

Minutes of a meeting of IPSA's Board

19 October 2022

Board Members: Richard Lloyd OBE (Chair)

Will Lifford

Helen Jones

Lea Paterson

In attendance: Ian Todd, Chief Executive

Thomas Fitch, Director of Finance

Georgia Wilson, Director of MP Services

Lee Bridges, Director of Policy and Engagement

Karen Walker, Director of Strategy and Change

Chief of Staff

Head of Communications

Head of Policy

Remuneration Policy Specialist (Item 4)

Senior Policy Adviser (Item 5)

Head of Finance (Items 6 & 7)

Apologies: Sir Robert Owen, Board member

Tracy Hawkings, Compliance Officer

Status: Submitted for approval at the meeting of the Board on 7 December 2022

1. Welcome and Declarations of Interest

- 1.1 The Chair noted the formal apologies of Sir Robert Owen and Tracy Hawking, with the items of the latter deferred to the meeting of 7 December. He invited attendees to declare any interests not previously recorded. No such declarations were forthcoming.

2. Minutes and Actions List

- 2.1 The minutes of 13 September were approved, and actions update noted.
- 2.2 In light of the constituency boundary review, the Board considered a revised consultation proposal relating to future eligibility for the loss-of-office and winding-up payments which may apply to former MPs upon leaving Parliament. On the loss-of-office payment, it was proposed that IPSA consult on removing the requirement that an MP stand in the *same* seat in order to qualify for the payment. The same condition was also proposed for removal in terms of winding-up payment eligibility such that an MP standing in any seat at a General Election would be eligible for both payments. As the winding-up payment currently applies to MPs who stand down at an election occurring before the end of a fixed parliamentary term, it was proposed that this second condition be removed in light of the repeal of the Fixed-Term Parliaments Act.
- 2.3 The Board agreed that it was reasonable to anchor the proposed future policy in terms of MPs actively re-standing for Parliament. It noted, however, that it was right to consult neutrally on questions of deselection and how such circumstances may properly be treated. It further encouraged the Executive to note within the consultation IPSA's commitment to collaborate with the House of Commons on non-financial support which could be offered to MPs leaving Parliament. It agreed to consult on the basis above for the next General Election and was prepared to consider the consultation document and proposed timelines via written procedure.

3. Chief Executive's Report

- 3.1 The Chief Executive introduced the report covering September to October and highlighted three key areas for the Board's information. On 17 October, the IPSA Payroll team received CIPP accreditation, which not only provided external assurance of the quality of their work but also a visible demonstration of their commitment to continuous improvement and professionalisation.
- 3.2 On 18 October, IPSA held its first all-staff event in three years. On a productive day in which London-based and regionally based staff were able to meet in-person, IPSA people reflected on the organisation's achievements in delivering the corporate plan, explored ideas for continuous improvements, and contributed thoughts to the regulatory review following high-level Board decisions in September.
- 3.3 To respond to current economic pressures, the Chief Executive confirmed that IPSA had taken the decision to issue a one-off, non-consolidated cost of living award to all

contracted staff as at 13 October 2022 and to be implemented in the November pay run. This was a decision taken under Chair's authority and noted by the Board.

- 3.4 The Board also noted the decision to suspend the 2% cap on reward and recognition payments made to MPs' staff as a proportion of the staffing budget.
- 3.5 The Board noted the report with thanks. It enquired as to whether an issue impacting payment runs had been addressed and whether sufficient handover planning was in place when key members of staff were taking leave or otherwise absent. The Chief Executive noted that a technical solution to issue system notifications when key duties had not been performed during the postholder's absence had now been implemented but that, unfortunately, a smaller scale reoccurrence happened in the intervening period. The regulatory review also provided an opportunity to make efficiencies and reduce the risk of error, including via use of direct suppliers and central procurement.
- 3.6 The Board enquired as to the reasons behind and nature of an increase in Freedom of Information requests submitted to IPSA. The Director of Policy and Engagement responded that many of these mirrored political developments over recent weeks and months, as well as larger volume requests necessitating more consideration.
- 3.7 The Board asked for an update on publication, with the Head of Communications confirming that, owing to the postponement of the previous cycle following the passing of the late Her Majesty the Queen, two rounds of bimonthly data as well as annual publication data would be published in November. The Director of Policy and Engagement added that IPSA would build on the contextualised approach that it took last year to provide further information and more meaningful transparency to those accessing the data, including via infographics and blog posts.
- 3.8 The Board sought assurance on progress in delivering the McCloud project. The Chief Executive noted that IPSA was currently engaging with various government departments, including HM Treasury and Ministry of Justice, on the clarity of the legal position and the potential necessity and/or feasibility of primary legislation to implement a solution to unintended tax impacts, in line with what is being put in place for members of other public service schemes. The Chair also noted ongoing positive discussions with the Chair of the Parliamentary Contributory Pension Fund.
- 3.9 The Director of Strategy and Change introduced the latest KPI dashboard reflecting performance in August. It was noted by the Chief Executive that KPI management of emails may be less robust than that applied to phone calls. Work was therefore underway to better communicate IPSA SLAs, focus on process and guidance improvement, and smooth hand-offs between the MP Services and Homes, Offices, and Security team. It was worth noting, however, that email KPIs should be read in the round alongside the positive performance recorded on phonelines and, in advance of mid-year budget reviews, the proactive work conducted to support MPs to manage spend.

- 3.10 The Board also enquired as to when the KPIs marked as ‘in development’ would be available. The Director of Strategy and Change noted that work was in train and depended on securing the right data feeds to ensure reporting quality. It was expected that the measures on debt would be available for the December Board and the Director of Strategy and Change would provide a timeline of approximate dates indicating when each measure would be presented for review. The Board noted the report with thanks.
- 3.11 The Director of Strategy and Change presented the latest update on the transformation programme, which included progress in planning for a General Election in terms of new MP induction, repurposing and retraining IPSA staff, proactive support to MPs standing down, and collaboration with the House of Commons. The Board noted the report.

4. MP and MP Staff Pay

- 4.1 The Remuneration Policy Specialist introduced a paper and background annexes seeking Board steers on the assumptions and percentiles used to calculate the MP staffing budget pay ranges and agreement to those revised pay ranges. Following an externally conducted benchmarking review in 2019, IPSA had this time undertaken an internal assessment of pay ranges which, whilst using external datasets, better incorporated customer feedback and the specific position, duties, and working environment of MPs’ staff. It was also noted that the outcome of the Speaker’s Conference on MPs’ staff may have an impact on future staffing decisions.
- 4.2 The Board thanked the Remuneration Policy Specialist and wider Policy team for their work. Its preference was for option B in the paper and to amend staffing pay ranges in line with market rates and for this determination, alongside an assumed pay award, to flow through into the draft Estimate for the private Speaker’s Committee for the IPSA (SCIPSA) session of 8 November. Its specific decision was therefore to amend the methodology used to calculate the staffing budget to include a Senior Caseworker, amend ranges in line with market rates, uplift the Executive 1 caseworker range by 2 percent, and maintain calculations at the 60th percentile. The Board would, however, return to this determination when formally considering the annual pay award, including at its meeting of 9 November.
- 4.3 The Board also agreed to uplift pay ranges so that the lowest salary available via the staffing budget was above that of, rather than level with, the National Living Wage.

5. MPs’ Budgets 2023-24

- 5.1 The Senior Policy Adviser introduced a paper proposing draft MP budgets for 2023-24. It was noted at the outset that the complex process of budget deliberations had been made even more complicated by the huge degree of uncertainty impacting all areas of the U.K. economy. Consideration of budgetary flexibility as part of the regulatory review may assist in future in times of financial flux.

- 5.2 The Senior Policy Adviser outlined the various options available to the Board in setting MPs' budgets for 2023-24. The paper included an assessment of market data and trends, feedback from customers, and analysis of the wider economic picture, not least inflation. It also considered the potential benefits or challenges of different approaches to applying various budgets, whether universal, tailored, or contingency based.
- 5.3 The Board noted that any steer that it delivered at this stage was provisional for the purposes of its draft Estimate to the private SCIPSA meeting of 8 November and should and could not be read as formal decision. Pending the above and further data analysis and rigorous testing of budget assumptions, the Board was content with the numbers outlined in the draft Subhead A estimate, subject to adjusting the figures to 7.5% on non-pay budgets. This was with the exception of the staffing budget decision noted above at paragraph 4.2. It asked the Policy team to consider other indices which may be more appropriate than CPI inflation, pending the expected OBR forecast of 31 October and Bank of England projections. It also encouraged the team to consider a streamlined, more accessible format of contingency funding which could assist in times of budgetary pressure, and to reconsider if the hotel allowance may require modest uplift.
- 5.4 The Board delegated authority to the Chair of the Board and Chair of the Audit and Risk Assurance Committee to sign off the draft Estimate on 20 October.

6. SCIPSA Pack

- 6.1 The Chief Executive outlined the proposed papers for the private session of SCIPSA on 8 November and proposed that, subject to incorporating the steers above, authority be delegated to the Chair of the Board and Chair of the Audit and Risk Assurance Committee to sign off all materials accompanying the draft Estimate.
- 6.2 The Board approved the papers and formally delegated authority as recommended.

7. Annual Report & Accounts 2021-22

- 7.1 Following formal recommendation by the Audit and Risk Assurance Committee that the Board approve IPSA's Annual Report and Accounts for 2021-22, the Board gave its approval and thanked the IPSA team and the National Audit Office for their work.

8. Financial Position and Management Accounts

- 8.1 The Board noted the report and enquired as to progress made in recovering aged debt owed by former MP Staff. The Head of Finance reported moderate progress made in terms of recoveries as well as in write-offs of unviable sums. He agreed to provide a more detailed note to the Chair of the Audit and Risk Assurance Committee to this end. The Board also sought and received assurance on future legal expenditure.

9. Board Programme of Work and Any Other Business

- 9.1 The Board noted its agenda for the meeting of 7 December, including ample time to make decisions on MPs' pay and budgets for 2023-24. An update on General Election planning assurance arrangements as well as the consultation on MP parental leave and extended absence, which had received positive engagement, were also due to be tabled.