

**Minutes of a meeting of IPSA's Board**

**22 May 2024**

**Board Members:** Richard Lloyd OBE (Chair)  
Will Lifford  
Lea Paterson CBE  
Helen Jones (absent for Item 10)  
Dame Laura Cox  
John Midgley, Boardroom Apprentice

**In attendance:** Ian Todd, Chief Executive  
Lee Bridges, Director, Policy and Engagement  
Karen Walker, Director, MP Services, Strategy and Change  
Thomas Fitch, Director, Finance  
Jonathon Blair-Tidewell, Compliance Officer (Item 7)  
Chief of Staff  
Head of Policy (from Item 7)  
Head of MP Services (Item 4)  
Head of Payroll (Items 5 and 11)  
Remuneration Policy Specialist (Items 9 and 11)

**Status:** Submitted for approval at the meeting of the Board on 25 September 2024

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

- 1.1 The Chair invited attendees to declare any interests not previously recorded. No new declarations of interest were noted.

## **2. Minutes and Actions**

- 1.1 The minutes of the Board meeting of 20 March and the meeting note of the Board briefing session of 18 April were approved.
- 2.1 The Chair noted the completed and outstanding actions. It was noted that the Memorandum of Understanding (MoU) between the Compliance Officer and the Parliamentary Commissioner for Standards (PCS) that was currently with the PCS for review would likely require further amendment in light of the possibility of IPSA taking over the management of the stationery direct supplier contract from the House. IPSA's own MoU with the PCS would also require review to ensure that conflicts of interest policies were aligned.
- 3.1 The Board noted that joint-guidance on communications funding had been produced alongside the Electoral Commission.

## **3. Report from People Committee**

- 1.1 The People Committee Chair presented an update to the Board, summarising recent work. The committee had reviewed the results of the Board Skills Audit and had recommended that Board members be provided with training in equality, diversity and inclusion (EDI), data security, and good governance. It was further recommended that an introduction to how Parliament works be added to Board member inductions. The Board recorded its thanks to the Head of People for already having organised a thoughtful and considered EDI training session.
- 2.1 The committee had also reviewed and agreed pay and benchmarking for IPSA's people. It had been decided that in future pay awards should be discussed in January rather than March.
- 3.1 The committee had reviewed the encouraging recent people survey results and was particularly pleased to note increased levels of engagement and a sense of belonging amongst IPSA's people.

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

- 1.1 The Chief Executive presented their report to the Board. The Board were pleased to see that property-related debt was declining and noted that high-risk properties had been reviewed. The Chief Executive confirmed that work had been done to ensure that all MPs obtained two-month break clauses in their leases – this had included an amendment to the Scheme. The Board requested an update on the IPSA Online front-end portal. The Director, MP Services, Strategy and Change confirmed that IPSA had sourced a low-code supplier and were looking to create a prototype in a four-week sprint, with a timeline to be confirmed imminently. The Board discussed the Service Excellence Programme provided to new starters and the Director, MP Services, Strategy and Change confirmed that the replacement of face-to-face (online) sessions with materials contained on the Learning Academy ensured that new starters received this foundational training early. Finally, the Board asked for an update on IPSA’s planned office relocation. The Chief Executive confirmed that the current intention was for IPSA to downsize its office premises and that options on the parliamentary estate were being scoped.
- 2.1 The Director, MP Services, Strategy and Change presented a Transformation Programme update, noting that 29 MPs had now been enrolled into the constituency office proof of concept (PoC), 11 site searches had been completed by the supplier, and one heads of terms had been signed and moving date agreed.. The Director highlighted that the IPSA Online Marketplace project would not begin until work on the front-end portal was more advanced. However, the potential for IPSA to take on the management of the stationery direct supplier contract presented an opportunity for this to be the first Marketplace initiative. Finally, the Director noted progress with the expansion of the mileage allowance pilot, with work currently focusing on a tiered payment system and consideration of HMRC guidelines. The Board asked for future iterations of the Transformation Programme update to track how spend against budgets had changed and that as work progressed in relation to the transition to principles-based regulation that this should be disaggregated in the report.
- 3.1 The Board signed off the amended Board codes and policies, and the Chief of Staff confirmed that these would be published on IPSA’s website.
- 4.1 The Director MP Services, Strategy and Change presented the Strategic Dashboard for April. The Board noted the impressive customer service metrics, particularly in relation to the phone answering SLA, the abandonment rate, and the email response time. It was acknowledged that IPSA’s average time taken to reimburse claims was at a record low of two days. Furthermore, the Board noted the positive recent Pulse Survey results, giving particular mention to the 81% response rate, 81% engagement rate, and scores of 84% and 79% respectively against Wellbeing & Resilience and Belonging.

## **5. General Election Update**

- 5.1 The Head of MP Services delivered a General Election update focused on IPSA's plan for new Members, outlining how this had been informed by recommendations made by the Administration Committee and lessons learned from the 2019 General Election. New MPs would be assigned a single point of contact from the New Members' Team for the first four months following a General Election; the property registration process had been refined, with a dedicated team and better reporting introduced since 2019; Account Managers had been provided with some delegated authority on low value contingency funding decisions; and the training of repurposed IPSA people had progressed well. The Chief Executive credited the team effort that had resulted in a people-focused, sensitive, and differentiated approach to the induction of new Members.
- 5.2 The Board asked whether the constituency office proof of concept would be ready for roll-out to new MPs following a General Election. The Chief Executive confirmed that IPSA would like to give as many new MPs as possible the option to source their office via a centralised service, but that it was unlikely that this could be provided for all new Members if a General Election were called for July.
- 5.3 The Board enquired as to whether the induction session planned on staffing would touch upon the MP's responsibilities as a responsible employer. The Head of MP Services confirmed that the Members' HR team at the House would be delivering sessions which focused on employer obligations, whereas IPSA's session would concern the administrative work of getting staff set up with contracts and onto the payroll system. It was further confirmed that IPSA had been involved in the training of new MP buddies at the House.

## **6. Improving Customer Service Report**

- 6.1 The Head of Payroll presented the Improving Customer Service Report, firstly focusing on feedback and complaints data. It was noted that IPSA had received 21 complaints in 2023, which had mainly been made in relation to slow response and resolution times. A lot of work had been done to make improvements in this area. Secondly, the Head of Payroll updated the Board on the range of change initiatives ongoing within Payroll, mostly due to customer feedback. These included a change in how payslip months were recorded, MP payroll proxies being provided with a report on staff details, and the simplification of the MP staff leaver process. The Payroll team had also been working with Policy on amendments to the MP staff contract and the recognition of past service. The Board welcomed the update with thanks and noted the positive results of increased collaboration between teams at IPSA.

## **7. Financial Report and Management Accounts**

- 7.1 The Director, Finance presented the Management Accounts for the financial year ending 31 March 2024, noting that IPSA had recorded a 3.3% underspend against Subhead A, which should

continue to decrease year-on-year, and a 0.6% underspend against Subhead B. A £54k underspend was recorded against Capital and AME. Given IPSA would have to factor in costs associated with a General Election in 2024-25 and that this would involve the allocation of some costs to a Subhead C, it was recognised as unlikely that the degree of accuracy contained in 2023-24 forecasts could be repeated or bettered until 2025-26. The Director highlighted that legal, professional, and audit fees were now recast in aggregate as opposed to per directorate, as on some matters such as costs in this area were often responsive and, therefore, more difficult to forecast at a more granular level. The Board asked whether Subhead C would comprise solely of Subhead A-type costs. The Director, Finance confirmed that it would be dominated by Subhead A-type costs, but that there would be the potential for it to also include Subhead B-type costs such as IPSA people overtime incurred while working on the General Election. It was advised that a judgement be made nearer the time. The Board were pleased with how the accuracy of budgeting had improved. The Chair reiterated that at future Board meetings, a more strategic finance report should be presented.

## **8. Risk Tolerances and Principles-Based Regulation**

- 8.1 The Compliance Officer presented a paper on risk tolerances and principles-based regulation in relation to the risk of non-compliance, which was currently framed as a subsidiary risk. The Compliance Officer asked IPSA to consider how much risk of non-compliance it was willing to tolerate both under the current and future regulatory models. Further to this, it was proposed that IPSA look at how a lessons learned framework could be implemented within the context of principles-based regulation, with the suggestion that oversight of such a process should be assigned to an individual at senior leadership level.
- 8.2 The Board noted that non-compliance is presently covered within other risks on the strategic risk register. The Director, MP Services, Strategy and Change confirmed that IPSA was already assessing the risk of non-compliance based on categories of spend and person risk. The Board recognised that identifying non-compliance initially could be more difficult within the context of a principles-based approach, but agreed that the management of non-compliance should not change within the context of a different regulatory approach. The Chief Executive noted that principles-based regulation should enable IPSA to become more measured and proportionate in its approach, but that a sufficient enforcement mechanism would need to be matched with the Scheme. It was decided that the Chair of ARAC would take on responsibility for considering how the risk of non-compliance within a principles-based regulatory framework should be approached.
- 8.3 In relation to tracking lessons learned, the Chief Executive confirmed that IPSA did maintain a comprehensive log of decisions and actions, though it was noted that it could be more difficult to keep track of more informal lessons learned and transactional items. The Chair asked a post-

implementation evaluation exercise was planned in relation to the adoption of principles-based regulation.

## **9. High-Level View of Project Baselineing**

9.1 The Director, MP Services, Strategy and Change presented a paper outlining a series of Corporate Plan success measures and indications of how IPSA would achieve its targets. It was clarified that this was in extension to the agreed baselineing data that would be presented to the Board every six months and concerned operational metrics. It was proposed that the targets as presented were to be adopted with the intention of being met by the end of the Corporate Plan period, 2024-27.

9.2 The Board acknowledged the progress made in IPSA having for the first time looked to establish what success looked like at a strategic level and the targets were seen to be suitably ambitious. There was some concern expressed as to whether all metrics were easily measurable, but it was clarified by the Director, Policy and Engagement that those which concerned public opinion were linked to questions asked in the Opinion survey conducted in 2022 and that the intention was to repeat this work. The Board noted that in light of the Value for Money Assurance Report that was due to be presented to ARAC, some measures in relation to this area may in time need to be amended. The Board approved the success measures as presented, noting those that were still in development.

## **10. Pensions Consultation**

10.1 The Head of Policy presented a paper considering responses to the recent consultation on technical changes to the MPs' pension scheme. The statutory consultation which closed on 3 May had presented three proposals: to introduce an 'economic check' into the cost cap mechanism; to amend the scheme rules in line with relevant aspects of the 2023 Treasury Directions; and to clarify the cost cap implementation period in the scheme rules. IPSA had received eight responses in total to the consultation, including one from the PCPF, and overall, there was general agreement with the proposals. Where there had been disagreement expressed, this had not been supported by a clear rationale. The Head of Policy confirmed that should the Board agree to the proposals, the current intention was to incorporate these amendments at the same time as other amendments made in relation to the McCloud redress scheme. However, depending on the outcome of discussions with HM Treasury and HMRC on proposed timelines, it may still be necessary to incorporate the amendments separately.

10.2 The Board asked that IPSA seek legal advice in relation to any potential equality and fairness impacts of the proposed amendments to ensure that there was no likelihood of inequality or unfairness arising as a result. Provided that the legal advice did not raise any concerns, the Board approved the implementation of the three amendments.

## **11. Bought-In Services Review**

- 11.1 The Director, Policy and Engagement presented a review of IPSA's approach to bought-in services claims, which followed on from the Assurance Report on this subject presented to ARAC in December 2023. It was noted that IPSA needed to think more strategically about bought-in services claims, considering both the reputational risk of not ensuring there were adequate safeguards in place but also ensuring that any changes did not undermine the notable value for money benefits that MPs could obtain through the appropriate use of bought-in services. The Director highlighted that a number of tactical changes had already been implemented following recommendations made in the Assurance Report – these included the issuing of guidance on invoice requirements and the introduction of detailed spot checks of bought-in services claims. The paper presented three recommendations – that MPs be required to make a conflicts of interest declaration before claiming for bought-in services; that a light-touch registration system be introduced prior to expenditure being incurred on bought-in services, and that this information be published; and that more detailed work be undertaken on the use of bought-in services, rather than payrolled staff, for business-as-usual in MPs' offices.
- 11.2 The Board agreed to all three recommendations presented in the paper being included in the Scheme consultation. Regarding the third recommendation, the Board were concerned to ensure that MPs could not simultaneously employ staff members on their payroll while also engaging them as a bought-in service, which could undermine principles of fairness and equality. It was also clarified that whilst MPs should continue to be prohibited from engaging connected parties as bought-in services, much as they were for staff members on their payroll, any conflicts of interest in relation to bought-in services providers would need to be declared but would not necessarily prevent the MP from claiming for the service. The Chair also requested that work on rules concerning staffing through bought-in services be integrated into the wider work being undertaken on the improvement of MPs' staff terms and conditions.
- 11.3 The Director, Policy and Engagement outlined a proposal that the use of parliamentary accountancy be removed as a claimable business cost. The original rationale behind these costs being claimable dated to a time when IPSA did not deduct tax relating to MPs' claims at source, thus creating the possibility that they would require accountancy services in relation to their parliamentary expenditure. IPSA now applied tax to MPs' claims through the payroll process, removing the legitimate reason for MPs claiming for parliamentary accountancy. The Board agreed to this recommendation being included in the Scheme consultation.

## **12. Recognising Previous Service for MPs' Staff**

- 12.1 The Remuneration Policy Specialist presented a paper which set out a range of proposals in relation to recognising previous service for MPs' staff. It was recommended that discretion be

afforded to MPs to enable them to recognise past service for the purposes of redundancy (minus any redundancy payment a staff member had already received in respect of a previous period of service) and family pay entitlement, provided the staff member had a break in service of no less than 28 days (four times the statutory break in service) since working for another MP. Past service would be applied retrospectively to the first date of the individual's employment with their previous MP. It was proposed that sick pay and any other statutory entitlements were not included in the recognition of previous service. Further to this, it was recommended that any qualifying periods for new members of staff with no recognisable previous service should still apply. Finally, it was proposed that the cost of redundancy payments made to MP staff outside of an election be allocated to the contingency budget, to ensure that there was no adverse financial impact on MPs recognising previous service. The Board was also asked to consider whether, if following consultation, such changes were approved for implementation they should be introduced from the time of the General Election or after the end of the winding-up period.

- 12.2 The Board discussed the risk of excluding sick pay entitlement from the recognition of previous service – for example that a staff member with previous service could receive a diagnosis of illness early on in their employment with a new MP and be seriously disadvantaged. The Board asked that more discussions, including with MP staff representatives, be had on the matter of sick pay, as it would be necessary to more fully understand the impact of exclusion from proposals ahead of going out for consultation.
- 12.3 The Board asked that a rationale be provided for the qualifying break in service of four times the statutory rate being proposed, in view of the arrangements that exist in other parts of the public sector; and that the qualifying break in service duration be posed as an open question within the consultation.
- 12.4 On the matter of redundancy, the Head of Policy explained how work was ongoing in understanding the potential tax implications to MP staff with previous service recognised possibly having to take their redundancy payments in two parts, and what this would mean in relation to the tax-free allowance. It was understood that in implementing changes to recognise previous service for MP staff, IPSA was not able to override statutory entitlements.
- 12.5 The Board approved an open consultation on the issues discussed, rather than the presentation of specific recommendations for consideration by consultees. It was clarified that MP staff on non-IPSA contracts would not qualify for recognition of previous service implemented as a result of any changes made.

**13. Board Programme of Work, Reflections, and Any Other Business**



13.1 The Chair presented the Board's forward plan, noting that should a General Election be called, he would meet with the Chief Executive and Chief of Staff to determine changes to the programme of work during the dissolution period and immediately after the General Election. It was recognised that during this period the priority would be work concerning the implementation of IPSA's General Election project. The Chair committed to reporting back to Board members following this meeting. Were a General Election called this would also result in a delay to the proposed Scheme consultation.