Corporate Plan 2024-27, and the Explanatory Memorandum for the Main Estimate, noting that the Business Plan had been signed off previously subject to minor amendments that had since been completed. It was confirmed that IPSA had also provided HM Treasury with our Main Estimate, but that we were awaiting access to upload this in the correct format on their system.
- 3.2 The Board noted the amendments made to the Corporate Plan 2024-27 with thanks, noting a small number of minor corrections to be made by the Chief Executive, subject to which the

document was signed off. The Chair stated that the Corporate Plan was seen to be suitably ambitious and built logically upon the work completed in IPSA's Corporate Plan 2021-24.

4. Update on Project Baselineing

4.1 The Director, MP Services, Strategy and Change presented a paper on project baselineing, work that will enable IPSA and the Board to track the progress and impact of Improving IPSA strategic projects over time. Baselineing metrics had been developed in line with the success measures laid out in the Corporate Plan 2024-27 and proposed targets had been listed against each metric indicating the level of ambition. Some new data points had been added for measurement and others were still in development.

4.2 The Board noted that some outcomes were not entirely within our ability to control, with public trust and confidence being highlighted as an example. However, it was recognised that this could be an issue with all outcome measures by virtue of IPSA operating within an external environment. The Director, MP Services, Strategy and Change confirmed that work had been done to mitigate these risks, through the use of targeted project-specific survey questions, the use of before- and after-project surveys, and the triangulation of data.

4.3 The Board agreed that the Improving IPSA Assurance Group (IIAG) should look at an updated version of project baselineing and that following this, the Director, MP Services, Strategy and Change would come back to the Board with a more high-level view of progress every six months which would RAG-rate each strategic project, but that more detailed updates should be provided by way of deep-dive items delivered at IIAG meetings and ad hoc inclusion within the CEO Report to the Board. In connection with this, the Director, MP Services, Strategy and Change confirmed that the level of detail provided to the Board on KPIs would be reviewed at the Board meeting of 20 March.

4.4 The Board confirmed that they wanted IPSA to be ambitious in relation to targets set on baselineing measures, but that it would be helpful for the executive team to indicate what they felt were realistic ambitions when it returned to the Board with a more high-level view.

5. Workshop on ambition and assumptions for future Scheme changes

5.1 The Chief Executive introduced five papers setting out proposals for Scheme changes requiring consultation. It was acknowledged that the detailed nature of some of the proposals may seem inconsistent with IPSA's move towards a principles-based approach to regulation, and the strategic vision was for a future version of the Scheme that would not change very often due to being based upon high-level principles as opposed to prescriptive rules. The overall recommendation was that many of the changes proposed could be further developed, consulted upon, and included as amendments to a post-election Scheme released in the autumn.

- 5.2 Firstly, the Board considered the paper recommending that IPSA should set out clearer definitions relating to the application of the dependant uplift and consider a different approach to applying the uplift to MPs' accommodation budgets. The Board decided that these issues could be deferred for consultation in the summer. The Board advised that further work be done around ensuring that definitions of parental responsibility and the responsibility for adults with care needs were in line with all aspects contained within equalities legislation.
- 5.3 Secondly, the Board considered the paper concerning the capping of funding available for communications activities by MPs. It was agreed that this issue could also be deferred for consultation in the summer, providing time to further revise the approach on communications and take more account of the specific risks posed by MPs' use of bought-in services in this area. The Chief Executive confirmed that in the absence of an immediate change to the Scheme, IPSA would be unable to impose a financial cap on MP spending beyond the overall Office Costs and Staffing Budget caps, but other actions were being taken to mitigate risk. This included the more focused auditing and review of communications claims.
- 5.4 Thirdly, the Board considered the paper concerning the future and possible replacement of the Constituency Mileage Allowance pilot. The Board agreed that the pilot should continue into the 2024-25 financial year for those MPs who were still registered on it, but that work should be done to plan a long-term replacement. The Director, MP Services, Strategy and Change confirmed that work was underway to develop alternative reimbursement models, using the existing pilot group to test and provide feedback.
- 5.5 Next, the Board considered the paper concerning MP staff personal mobile phones in light of HMRC guidance that reimbursement of costs relating to employees' personal devices is subject to tax and National Insurance. The Board agreed that as MP staff may have committed to contracts only on the understanding that a proportion of their costs would be covered by IPSA and that issuing guidance that took effect prior to a General Election may see offices required to purchase work devices that are then subject to a winding-up process; this matter should be consulted upon now, but with updated guidance only taking effect on the day after a General Election has been held. This should give MP offices fair warning of the impending change in policy and enough time to adapt. The Board emphasised that any change to the Scheme resultant from this consultation should be future-proofed so that any change to HMRC rules going forward does not necessitate further Scheme revision, and the opportunity should be taken to remind MPs of the required security standards needed for workplace electronic devices.
- 5.6 Finally, the Board considered the paper presenting options for the payment and publication of small value claims, such as office sundries. The Board were in agreement that petty cash

provision in the literal sense would not be workable given the accounting and auditing implications. It was concluded that more work should be done to look into the options through which IPSA could make it easier for offices to purchase and claim for low-value items without imposing a disproportionate administrative burden. As such, this issue would also be consulted upon in the summer.

6. Improve Customer Service Report

- 6.1 The Head of MP Services presented the Improve Customer Service update, highlighting in particular the low volume of customer complaints received during the last quarter, the way the Support Framework was enabling Account Managers to use data to identify customers who needed extra assistance, and that the MP Services team were already well advanced in their year-end work having held around forty meetings with offices presenting budgetary concerns. Progress was also noted in IPSA's validation process in that all expense types had now been risk-rated and, where possible, were being treated according to a risk-based approach.
- 6.2 The Board asked whether the introduction of an IPSA Online interface would help to improve upon the number of MPs who were able to keep track of their spending, reducing the need for additional support in managing their budgets. The Head of MP Services confirmed that the number of required interventions was expected to decline along with the number of individual claims that MPs were making, but that there would still be a need to support offices on budget management.
- 6.3 With a General Election to take place in the near future, the Board asked whether Account Managers had received support in handling difficult conversations, and that recent and ongoing death-in-service (DIS) cases were being handled with the sensitivity and flexibility required. The Head of MP Services confirmed that all team members had received customer service training and that they had been able to learn from the experience of handling winding-up cases resultant from by-elections. With respect to DIS cases, the Head of MP Services stated that there was a clear operational process in place backed up by a comprehensive operations manual for winding up cases and that effective collaboration with colleagues in the House of Commons was helping to improve the management and cohesion of such cases.
- 6.4 The Board noted the report with thanks, being pleased to see the positive progress made, and asking that this be fed back to the team.

7. Chief Executive's Report

- 7.1 The Chief Executive presented his report to the Board, highlighting six areas where subsequent updates had been received.

- 7.2 Firstly, it was confirmed that the temporary position of allowing claims for taxi costs relating to MPs' commutes remained in place following recent advice from the Members' Security team.
- 7.3 Secondly, with respect to the Compliance Officer referral made by IPSA following a newspaper report containing allegations that an MP had allowed the party-political use of their office and equipment, the Chief Executive confirmed that the Compliance Officer had an assessment underway.
- 7.4 The Chief Executive noted that annual people survey results showed that IPSA staff engagement had increased to 77% continuing the upward trend seen over the past four years. Alongside this, the annual customer survey recorded a 65% satisfaction rate with IPSA, an improvement on the 35% recorded against the same metric in 2020. The Board recognised the excellent annual people survey results, drawing particular attention to the improved levels of confidence in the senior team that were recorded.
- 7.5 The Chief Executive confirmed that the supplementary estimate had been returned by HM Treasury (HMT) with minor amendments recommended. With respect to the Main Estimate, delays experienced in HMT being able to conduct their review were likely to result in the rescheduling of the public SCIPSA session currently arranged for 7 February. It was recognised that a delay to the public SCIPSA session would cause a potential issue in relation to the timely announcement of 2024-25 MP budgets and the Chief Executive confirmed that he would discuss whether a provisional announcement could be made prior to the meeting taking place.
- 7.6 The Chief Executive noted that in light of issues experienced earlier in the year when a National Insurance patch was added to Business World and following advice from our software partners that similar problems would be encountered when introducing further such patches, the executive team had agreed to update Business World to version 7.12.
- 7.7 The Director, Policy and Engagement provided updates on two recent court cases where IPSA had been involved, one involving the small claims court for withholding data in response to a subject access request and the other in support of the Information Commissioner's Office in an appeal made against an IPSA decision to withhold some data deemed to pose a risk to MP staff privacy. The Board recorded their thanks to both the Director, Policy and Engagement and the Data Protection Officer for their work on both cases.
- 7.8 The Director, MP Services, Strategy and Change presented the KPI dashboard, drawing attention to improved post-engagement satisfaction levels, a drop in the average length of

customer calls, and improvement in the email response rate and the strong scores recorded in the quality assurance of work.

- 7.9 The Director, MP Services, Strategy and Change presented updates on the Transformation Programme. Firstly, it was noted that the constituency office proof of concept had been launched the previous week, with eighteen offices participating in customer focus groups. Secondly, the Director confirmed that the IPSA Online front-end discovery phase had concluded, and IPSA had been provided with a range of options including the use of artificial intelligence, ERP development, third party technology and the development of a user portal. It had, however, been noted that there was a possible sequencing issue that needed to be overcome in order to avoid investing in future redundant functionality given the ongoing work to move away from the current reimbursement model. Finally, the Director noted that the first cross-IPSA meeting on principles-based regulation had taken place the previous week and that it had been suggested to carry out work in four phases: validation and evidence requirements, office costs, accommodation and rent, and payroll. Detailed planning for this project will be brought to IAG in February.

8. The Impact on Returning MPs of Boundary Changes

- 8.1 The Head of Policy presented a paper covering recommendations being made in relation to the potential impacts of boundary changes on returning MPs following a General Election.
- 8.2 Firstly, the Board were asked to consider the definition of London Area constituencies provided by the Scheme. At present, there were 73 Greater London constituencies, but boundary changes would add a further two, bringing the total number of London Area constituencies to 98. The recommendation presented was to expand the existing list to include these but to not make any further changes except to incorporate any changes in constituency names. The Board approved this recommendation.
- 8.3 The Head of Policy next asked the Board to consider funding options to support returning MPs who needed to move their constituency office following the election. The Board agreed that MPs whose constituency office would fall outside of their new constituency boundaries would receive the Office Costs start-up supplement similar to that received by new MPs. This would be provided with accompanying guidance stressing the need for them to consider value for money in their spending decisions and to reuse existing office equipment where possible. For MPs whose offices did not fall outside the new boundary but who chose to move, for example to be more centrally located within the new boundary, the Board agreed that applications for funding should be considered on a case-by-case basis via a streamlined contingency process.
- 8.4 In addition to this, the Board were asked to consider the timeframe during which an MP whose office premises or IPSA-funded rental accommodation fell outside the new

constituency boundaries would need to move. A transitional period of six months was suggested. The Head of Policy noted that the Scheme would require an MP to move if their existing office or accommodation was not within a twenty-mile radius of their new constituency, but it was recommended that HOST be given a reasonable amount of flexibility and discretion to be applied according to individual circumstances, particularly where insisting upon a move would not represent value for money for the taxpayer. The Board agreed to these recommendations.

8.5 The Board next considered whether to fund any additional commuting costs for MP staff affected by a change in constituency office location. The recommendation was that staff should be allowed to claim such costs for three months after an office move had taken place. The Board agreed to the recommendation as presented.

8.6 Finally, the Head of Policy asked the Board to provide a view in relation to the funding of redundancy costs in relation to returning MPs' staff affected by boundary changes. It was noted that IPSA had been working closely with the House to agree an approach whereby Members' HR would advise MPs on whether or not redundancy was an appropriate option. The Board agreed to the recommendation that for any such redundancy costs to be taken from a Contingency Budget rather than the MP's Staffing Budget, the MP would need to apply for funding via a streamlined contingency process.

9. Bad Debt Report

9.1 The Director, Finance presented the Bad Debt Report, noting the progress made in ensuring that all debt was included in the report. Particular progress had been made with respect to a significant reduction in historic debt and work was being done to prevent new debt from arising, an example of this being that payment card debt would, going forward, be automatically taken from MPs' salary payments.

9.2 The Director, Finance highlighted two areas of concern. Firstly, the largest proportion of debt was salary overpayments, caused by IPSA receiving late notification of MP staff leaving employment. A key difficulty in recouping such overpayments was that as the MP is the employer of MP staff, legally the money is owed to the MP not to us and we are not able to chase the former staff member directly for repayment. Options around budget impact and publication of money owed are being explored. Secondly, it was noted that the General Election had the potential to be a significant source of new debt for IPSA. The Director, Finance recommended that deductions be made from loss-of-office payments and winding-up payments to lower this risk and that IPSA's aim should be for the General Election to result in no material increase in debt.

9.3 It was agreed that options surrounding the prevention of debt be considered further by either ARAC or a future Board meeting.

10. Financial Report and Management Accounts

- 10.1 The Director, Finance presented the Financial Report and Management Accounts, noting that since these had been produced the latest version of the Management Accounts indicated that IPSA was likely to record a more significant underspend in relation to subhead B. It was also noted that should the Business World upgrade to version 7.12 result in a change freeze, this underspend could be seen to increase further.
- 10.2 The Board noted the report and were pleased to see the variance narrowing to 3.3% on subhead A and also moving in a positive direction on subhead B. This was recognised as a significant improvement on previous years.

11. Board Programme of Work, Reflections, & Any Other Business

- 11.1 The Board agreed to the proposed Programme of Work and it was noted that any further suggested items should be raised with either the Chair or the Acting Chief of Staff.
- 11.2 The Chair confirmed that the Board would continue to meet during the dissolution period following the announcement of a General Election.