

Minutes of a meeting of IPSA's Board

25 January 2023

Board Members: Richard Lloyd OBE (Chair)

Will Lifford

Helen Jones

Lea Paterson CBE

Sir Robert Owen

In attendance: Ian Todd, Chief Executive

Karen Walker, Director of Strategy and Change (Items 1-5)

Thomas Fitch, Director of Finance (remotely)

Lee Bridges, Director of Policy and Engagement (Items 1-5)

Chief of Staff

Head of Policy

Head of Communications (remotely)

External Governance Review conductor (observing only)

Apologies: Georgia Wilson, Director of MP Services

Status: Submitted for approval at the meeting of the Board on 22 February 2023

1. Welcome and Declarations of Interest

- 1.1 The Chair noted formal apologies received from the Director of MP Services and invited attendees to declare any interests not previously recorded. On Item 5, the Director of Finance noted his standing declared interest as the IPSA-appointed Trustee on the Parliamentary Contributory Pensions Fund (PCPF). The Chair also noted the presence of a third-party observing the meeting as part of an externally conducted governance review.

2. Minutes and Actions

- 2.1 The minutes of the Board meeting of 7 December and 14 December were approved, subject to one amendment. The actions list was noted, with papers on IPSA's Technology Strategy to be tabled at the Board meeting of 22 February.
- 2.2 The Board sought an update on plans relating to the appointment of a new Compliance Officer for the IPSA. The Chief of Staff confirmed that the Board, sitting as the People Committee, would soon be provided papers for decision on the recruitment and, in particular, on determining the appropriate salary range as per the standing orders.

3. Chief Executive's Report

- 3.1 The Chief Executive introduced his report and highlighted results from both IPSA's Annual Survey of customers and of its own people. The exercises showed improved satisfaction with IPSA services amongst MPs and staff, as well as further increased engagement amongst IPSA people. Whilst there was more to do to improve service to MPs and their staff, and the IPSA people survey, despite scoring above previous year Civil Service averages highlighted areas for action, both served as positive indicators of change. The full results of the Annual Survey of MPs and staff would be discussed with the Board, with the IPSA People Survey to be discussed at the People Committee meeting of 8 February. A series of pulse surveys would also be launched in March to more regularly gauge satisfaction with IPSA's support and service.
- 3.2 The Chief Executive provided an update on the successful commencement of rollout of payment cards to MPs' proxies, which sought to provide simpler options for MPs' offices to cover business costs within the boundaries of banking legislation covering both IPSA and MPs. Further information was also given on commercial discussions with IPSA's key partner, Unit 4.
- 3.3 The Board noted the report and welcomed the outcome of both surveys. The results moved IPSA further in a positive direction but with clear areas identified for improvement, such as improving the user experience and front-end of the IPSA Online system. It additionally

- encouraged the Executive to consider how learnings from both exercises could feed into IPSA's communications strategy and engagement with stakeholders across Parliament.
- 3.4 The Board enquired as to the scope and rationale of the review into disability assistance funding for MPs and staff. It was confirmed by the Chief Executive and Chief of Staff that IPSA planned to publish more comprehensive customer guidance following targeted, tailored consultation with sector experts, as done on MP parental and extended absence. Additionally, IPSA had received a higher number of queries and claims than previous years and considered that refining the guidance would prove helpful to MPs in understanding their obligations under the Equality Act 2010 as employers of staff, as well as to new MPs in understanding the support available as part of IPSA's General Election readiness planning.
- 3.5 The Board sought assurance that the transition of security funding was on track for implementation by 31 March 2023. It was confirmed by the Director of Policy and Engagement that this remained the case and that, further to the Speaker's Notice scheduled in January, IPSA was working with House authorities at a senior level on communications. Regular updates would be provided in CEO Reports beyond the transition, not least given that some run-off work engaged before 31 March 2023 will remain within IPSA's funding.
- 3.6 As transition approached, the Board asked for a paper to be tabled providing an outline of the residual duties which will remain with IPSA, associated risks, and mitigation and contingency plans in place. This included IPSA publication policy, the interplay between IPSA budgets and funding managed by the House should MPs choose to engage local provision outside of centrally managed House contracts, and our ongoing communications approach. It was noted that the latter would be assisted if the House could continue to make clear that IPSA's publication policy was wholly informed by specialist security advice and expertise.
- 3.7 The Board discussed possible changes which IPSA could make within its current publication policy to how it presents and articulates data. Website graphics and greater contextualisation had been helpful to provide more meaningful transparency to the public, but wider misconceptions still existed around the gross figures published on MPs' business costs. It was agreed that the Executive will consider what short-term presentational and contextual changes could work to this end, pending the future wholesale review of and consultation on publication policy.
- 3.8 The Director of Strategy and Change introduced the strategic dashboards for November and December 2022. The reports indicated sustained above-KPI performance in IPSA call-handling and increased tenure and stabilisation of its workforce. Complaints and Freedom of Information requests, however, had risen in light of guidance issued in the autumn.
- 3.9 The Board noted the report with thanks and sought further definitional detail on the metrics used for email response targets. It also enquired as to phonenumber planning in anticipation of year-end demand. The Director of Strategy and Change provided an explanation on current email-based metrics pending the exploration of further functional improvements in IPSA's customer relationship management software and wider reconsideration of the SLA. Year-

end had been factored into customer service rota planning, with 50 conversations already held with individual MP offices to support them to reverse, limit, or prevent overspends.

- 3.10 The Director of Strategy and Change introduced the Transformation Programme update for December 2022. Optimisation work designed to simplify and improve IPSA Online within the realms of the current system was approaching its end. This had included the development, testing, and implementation of dynamic forms to shorten process times and reduce the risk of error, and more notifications to alert customers when actions were required. Customers had been involved in identifying issues and testing solutions, with the new front-end and reimbursement processes to be presented with the Technology Strategy in February.
- 3.11 The Board noted the update with thanks. It asked if the team routinely conducted post-implementation reviews on improvement work carried out. The Director of Strategy and Change confirmed the regular undertaking of lessons learned reviews of projects and that this could be reported at the Audit and Risk Assurance Committee in future.
- 3.12 The Chair provided an update following the public session of the Speaker's Committee for the IPSA on 24 January and next steps, which was noted by the Board.
- 3.13 The Board put on record its thanks to Georgia Wilson, outgoing Director of MP Services, for her service and contribution to IPSA in the past four years. It wished her well for the future.

4. Board Governance

- 4.1 The Chair updated the Board on the recruitment process underway for the Board Member (Former High Judicial Officeholder) vacancy and on progress made in conducting the externally led review of Board governance.
- 4.2 The Chair proposed the creation of a Change Oversight Committee (ChOC) to provide a dedicated forum at Board-level whereby Members could have greater oversight of the 'Improving IPSA' programme during this critical period. Lea Paterson was proposed as Chair of the prospective new subcommittee and Will Lifford as the third member alongside the Chair of the Board. A draft terms of reference was tabled to the Board and accompanied by proposed revisions to the wider standing orders.
- 4.3 The Board endorsed the proposals, subject to revisions to the terms of reference to include a sunset clause and to expand the provision inviting external experts to attend and advise the Committee in a non-voting capacity. It would also be important to ensure clarity of purpose in discussions with the Executive, as well as reporting arrangements from the Executive to ChOC and ChOC to the Board. A proposal would be brought to the February Board to reflect these points.

5. McCloud

- 5.1 The Head of Policy introduced a paper outlining a decision for the Board as to the treatment of impacted members who had opted out of the final salary pension scheme before the relevant period, as defined in the McCloud judgment, and those who had opted out part way through the relevant period. The Trustees of the PCPF had proposed that individuals in these categories, of which there were a small number, should be offered the same choices as other impacted members.
- 5.2 The recommendation to the Board was therefore that those who opted out during the relevant period (and therefore had partial accrual) should be offered a choice of the final salary or career average schemes for the whole of relevant period, and that those who opted out before the relevant period (and therefore out of active accrual) but who would have otherwise been defined as a fully protected, partially protected, or unprotected member, be allowed the same choice to revisit their past decision if they wished.
- 5.3 The Board approved the proposal as a sensible way forward, noting how other public sector schemes are approaching similar issues.
- 5.4 The Director of Policy and Engagement provided a general update from the Joint Working Group on McCloud implementation. A key remaining issue was the need for primary legislation to provide tax-smoothing treatment in line with all other schemes who have made changes following the McCloud judgment. Members would receive their options in April and IPSA had therefore made representations to Ministers on the importance of providing clarity to impacted members as to the tax implications of their choices. Whilst Members had until January 2025 to make that choice, assurance from Ministers that a legislative solution would be forthcoming was important given the complexity of the issue involved and as we approach a General Election.
- 5.5 The Director of Policy and Engagement also briefed the Board on the communications plan in place and IPSA's approach to providing information about regulated advice. This would signpost Members to the specialist guidance provided by the trustees whilst making clear that IPSA cannot and will not be providing such advice itself.
- 5.6 The Board noted the update with thanks and agreed that McCloud implementation should constitute a standing item on Board meeting agendas for the foreseeable future.

6. Financial Report & Management Accounts

- 6.1 The Director of Finance introduced the financial position and management accounts as of December 2022. Further to the meeting of 7 December, he provided further detail as to the lower level of accommodation spend recorded in October 2022. More broadly, budget forecasts indicated that the underspend was set to continue with the longer-term approach to address this lying in more accurate budgeting and improved procurement.

6.2 The Board noted the report with thanks. It enquired as to progress in recovering aged debt, to which the Director of Finance responded that a significant portion of the outstanding total related to live deposit loans for incumbent MPs. The priority was to avoid debt in the first place and the policy of salary deductions for unclaimed payment card lines not repaid within 30 days had been effective. As part of General Election planning, Finance Business Partners had also been working to tighten up processes around staff payroll and in signing off the winding-up process. Proactive conversations around year-end to help prevent overspends were reiterated, with shorter, more readable year-end guidance packs set to be issued by the end of January.

7. Board Work Programme and Any Other Business

7.1 The Board noted the agenda for its meeting of 22 February, subject to the items mentioned above and further iterations for the Chair's agreement. It noted the need to lay out the Board's programme of work on a longer-term basis.

7.2 Before concluding the meeting, the Chair invited any closing reflections and feedback from attendees.

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