

Minutes of a meeting of IPSA's Board

Wed 16 December 2020

By video conference call

Board Members: Richard Lloyd (Interim Chair)

Rt. Hon Jenny Willott

Will Lifford

Sir Robert Owen

In attendance: Ian Todd, Chief Executive

Alastair Bridges, Director of Finance and Corporate Services

Lee Bridges, Director of Regulation and Insight

Karen Walker, Director of Strategy and Change

Georgia Wilson, Director of Improvement and MP Support

Head of Communications

Head of Policy and Assurance

Head of Data, Publication and Validation

Senior Policy Adviser

Policy and Research Officer

Executive Assistant and Board Support Officer

Apologies: None

Status: Submitted for approval at the meeting of the Board on 11 February 2021

1. Welcome and Declarations of Interest

- 1.1 The Interim Chair opened the meeting and invited all to declare any interests not previously recorded. Richard Lloyd declared his recent appointment as Chair of the Oversight Committee for the FCA.

2. Minutes and Actions List

- 2.1 The minutes of the additional Board meeting of 2 December 2020 were approved subject to them being presented in the formal format.
- 2.2 All actions were reviewed and updated. Completion due dates were noted.
- 2.3 The Chief Executive advised the Board the RAG ratings used to categorise the status of the actions has been revised. The green, yellow and red statuses now reflect the widely used delivery confidence model e.g. on track, at risk, and unachievable or overdue respectively.

3. Chief Executive's Report

- 3.1 The Chief Executive informed the Board that the format and content of his report has been revised to align with the Corporate Plan.
- 3.2 The Chief Executive summarised a new issue with IPSA Online. Some MPs had not had expenses reimbursed to them in the way we would expect. Unit 4 is resolving the issue and the Director of MP Support has been proactive in communicating the issue with to those MPs most significantly affected
- 3.3 The Chief Executive also flagged issues that materialised as part of IPSA's Year End processes. Examples of this were salary changes not being processed in a timely way, issues with payment data submitted via mobile devices and some duplication of transactions. However, the move to IPSA Online improved IPSA's ability to identify the errors by providing a single source of truth.
- 3.4 The Chief Executive gave an overview to the Board of IPSA's attendance at SCIPSA to present the draft strategy and business plan. Overall, the Committee was supportive.
- 3.5 The Director of Finance and Corporate Services advised the Board that IPSA is to commission a report that will support an improved set of financial controls. In addition, IPSA Online provides a 'single source of truth' which will identify errors more effectively. The Director of Finance and Corporate Services assured the Board that lessons are continually being learned and that IPSA had already introduced interventions to identify risk, contain the risk and minimise the risk of recurrence. In

addition, further mitigations had been put in place to ensure that ‘duplication of payment’ is now a reduced risk.

- 3.6 The Director of Finance and Corporate Services also updated the Board on the current status of the 2017 data breach incident. IPSA intends to commission further advice from lawyers and senior counsel and plans to share this with the Board at the next meeting. The stand-alone court case will be scheduled for 2021.
- 3.7 The Chair and Board credited the Executive Team for the progress made since the last Chief Executive’s report. Improvements made to reduce payment card suspensions was specifically acknowledged.
- 3.8 The KPIs were noted.

4. MPs’ Pay Review

- 4.1 The key decisions regarding the MPs’ pay review were made at a special meeting of the Board on Friday 11 December 2020. The full response to the consultation is to be approved for publication in February.

Action - Director of Regulation and Insight: To prepare a consultation response on MPs’ Pay and Pensions in a single document – paper due at Feb 2021 Board.

5. MP Budgets 2021/22, & Covid-19 flexibilities

- 5.1 The Head of Policy and Assurance introduced the process for setting MPs’ budgets and summarised IPSA’s introduction of additional Covid funding part-way through 2020/21.
- 5.2 On the use of predicted or forecast inflation figures over the use of actual inflation figures, it was confirmed that IPSA would usually use the October or November CPI figure but on this occasion IPSA decided to use a forecast due to the current levels of variability.
- 5.3 The Board discussed automated pay increase implementation for MPs’ staff and were concerned about the proposed lead-times being tight. The Director of Finance and Corporate Services acknowledged that the timescales were indeed tight, and as such it would likely take effect in May 2021 if the decision is to proceed.

- 5.4 The Board approved a cost of living increase of 1% to be applied to staffing budgets.
- 5.5 The Board approved business costs and staff salary ranges for 2021-22 as recommended.
- 5.6 The Board discussed Covid-related additional capacity funding and whether this should be rolled forward into 2021-22 . The Board were informed by the Head of Policy and Assurance that take-up for this funding had been low, but that evidence showed that this was slowly increasing over time. This was supported by feedback from MPs' staff who talked of delays in using the budget as they were reluctant to recruit when not being certain that the funding would continue into 2021-22.
- 5.7 The Board approved the rolling forward of additional capacity funding to 2021-22 with a review at 9 months. The additional funding will increase by 1% in 2021-22, as agreed for 2021-22 staff salary increases.
- 5.8 It was agreed to communicate the decision immediately, subject to formal funding approval by SCIPSA, as agreed with the Speaker.
- 5.9 **Action Director of Regulation and Insight:** To provide the Board with a summary of the impact on a small number of MPs affected by the 'associated costs funding' issue.

6. Decisions for 2021/22: corporate plan and estimate

- 6.1 The Director of Strategy and Change introduced an amended version of the plans, taking into account feedback from the Board and SCIPSA. asked the Board to formally sign-off the Corporate Plan.
- 6.2 The plan makes IPSA more transparent to SCIPSA and other stakeholders as it provides them with a very clear strategy and implementation plan that demonstrates continual improvement, progress on change, governance and overall deliverables.
- 6.3 The Board approved the Strategy and Corporate Plan.

7. Annual Report & Accounts

- 7.1 The Director of Finance and Corporate Services reported that he is to close off some remaining points with the NAO's auditors before sharing the amended version with the Chair of the ARAC Committee for final sign-off.
- 7.2 Ian Todd's formal appointment letter as Accounting Officer will be forwarded to the NAO by the Director of Finance and Corporate Services.
- 7.3 The Annual Report and Accounts papers were discussed and accepted by the ARAC Committee at a meeting held earlier on this same date. These were formally approved by the Board, subject to the two actions noted above.

8. Annual Publication

- 8.1 The Head of Data, Publication Validation presented the Board with the draft Annual Publication. The year was not exceptional and figures were generally as expected, especially when compared with other General Election spending years. Trends were in line with expectations.
- 8.2 The Board discussed the number of MPs overspending their budgets and asked why the amount of the overspend had grown dramatically since last publication. It was explained that some MPs would still be in the process of repaying overspends and these adjustments would not show until January 2021. IPSA is currently in a period of investigating overspends and some will be resolved before publishing.
- 8.3 The Head of Data, Publication Validation advised the Board that MPs will be reminded that overspends will be published if not repaid in a timely fashion and that they must allow time for adjustments to be made. The bi-monthly publication mitigates against MPs not being aware of the overspend. Deadline reminders are due to be sent.
- 8.4 The Head of Communications explained how overspends are presented and that explanatory text can accompany the data. The MPs' commentary section allows the MP to write a commentary of their own, though many choose not to.
- 8.5 The Director of Regulation and Insight was asked to ensure that the data is not presented in a way that damages the reputations of MPs due a lack of contextualisation by IPSA.

9. Annual Review of Assurance

- 9.1 The Head of Policy and Assurance introduced and summarised the covering paper and report.

9.2 There followed a discussion on the level of detail contained within the report and whether IPSA should re-publish information if it was already in the public domain. It was agreed to avoid unnecessary repetition.

9.3 The Board approved the publication of the report as an annex to the ARA, with amendments to focus the publication on how IPSA does assurance rather than thematic review detail.

9.4 **Action Chair and Chief Executive:** To sign-off the Annual Review of Assurance Report when revised.

10. Pooled Services – Compliance Standards

10.1 The Senior Policy Advisor joined the meeting and summarised the paper. Annex 1 is a written agreement drafted for work with Pooled Services.

10.2 The paper contained a list of service organisations that want to become pooled services. The Board requested that the paper should provide more clarity on the categorisation of pooled services, specifically with respect to APPGs.

10.3 The Board noted that there were differences as to how some pooled services are reimbursed and advised that there should be no differences in approach between providers. The Board requested that the paper includes a clear definition for MPs as to what pooled services funding is intended for.

10.4 **Action Head of Policy and Assurance and Senior Policy Advisor:** To return the paper to the Feb 2021 Board with the adjustments described above.

11. Financial Position and Management Accounts

11.1 The monthly report was not circulated due to timing of the Board meeting. Provisional figures and headlines were shared only.

11.2 Subhead A was stable and the year to date figure was projected within budget.

11.3 Subhead B had some underspends on IT costs and staffing. The Director of Finance and Corporate Services will look into the redistribution of the underspend in January 2021 with a view to bringing items forward from 2021/22 where possible.

11.4 The Debt Dashboard will be shared at a later date. However, the Board were informed that there is £410k debt, reduced from £500k at time of last report. Credit notes have been raised along with other actions taken to recover the monies owed.

12. Board Programme of Work 2020-21 & AOB

Action Executive Assistant and Board Officer: Cancel January Board meeting. Bring forward the February Board to 11 Feb 2021.

13. AOB

- 13.1 The Chair, Board and all attendees gave their thanks, farewell and best wishes to Jenny Willott who joined the IPSA Board in 2016 and was also the Remuneration Committee Chair. Her term at IPSA ends on 31 December 2020.

END