

Minutes of a meeting of IPSA's Board

13 September 2022

Board Members: Richard Lloyd (Chair)

Will Lifford

Lea Paterson

Sir Robert Owen

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

Head of MP Services (Item 3)

Apologies: Helen Jones, Board member

Status: Submitted for approval at the meeting of the Board on 19 October 2022

1. Welcome and Declarations of Interest

- 1.1 The Board expressed its profound sadness upon the passing of Queen Elizabeth II and observed a minute's silence to reflect on the spirit of public service, commitment to country, and deep sense of duty which characterised her extraordinary 70-year reign. It joined millions of people across the UK, Commonwealth, and world in sending condolences to the Royal Family and best wishes to the new sovereign, King Charles III.
- 1.2 The Chair noted the formal apologies of Helen Jones, who submitted views in advance to the Chief Executive. 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 15 June were approved. The Board noted the actions update and the valuable work of the Director of Policy and Engagement, Head of Payroll, and Data and Insight Manager in providing HR data to House authorities in advance of the Speaker's Conference on MPs' Staff, which would also be circulated to the Board for information.
- 2.2 The Board considered a paper from the Director of Finance following an action point to explore the efficiency of the IPSA payroll function and the cost-effectiveness of in-house provision versus outsourced payroll agents. The recommendation from the paper was that outsourcing would not achieve greater value for money nor enhanced customer service given that the IPSA payroll team provides services, such as tailored budgeting advice/forecasting, beyond those offered by regular, more transactional payroll agencies.
- 2.3 The Board welcomed the review as a useful exercise and concurred with the findings of the paper. It agreed to close the immediate formal action but encouraged the Executive to explicitly consider the question of payroll efficiency, including the frequency, timing, and volume of payment runs, as part of the wider regulatory review.

3. Chief Executive's Report

- 3.1 The Chief Executive introduced the report covering June to September and, in the spirit of openness and transparency vis-à-vis IPSA performance, encouraged Board members to offer feedback on the tone, contents, and format of the report going forwards.
- 3.2 The Chief Executive updated the Board on the significant progress made in transitioning the provision of MPs' security funding to the House of Commons for the 2023/24 financial year. In line with the business plan put to the Speaker's Committee for the IPSA (SCIPSA) for 2022/23, the paper asked the Board to reconfirm that the funding of MPs' security should transition to the House of Commons at the end of the 2022-23 financial year, with provision made in IPSA's 2023-24 budget for any financial commitments or potential ongoing, in-flow costs thereafter. The Board formally reconfirmed its decision.

- 3.3 The Chief Executive also referred to the findings of the review led by the Parliamentary Security Department and the Parliamentary Liaison and Investigation Team (PLAIT) into IPSA Publication Policy. IPSA accepted its advice and accordingly removed 'to and from' and 'details' fields on taxi claims and the description field from venue hire claims. This decision, and that to resume bimonthly publication, was taken under Chair's authority and was notified to the Board on 6 July. The Board formally noted the action.
- 3.4 Following the passing of Queen Elizabeth II, bimonthly publication set for 15 September had been postponed and a notice uploaded to the website. A decision on whether the data may now be published alongside annual publication would be made shortly.
- 3.5 In addition, the Chief Executive drew the Board's attention to welcome news on the procurement of central RICS survey provision for MPs, IPSA's recent Cyber Essentials Plus certification, and the rescheduling of an all-staff event on 18 October. He also noted valuable exchanges before the Procedure and Administration Committees. Talks were ongoing with the House about the insurance provisions covering MPs when carrying out their parliamentary duties, as well as financial and legal implications.
- 3.6 The Board noted the report and enquired as to the technical and customer service issues recently experienced with Barclaycard, as well as the rollout of payment cards for proxies. It also sought and received further detail on plans to make IPSA premises future-proofed for hybrid working but to a reasonable cost and timeline, including detail of IPSA's consultation with the Government Property Agency on best practice.
- 3.7 The Board further requested updates on potential inflationary pressure on Subhead B spend, as well as assurance arrangements for General Election planning. Both issues would be presented to the Board in due course.
- 3.8 The Head of MP Services noted that recent banking issues concerned failed transactions with smaller, local suppliers who may not have implemented strong customer authentication regulatory requirements to deadline. Other issues, however, were less clearcut and Barclaycard had now elevated the IPSA account to their complex issues team, alongside allocating a new contract manager to explore the issues encountered. Seven MPs had been significantly affected and, where necessary, replacement cards had been issued to ensure business costs could still be covered pending a longer-term system fix.
- 3.9 IPSA was also assessing how best to implement proxy payment cards without removing valuable financial controls. As this sat within the wider question of potential formal delegation of authority to proxies, a proposal would soon be brought to the Executive. Re-procuring Barclaycard for one year also aligned with the Board's position on regulatory approach, value for money, and financial controls.

- 3.10 The Director of Strategy and Change presented a refreshed commentary to accompany July's KPI dashboard and briefed the Board on developments affecting the website, contingency claims relating to IPSA error, and Subhead B forecasting accuracy measures. She outlined work to enhance the volume of quality assurance checks and added that measures recording aged delinquent debt, currently in development, would soon be ready for reporting. Further detail on what it means in practice to reach 'best in class' standard on staff belonging would be presented to the People Committee in November.
- 3.11 The Director of Strategy and Change additionally updated the Board on the status of the three-year Transformation Programme, which was recorded as Amber-Green. Progress had been made on planning for the next General Election, as well as the regulatory review, cybersecurity, and process improvement (with significant staff engagement in the latter). The Board would also see further detail of IPSA's new People and IT Strategies in future. Whilst many positive results had been achieved, the *Amber-Green* status was a cautious assessment arising from slipped third-party timelines in relation to the Financial Reporting and Analysis Tool, though a recovery plan was underway, and potential reprioritisation depending on the outcome of the Speaker's Conference.
- 3.12 The Head of MP Services introduced the customer service report, including findings of quality assurance work undertaken to improve support to customers and teams working remotely. The exercise had borne some results with the SLA of 80% of calls being answered within 20 seconds hit for three consecutive weeks. The Board enquired as to the impact of hybrid working and our technology on performance.
- 3.13 Within the report, the Head of MP Services noted the balance between IPSA conducting targeted proactive work to support MPs with complex or avoidable issues, as evidenced by fewer MPs over budget and a lower quantum of overall overspend at this year-end, and more reactive customer contact via phone and email. A rota based on data analysis of incoming traffic had been designed to better align with demand. Complaint numbers remained static and largely concerned email responsiveness. Work designed to improve performance and meet our stretching SLAs included a smoother call transfer process, improved knowledge management and training, and learning from best practice and shadowing to support managers within hybrid working. The SLAs would also be considered in the round as part of the regulatory review.
- 3.14 Both the Director of Strategy and Change and the Head of MP Services agreed that IPSA had the technology required to achieve consistently strong customer service performance but that its full capability had not yet been exploited. Investing time in developing this in the short-term, such as via automation or AI, would reap material benefits in the medium and long-term despite the challenge in balancing initial time commitment with significant BAU workloads. A multi-modal Contact Strategy would be shared with the Board at its Strategy Day of 14 September.
- 3.15 The Board welcomed the reports as useful context before the Strategy Day. It enquired as to activities of the IPSA/Parliamentary Contributory Pension Fund (PCPF) working

group on the implementation of the McCloud judgment. The Director of Finance, the IPSA-nominated PCPF trustee, confirmed good collaboration between the bodies and the Head of Policy agreed that progress had been made towards laying the rules and providing impacted members with options on schedule, as well as in facilitating access to specialised financial advice. A key dependency, however, was the reliance on HM Treasury and HMRC to fairly resolve the question of tax treatment for those impacted.

4. Constituency Boundary Changes – Policy and Scheme Revisions

- 4.1 The Director of Policy and Engagement introduced a paper outlining policy issues requiring decision before the next General Election in light of the repeal of the Fixed-Term Parliaments Act, Boundary Commission review of July 2023, and importance of providing certainty as to the eligibility requirements for payments upon losing office.
- 4.2 The Head of Policy highlighted two key issues relating to the future treatment of the winding-up payment, given that formal eligibility is tied to the now defunct Fixed-Term Parliaments Act, and the loss-of-office payment (LOOP) insofar as its current conditions requires an MP to re-stand at a General Election in the *same* seat, many of which may be abolished or radically redrawn under the boundary review. The paper recommended that IPSA consult on paying the LOOP at the end of the winding-up *period*, rather than upon the completion of all winding-up activity, but with facility in place to deduct known liabilities at source and to exceptionally withhold payment where risk to recovery of public funds justifies. It also asked if the consultation should explore whether the basis for calculating the LOOP, presently double the statutory redundancy rate, remained appropriate.
- 4.3 The Board noted the significance of the policy questions raised both in terms of assuring the prompt completion of winding-up activities, safeguarding public money, and sensitively supporting former MPs when they cease to hold office and immediately lose their salary. It underlined the importance of ensuring that decisions taken were fit for purpose for future elections and consistent with the regulatory review.
- 4.4 The Board further noted the difficulty of judging what constitutes a major or minor change to constituency boundaries for LOOP purposes. It equally noted the repeal of the Fixed-Term Parliaments Act has made the timing of any future General Election less predictable and diluted the distinction between ‘fixed-term’ and ‘snap’ elections. It similarly recognised the importance of ensuring that severance-related pay for MPs remained relatable to the financial treatment which many constituents may experience. Consideration of other frameworks, such as that of the Civil Service (including mooted future reform), may also prove useful comparators.
- 4.5 The Board approved the recommendation that the payment of LOOP should be brought forward as proposed, with IPSA retaining the possibility to deduct known liabilities at source and withhold payment for exceptional reasons. It also endorsed the proposal not to revise the basis upon which the quantum is calculated.

- 4.6 In order to consider the outstanding questions in the round, the Board requested that the wider eligibility decisions on the winding-up payment and LOOP be presented in the form of a draft consultation document, including an assessment of the rationale for each payment and the various policy options arising. The paper should also outline non-financial steps which could be taken to support former MPs in the winding-up period, alongside the House and the Former MPs' Association. It asked the Director of Policy and Engagement to propose a timeline for tabling the paper for decision, noting the lead time required to conduct a consultation and implement any new policy from 2023/24.

5. Board External Review

- 5.1 The Chief of Staff introduced a paper proposing a draft terms of reference and procurement timetable for an external review of Board governance arrangements. This followed the governance review of 2020 which recommended an external evaluation every three years and which is now reflected in the Board's standing orders.
- 5.2 The proposed scope reflected best practice guidance issued by the Cabinet Office and the Financial Reporting Council as to the contents of such a review, as well as key developments in corporate governance such as the Environmental, Social, and Governance agenda, equality, diversity, and inclusion, and the cyber and digital space. The proposal also reflected individual Board member feedback on the strategic oversight of complaints handling, senior stakeholder management, and the remit, membership, and interplay of subcommittees (and their reporting to the Board). It noted areas of governance which were recently revised in the last governance review but did not preclude at least light touch reassessment of such arrangements.
- 5.3 It was proposed that authority to finalise the scope be delegated formally to the Chair once Board members had offered feedback. The Board approved the recommendations subject to a more explicit condition in the terms of reference that the review should focus on potential governance improvements which were both practicable and permissible within the current bounds of the Parliamentary Standards Act 2009.

6. Financial Position & Management Accounts

- 6.1 The Director of Finance introduced the financial position as of July 2022 and updated the Board on work underway to improve the quality of forecasting and budgeting accuracy.
- 6.2 The Board noted the report and welcomed the renewed focus on budgeting accuracy for the credibility of IPSA accounting otherwise. It sought and received clarification on elements of the charges and provisions reported, notably on the topic of debt write-offs.

7. Board Programme of Work and Any Other Business

- 7.1 The Board noted and approved its agenda for the Board meeting of 19 October.