

Minutes of a meeting of IPSA's Board

Thursday 10 September 2020

By conference call

Board Members: Richard Lloyd (Interim Chair)

Sir Robert Owen

Rt. Hon Jenny Willott

Will Lifford

In attendance: Marcial Boo, Chief Executive

Alastair Bridges, Director of Finance and Corporate Services

Karen Walker, Director of Strategy and Change

Georgia Wilson, Director of Improvement and MP Support

Head of Communications

Head of Policy and Assurance

Senior Policy Adviser (Item 4)

Head of Human Resources (Item 8)

Executive Assistant and Board Secretary (Minutes)

Status: Submitted for approval at the meeting of the Board on 28 October 2020

1. Welcome and Declarations of Interest

- 1.1 The Interim Chair opened the meeting and invited all to declare any interests not previously recorded. As a trustee of the Parliamentary Contributory Pensions Fund (PCPF), the Director of Finance and Corporate Services declared an interest in regards to item 9 on death in the line of duty pension provisions.

2. Minutes and Actions List

- 2.1 The minutes of the Board meeting of 15 July were approved with one amendment, with all actions completed to date noted.

3. Chief Executive's Report

- 3.1 The Board welcomed the Chief Executive who was introducing his final report after six years at IPSA. The Board thanked him for his service and wished him well. The Board also welcomed Karen Walker, Director of Strategy and Change, to her post.
- 3.2 The Chief Executive thanked the Board and briefly summarised his report. The Board confirmed that it wished to proceed with the Annual Publication of MPs' expenditure in December 2020 and IPSA's Annual Accounts in January 2021. The Director of Finance and Corporate Services confirmed that IPSA was to submit its accounts to the NAO by the end of September.
- 3.3 The Board sought further detail on Freedom of Information requests, on further information that IPSA was set to publish on its website, and on payment cards. As many FOI requests concerned published material, the Head of Communications outlined plans to refresh IPSA's website to make this information more accessible. The Director of Improvement and MP Support updated the Board on card reconciliations and suspensions since the reintroduction of the payment card policy, which had previously been paused in spring at the height of the pandemic.
- 3.4 The Board noted the latest performance management data appended to the report. Whilst this quantitative data was welcome, the Board asked that the Executive review how performance measures were reported to align them more closely with the qualitative issues outlined in the corporate risk register.
- 3.5 The Board considered preparations made to ensure IPSA's offices were covid-secure. In parallel to the physical alterations being made to the office, the Director of Finance and Corporate Services was overseeing the production of guidance for a voluntary and capacity-limited pilot return to 85 Strand in the autumn. The pilot

would only be launched after consultation with the Data Protection Officer and IPSA's legal advisers, and in line with government guidance. The Board also noted the position of the House of Commons in relation to its own staff and those of MPs.

- 3.6 The Board referred to a recent survey of staff thoughts on returning to the office. Staff welfare and wellbeing remained at the forefront of the Board's mind and would inform its thinking as and when it reviewed office arrangements in line with government guidance.
- 3.7 As the new Interim Chief Executive would take up post on 19 October 2020, the Board agreed that transitional arrangements were required. Until 18 October 2020, the Director of Finance and Corporate Services would act as Accounting Officer. The Chair of the Audit and Risk Assurance would ensure, on behalf of the Board, that any changes necessary were made in line with the principle of the segregation of duties.
- 3.8 The Board also decided that the recruitment process should immediately commence for the vacant Director of Regulation and Insight role, with stakeholder engagement a key focus of the postholder. Meantime, the Interim Chair would continue to regularly liaise with the directors and two senior managers of the Regulation and Insight directorate as necessary.

4. MPs' Pay Review

- 4.1 The Chief Executive opened this item in the context of IPSA's statutory obligation to review, consult, and publish a determination on MPs' pay within the first year of each new Parliament. Following a conference call on 8 September, the Board confirmed that it planned a consultation narrow in scope.
- 4.2 The Senior Policy Adviser sought the Board's approval for suggested outcomes and principles of the review. The Board approved all, subject to one amendment.
- 4.3 The Senior Policy Advisers discussed the proposed substantive content of the review. The Board considered the recommendations in detail and decided that:
- the consultation should not rule in or rule out a covid-19 cut to MPs' pay,
 - the consultation should not engage on the question of 'safeguards' to the benchmark against which MPs' pay is indexed,
 - that external indexation of MPs' pay remains appropriate and has proved helpful in depoliticising the discussion on MPs' pay,
 - that the Board was minded to maintain the ONS public sector earnings benchmark for 2020/21 given the uncertainty affecting the economy due to the covid-19 pandemic,

- that the consultation could nonetheless engage neutrally on longer-term alternative indices against which the determination of MPs' remuneration could be pegged, with the potential for change in more stable future years,
- that the review should not seek a baseline review of the quantum of MPs' pay, but should consider its indexation as well as the loss-of-office payment, additional salary for the Panel of Chairs and Select Committee Chairs, and pensions in light of the McCloud judgment,
- that the consultation might refer to IPSA's work on parental leave following the report of the Procedure Committee, and;
- that the Board delegate authority to the Interim Chair to sign off the consultation and that the Board reconsider these issues in November.

5. Automatic Pay Changes for MPs' Staff

- 5.1 The Chief Executive introduced a paper which considered the case for automatically uprating MPs' staff by any cost-of-living increase determined by IPSA. Such a move could more fairly remunerate MPs' staff, reduce bureaucracy for MPs and IPSA, and, given that this was the model used by the Welsh Parliament, was unlikely to infringe on the employment relationship between MP and staff. That said, it would represent a significant shift in IPSA's position.
- 5.2 With a view to furthering the professionalisation of MPs' offices, the Board agreed that IPSA should work towards introducing an automated, opt-out process for administering cost-of-living pay rises to MPs' staff. The Board should aim to reach a determination in time to enable any decision to be operationalised for 2020/21. This should also include solutions to apply in circumstances where an automatic cost-of-living pay rise would take an MP's staff member above the maximum pay scale of their job role.
- 5.3 The Interim Chair also agreed to consult informally with MPs, staff, and staff representatives on this question.
- 5.4 The Board also considered the appropriateness of other methods by which MPs' staff pay could be automatically uprated, with further such discussion to follow in due course.

6. Parental Leave

- 6.1 The Head of Policy and Assurance introduced a paper, which considered consulting on creating a specific fund for additional staffing costs to provide cover for MPs on

parental leave. Such funding was currently automatically pre-approved via the contingency budget. The Procedure Committee had recently recommended that the House of Commons makes its proxy voting pilot permanent and that MPs could self-certify when they were due to take such leave.

- 6.2 The Board reaffirmed its commitment to supporting MPs with families and wished to publicly welcome the report of the Procedure Committee. The intention of the Board was to formalise and simplify the process for parental leave funding cover.
- 6.3 It noted the range of options available to it and decided that IPSA would benefit from conducting further conversations with MPs before consulting on the way forward. This included establishing the outcomes IPSA wished to achieve and any subsequent implications on MP staff job descriptions, grading, and funding. The Head of Policy and Assurance would present such a proposal in the new year.

7. End-of-Tenancy Cleaning

- 7.1 The Head of Policy and Assurance introduced a paper, following a decision of the Compliance Officer that end-of-tenancy accommodation cleaning costs incurred by MPs should be reimbursable. In response, the Change Oversight Committee had temporarily changed IPSA policy to make such costs eligible for reimbursement.
- 7.2 The paper recommended that IPSA consult on changing the Scheme to formally reflect this, to gather further information on how common these clauses are in tenancies, and to consider the rules which would govern its eligibility. On the latter, a key question would be whether claims would only be eligible if the services of a professional cleaning company were proactively engaged or whether any sums withheld from a deposit by a landlord for cleaning purposes would also be reimbursable. The paper also recommended that IPSA consult on amending the word 'approve' in the Scheme to avoid any impression that if IPSA registers a lease then it accepts all liabilities within it are eligible.
- 7.3 The Board was content to consult on this matter, but was not in favour of making sums deducted from deposits reimbursable. Given the number of consultations envisaged, the Board delegated questions of prioritisation to the Executive and asked it to provide a timeline to this effect. The temporary arrangements agreed by the Change Oversight Committee would meantime remain operational.

8. Terms of Appointments of Board Members

- 8.1 The Head of Human Resources proposed amendments to the terms of appointment of Board members and the confidentiality agreement which they sign upon appointment. The changes had been subject to legal review.
- 8.2 The Board approved the document in principle, subject to the following tweaks:
- amending the wording of the provision on political activities as directed and clarifying the definition of the terms 'paid' and 'party-political', given that members of the House of Lords are not remunerated and can be crossbench,
 - expanding the duties of Board members by reference to their job descriptions, and
 - specifying that the confidentiality agreement extends to any confidential information relating to payment of salaries to MPs and staff.
- 8.3 Subject to final sign-off by the Board and the Speaker, the Board agreed that these amended terms of appointment be applied to new Board members. The updated code of conduct, approved at item 10, should, however, apply to existing and new Board members.

9. Death in the Line of Duty – Drafting Error

- 9.1 The Head of Policy and Assurance introduced her paper, following the Board's earlier decision based on legal advice that the PCPF could apply the discretionary provisions it sought to exercise. PCPF's legal advisers have subsequently identified an error in the drafting of the rules such that whilst the provisions do allow for enhanced payments, they do not grant that power to the quantum and extent intended by the Board in 2018.
- 9.2 To give effect to the Board's intention, the Board agreed that a new scheme be laid without consultation. The Interim Chair would liaise as appropriate with the PCPF.

10. Governance Review

- 10.1 The Board considered a modernised package of governance documents, including its standing orders, scheme of delegation, and code of conduct. Changes had been approved in principle at its meeting of 15 July and the documents had subsequently been further reviewed by the Chair of the Audit and Risk Assurance Committee, Head of Finance and Payroll, and Head of Internal Audit. Approval of these documents would fulfil recommendations of the Board's governance review.

- 10.2 The Board approved the updated governance framework, subject to the minor drafting amendments. It welcomed the introduction of diversity and equality e-learning, but sought assurance that a comprehensive package of induction was envisaged.
- 10.3 The Board deferred its nomination of a Senior Independent Director pending the appointment of a permanent Chair.

11. Financial Position and Management Accounts

- 11.1 The Director of Finance and Corporate Services presented a stable financial position. He noted that there may be some lag in overtime claims and that there was uncertainty as to the financial implications of the Kickstart scheme, though security invoicing was up-to-date.
- 11.2 The Board noted the report with thanks and asked for the executive to consider ways to present the debt report more clearly.

12. Report from the Change Oversight Committee

- 12.1 A report from the Change Oversight Committee of 27 July 2020 was approved.

13. Board Programme of Work 2020-21 and Any Other Business

- 13.1 The Board noted its Programme of Work for 2020-21.
- 13.2 The Board expressed its thanks to Marcial Boo, during his last meeting as Chief Executive. Marcial had stewarded IPSA diligently through three General Elections and a pandemic, all whilst providing a strong foundation upon which IPSA's improvement programme was based. The Board agreed that he had served Parliament and the public well.

END