

## Minutes of a meeting of IPSA's Board

Thursday 17 September 2015

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**Present:** Sir Ian Kennedy, Chairman  
Sir Neil Butterfield  
Liz Padmore  
Anne Whitaker  
Professor Tony Wright

**In attendance:** Marcial Boo, Chief Executive  
John Sills, Director of Regulation  
Judith Toland, Director of Operations and Change  
Naomi Stauber, Head of Board and Chief Executive Office  
Head of Communications  
Head of Policy (Item 5)  
Programme Manager (Items 3 and 4)

**Apologies:** Peter Davis, IPSA's Compliance Officer

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**Status:** Submitted for approval at the meeting of the Board on 19 October 2015

**Publication:** Paragraphs 9.2 and 9.3 are not for publication.

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

- 1.1 The Chairman opened the meeting and welcomed those attending.
- 1.2 The Chairman noted that apologies had been received from Peter Davis, IPSA's Compliance Officer.
- 1.3 The Chairman invited Board and staff members to declare any interests not previously recorded. No interests were declared.

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

### Minutes

- 2.1 The Minutes of the Board meeting and the note of the workshop held on 22 July were approved as a correct record, subject to minor amendments.

### Actions arising from the previous meeting

- 2.2 The Board noted the actions that had been completed since the last meeting. The Chairman noted that two members of the Board, Liz Padmore and Anne Whitaker, were to meet IPSA's Head of Finance after the Board meeting to discuss IPSA's Management Accounts.

## **3. Strategy for IPSA 2017**

- 3.1 IPSA's Director of Operations and Change introduced the report which set out the programme of change called "IPSA 2017" that had been developed over the summer. The Board heard that, after five years' of operation and the experience that IPSA had built up throughout the last Parliament, including the General Election in May 2015, now was an appropriate time to review and reconsider how the organisation functions. The objective of the programme will be for IPSA to become a more effective and efficient organisation, thereby becoming a better regulator and improving its support for MPs.
- 3.2 The programme will include redesigning and simplifying the organisation's processes and systems to be more efficient and effective, whilst maintaining an appropriate level of scrutiny and regulation. However, the programme is not simply about improving processes and systems. It also focuses on leadership, management and on changing the culture of the organisation. This will require staff to think critically and to challenge how and why IPSA operates in the way that it does, to allow us to consider new ways of working that might differ from the historic model established in 2010. During the summer, work had been undertaken to analyse IPSA's current operating model across seven streams of work, with a view to deciding on the right strategy for each for the long-term. This preparatory work will continue into the autumn.
- 3.3 The Board considered the report and noted, in particular, that:

- None of the seven streams of work addresses IPSA's primary function as the regulator of MPs' business costs and expenses. The comprehensive review of the Scheme – including the policies, principles and regulatory framework which underpin IPSA's operation – does include this to a degree. But the emphasis on IPSA's regulatory role must not be lost in the overarching programme of work.
- The timescales for some of the streams of work had been extended. The refreshing of IPSA's hardware within the Business technology (IT) workstream, for example, had been postponed by six months from March 2016 to September 2016. This extension had been proposed to ensure that IPSA's processes were fully understood, so as to allow the team to develop accurate specifications that will meet the needs of the organisation for the long-term. The requirements and specification for IPSA's applications together with a detailed implementation plan will continue to be developed, in line with the IT Strategy agreed by the Board earlier this year.
- The improvement of IPSA's processes and systems will not be complete by the end of 2017. However, the core improvement work will be in place and the users of IPSA's services will experience the difference. Some workstreams, such as IPSA's support for MPs, are making swift and substantial progress. Others, such as finance and payroll, have additional challenges to address before the improvement work can begin. Some of these challenges relate to resourcing and the capacity of the respective senior managers to ensure the effective daily operation of their service, whilst leading, at the same time, work that requires a fundamental assessment of complex processes and systems. The Executive assured the Board that the funding for additional resources in these areas had been allocated to meet this challenge.
- Although the different streams of work are progressing at different rates, for understandable reasons, the Board stressed that it is nevertheless important to ensure that clear timescales and completion dates are defined and communicated to the Board. The Board will receive a detailed work programme, including the proposed costs, at its December meeting, which will be incorporated into IPSA's Estimate for 2016-17.

#### 3.4 The Board:

- (a) Noted the improvement programme currently being developed, and the associated risks and challenges;
- (b) Provided comments on the programme;
- (c) Noted that a business case and full budget will be submitted to the Board in December; and
- (d) Agreed to participate in the programme as it develops over the coming months.

#### **4. General Election: Lessons Learnt**

- 4.1 IPSA's Director of Operations and Change introduced the report which provided an initial assessment of IPSA's performance during the General Election 2015 and the issues arising. Overall, the outcome of the election was very positive for IPSA. The organisation received a great deal of praise from new MPs and the House of Commons authorities for the quality of its planning, preparation and support for MPs. The MPs who left Parliament had also been grateful for the support IPSA had provided both during the run up to the election and afterwards – particularly those who were not expecting to be defeated.
- 4.2 Two key issues had been identified as part of the assessment. First, the work undertaken during the election confirmed the need to redesign and improve IPSA's basic systems and processes, which had been put in place in haste over five years ago when the organisation was created. This will be addressed through the IPSA 2017 improvement programme. Second, issues were identified that related to an historic lack of engagement and communication with MPs and their staff. Importantly, the organisation has learnt that it cannot rely exclusively on emailed bulletins to get its messages through to MPs and their offices. IPSA must be more active in the future, using a wider range of communication methods, as we are now beginning to do through the regional roadshows and social media tools.
- 4.3 The Board agreed that IPSA's communication and engagement with MPs was an area that needed to be developed as a priority. This is not simply about increasing the volume of communication we undertake and delivering messages. Rather, it is about repositioning IPSA's relationship with MPs and developing effective and varied methods of engagement that address the needs of a unique cohort of professionals with huge demands on their time. Whilst MPs and their staff must take a degree of responsibility for reading and acting upon the information that IPSA communicates to them, it must also be acknowledged that MPs and their offices receive a large amount of correspondence on a daily basis, particularly emails. It is therefore important to work with MPs to develop an engagement strategy that will ensure that we communicate with them in the most effective and appropriate way. This must be IPSA's immediate focus for the new Parliament.
- 4.4 The Board further agreed that it was essential that, as part of the exercise of assessing IPSA's performance during the General Election 2015, feedback is sought on the experiences of new MPs, and those who returned and left Parliament. The Board was assured that this work was already underway. Once completed, the feedback will be incorporated into a final document to provide a complete picture of the quality and effectiveness of the services and support provided by IPSA throughout the General Election.
- 4.5 The Board noted that a report had been prepared for internal purposes, and principally to inform the IPSA 2017 improvement programme. However, a shorter

version of this 'lessons learned' report will be created for external dissemination and publication, once the financial and other outstanding data had been finalised.

- 4.6 The Board noted the findings of the report and thanked IPSA's Programme Manager for her contribution.

## **5. Comprehensive Review of the Scheme: Work Programme and Fundamental Principles**

- 5.1 IPSA's Director of Regulation introduced the report which set out the proposed work programme for the comprehensive review of the MPs' Scheme of Business Costs and Expenses (the Scheme) and the revised fundamental principles of the Scheme, for agreement by the Board. The work programme had been drafted following the Board's workshop on 22 July, during which the Board considered the Scheme in the round and confirmed that, as part of the comprehensive review, it wished to examine all areas of the Scheme, while highlighting key areas of concern. The Board had also examined IPSA's approach to regulation compared to that of other regulators, considered other expenses schemes, noted the data on MPs' expenditure since 2010, and discussed the revised fundamental principles of the Scheme.

- 5.2 The Board:

- (a) Agreed the proposed timetable for the comprehensive review; and
- (b) Reviewed the proposed fundamental principles of the Scheme, which had been revised in the light of its previous discussion, and approved them for inclusion in the new Scheme.

## **6. Compliance Officer's Report**

- 6.1 In the absence of IPSA's Compliance Officer, the Board was invited to submit any queries on the content of the report to the Head of Board and Chief Executive Office, who would provide a written response.

- 6.2 The Board noted the report.

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

- 7.1 The Chief Executive introduced a paper setting out the organisation's activities since he last reported to the Board in July. He noted, in particular, that the preparatory work for the IPSA 2017 improvement programme that had been undertaken over the summer had gone well. The programme had been re-launched to staff internally on 2 September, to move explicitly from the previous focus on the General Election and MPs' pay, to concentrate on improving the Scheme and IPSA's overall systems and processes. Early work on this front was positive.

- 7.2 On IPSA's financial position, the Chief Executive reported an under-spend across all budgets. Work had been conducted to review the original forecasts for the amounts that will be recharged to subheads C (projects and General Election) and D (publication of receipts). This will ensure that the organisation is allocating funds appropriately to reflect the actual work undertaken. Planning is also underway for the submission of IPSA's Estimate for 2016-17, which the Board will review in January 2016.
- 7.3 The Board queried the information presented in the management accounts for July 2015 and requested that, at future Board meetings, it receives a separate comprehensive report on IPSA's financial position, with IPSA's Head of Finance in attendance to present the report, explain the figures and answer questions.
- 7.4 The Board reviewed the organisational performance report for July 2015 and queried why the measure for the resolution of correspondence had dipped to 88.36%. It was explained that this was attributable to IPSA's staff not routinely 'closing down' cases on the customer record system (CRM) when they are resolved, thereby producing an artificially high result that did not reflect the number of cases that had been resolved within the required timeframe.
- 7.5 The Chief Executive addressed the issues that arose from IPSA's annual publication of MPs' Business Costs and Expenses for 2014-15. Following the publication, and in the light of the errors referred to in paragraph 7.6, IPSA's Chairman had requested that the Chief Executive conduct a thorough investigation into the cases of all 26 MPs whose names were made public on 10 September on the basis that their debts below £500 from 2014-15 had been written-off, in accordance with IPSA's Debt Policy. The Board received assurance that, in each case, IPSA had sent the MPs financial statements in April, July and August 2015 which included information about the sums owed and advised them that this would be made public on 10 September, as part of the annual publication. In some cases IPSA had further communication with them too, particularly those individuals who were former MPs and were in close contact with the Departing MP General Election team. In each case, MPs either failed to highlight issues, or failed to make any attempt to repay the sums owed.
- 7.6 However, in three specific cases (of the 26 MPs), errors were made by IPSA, such that the information published was incorrect. IPSA's Chairman and Chief Executive wrote to each of the three MPs concerned to apologise for the errors that took place and to provide assurance that IPSA takes seriously its responsibility to ensure the accuracy of information that it places into the public domain. In addition, IPSA's publication website was amended to reflect the correct information.
- 7.7 In the light of these issues the Chief Executive has put in place a number of measures to minimise the risk of these types of errors in the future. These measures include, first, the restructuring of IPSA's operations team to provide more focused support to individual MPs, and the merger of IPSA's publications team into the operations team from 1 October. This will ensure that there is clear accountability for all future publications and the data it contains, and a greater ability actively to contact each MP

about publication in advance, to ensure that they have ample opportunity either to repay what is owed, or to query the information provided.

- 7.8 Second, as a result of IPSA's General Election work and the issues identified as part of its 'lessons learned' exercise, the organisation will focus on how it communicates with and engages MPs to ensure that they are made aware of important messages about their finances. Third, the IPSA 2017 improvement programme will address the deficiencies in our systems and processes that we have already identified and reported to the Board. Fourth, for all future publications, a separate risk-based audit of particular sets of data will be undertaken prior to publication.
- 7.9 Aside from these errors, the publication of the debts that had been written-off led to immediate action by a number of MPs whom IPSA had been trying to contact for many months with no response. In this regard, IPSA's commitment to transparency and to publishing as much information as possible relating to the public money spent by MPs to fulfil their parliamentary functions, supported IPSA's regulatory function and its responsibility to recover money owed by MPs.
- 7.10 The Board noted IPSA's financial position and management accounts for July 2015, IPSA's performance in July 2015, and the list of the Chief Executive's and Chairman's meetings with MPs and officials since the last report, including those that the Chief Executive had undertaken since the publication of the agenda.

**ACTION: That the Head of Board and Chief Executive Office ensures that the Board receives, at future meetings, a separate comprehensive report on IPSA's financial position and management accounts with IPSA's Head of Finance present to present the report and answer questions.**

## **8. The Board's Programme of Work from October 2015 to March 2016**

- 8.1 The Board reviewed its proposed programme of work and requested that an additional Board meeting be organised for October.

**ACTION: That the Head of Board and Chief Executive Office organise an additional Board meeting in October.**

## **9. Any other business**

- 9.1 The Chairman enquired if there was any other business for report by the Board or the Executive.

Meeting closed.