

Minutes of a meeting of IPSA's Board

Thursday 20 September 2018

Present: Ruth Evans, Chairman
Sir Robert Owen
Rt. Hon Jenny Willott
Will Lifford

In attendance: Marcial Boo, Chief Executive

Vicky Fox, Director of MP Support Services
Alastair Bridges, Director of Corporate Services
Head of Policy and Assurance
Head of Communications
Head of Programmes and Change (item 3 only)
Embridge Consulting (item 3 only)
PA Consulting (item 3 only)
Lay member, Speaker's Committee for the IPSA (item 4 only)
Lay member, Speaker's Committee for the IPSA (item 4 only)
HR Consultant (item 9 only)
Tracy Hawkings, Compliance Officer (item 10 only)
Policy Adviser (minutes)
Account Manager (observer)

Status: Submitted for approval at the meeting of the Board on 29 October 2018

1. Welcome and Declarations of Interest

- 1.1 The Chair opened the meeting and welcomed those attending, inviting the Board and members of staff to declare any interests not previously recorded. Jenny Willott declared an interest in the discussion on MPs' pensions, as she is a deferred member of the final salary pension scheme. This interest was noted.

2. Minutes of previous meetings and matters arising

Minutes

- 2.1 The minutes of the meeting of the Board held on 20 September were approved as a correct record, subject to amending the section on first class travel to note that the issue will be revisited when IPSA Online goes live.

Actions arising from the previous meeting

- 2.2 There were no comments on the action list. The two outstanding actions are not due until the next Board meeting.

3. IPSA Online Highlight report

- 3.1 The Board received an update on the progress of IPSA Online. IPSA has now switched suppliers from Unit4 to Embridge which will bring savings and improve value for money in the medium and long term, but incur higher costs this financial year. The hosting has changed to QTC which will improve the performance of the new system.
- 3.2 The Board heard that Embridge were undertaking work to align all the IT environments of the new system and ensure its components were sufficiently tested. As a result of the support of Embridge's permanent team, PA Consulting will withdraw from day-to-day involvement in the project. Unit4 will still take responsibility for the customisations to our system and will carry out fixes on these, as they are the authors of the underlying software.
- 3.2 The Board acknowledged that they hoped to see IPSA Online go live on schedule. However, the delay will enable more rigorous testing of the system and give IPSA time to include in the new system some features that we had previously accepted would be completed later, in an attempt to meet the original deadline. This will make IPSA Online better able to meet IPSA's and MPs' needs from day one.
- 3.3 The Board supported the decisions made by the executive, and stressed the critical importance of the project. However, the Board asked that a further 'lessons learnt' audit review should take place on the IPSA Online programme after it had gone live, and that this review should be made public. The Board asked that we inform the

Speaker and MPs of the revised plans once Parliament sits again after autumn conference season.

4. Lay members of Speaker's Committee for the IPSA

4.1 The Board heard from two lay members of the Speaker's Committee for the IPSA who acknowledged the improved relationship between SCIPSA and IPSA and made three main points on how to improve it further:

- They wanted IPSA to liaise more closely with SCIPSA's lay members, perhaps through private briefings in addition to the public meetings. This is partly because the lay members currently hear about issues exclusively from the perspective of MPs, and have not hitherto been able to hear IPSA's arguments in advance of public meetings. Unlike MPs, lay members don't have a personal interest in IPSA's decisions and would be interested in the reasons behind the approach being taken.
- They wanted SCIPSA to see IPSA's budget Estimates earlier so that they can offer comments in time for IPSA to change its assumptions and proposals before the start of the next financial year.
- They thought IPSA's governing principle should be to focus on increasing public trust and confidence in parliament.

4.2 The Chief Executive thanked the lay members of SCIPSA for their continued and valuable contributions to SCIPSA. He acknowledged the importance of SCIPSA seeing budget Estimates in good time, and noted that IPSA was generally ready with its budget each December and so could attend a meeting with SCIPSA whenever it wished after that.

4.3 The Board agreed that private briefings with lay members would be beneficial, and that IPSA's Chair and Chief Executive should meet regularly with both lay members and MP members of SCIPSA.

5. IPSA's Annual Review of Assurance

5.1 The Board welcomed the draft of IPSA's second annual review of assurance and congratulated IPSA's team on the good work it reported. The Board noted that the review showed high levels of compliance among MPs, including over the period of the 2017 General Election. The Board requested a few detailed changes to the document and looked forward to receiving a further draft at its October meeting such that the review of assurance could be published in November.

6. Policy review of constituency offices

- 6.1 The Board welcomed the report and its findings, and approved the recommendation that IPSA should draw up guidance on the general standards required for MPs' offices, to clarify for MPs what IPSA believes to be reasonable standards. The Board offered some drafting comments on the review and looked forward to receiving a further draft at its October meeting such that the document could be published online in November alongside IPSA's annual review of assurance.

7. IPSA's Review of MPs' remuneration (pensions), including death in the line of duty

- 7.1 The Head of Policy proposed that, following the consultation earlier in the year, the Board adopt the recommended changes to the MPs' pension scheme that we consulted on. In two cases, the paper contained recommendations that were different to the ones in the consultation document. These are to enable partially-protected members to move from the final salary section to the CARE section, and to give MPs more flexibility in opting out of the pension scheme. The first of these changes was based on suggestions made by the trustees of the pension scheme, the second was suggested by an MP. The Board discussed and accepted these recommendations.
- 7.2 The Board discussed the recommendation for partially-protected final salary members to opt for the CARE section. As the transitional protection arrangements come to an end no later than May 2022, the change will be relevant to a diminishing population of MPs. The Board agreed the recommendation. The Board also asked for information on how many partially-protected members would be affected.
- 7.3 The Board noted that IPSA was in discussion with the House of Commons and the Government Actuary's Department on a few outstanding technical changes, including on the exact legal definition of 'unmarried partners'.
- 7.4 Following further discussion, the Board accepted the recommendations made and noted that a draft report on MPs' remuneration would be considered at its October meeting and published early in 2019.

8. Review of MPs' staffing budgets

- 8.1 The Board noted that, over the last year, a few MPs had asked IPSA for an increased staffing budget in order to meet higher levels of demand from their constituents. Other MPs were nonetheless content with the current level of their staffing budget. The Board agreed that IPSA should gather evidence on the extent to which demands on MPs' offices had recently changed and whether this should be reflected in an amended staffing budget.
- 8.2 The Board agreed that the review should start in the autumn of 2018 with a call for evidence. This would allow IPSA to identify any significant issues by January 2019.

However, in order for the review to be comprehensive, the detailed evidence put forward by MPs would be assessed in more detail alongside other analysis, and reported more fully to the Board later in 2019.

9. House of Commons' Independent Grievance and Complaints policy

- 9.1 IPSA's internal HR consultant briefed the Board on the House of Commons' new Independent Grievance and Complaints policy. He outlined the background to the policy, the potential impact on IPSA's employees, and steps that IPSA should take to inform MPs and their staff correctly about the policy and its impact on their staff.
- 9.2 The Board noted that IPSA's staff would be covered by the House of Commons policy if they were on the parliamentary estate, but not otherwise, and that the policy did not cover IPSA staff in MPs' constituency offices. The Board recognised that IPSA already had in place its own policy for dealing with grievances and complaints and that this was working well in practice.
- 9.3 The Board noted that the House of Commons proposed to review its new grievance and complaints policy after six months and 12 months, so IPSA would have an opportunity to contribute any views to the House at those stages.

10. Compliance Officer's report

- 10.1 The Compliance Officer presented her report on her work over the preceding period. The Board commended the Compliance Officer on her efficiency in resolving outstanding cases.
- 10.2 The Board discussed the possible transfer of first tier tribunals involving Scottish MPs to Scotland. The Board had a preference for all tribunals to be held in London, on the basis that Scottish MPs were representing their constituents at the United Kingdom parliament based in London, rather than as MSPs representing their constituents in the Scottish parliament in Edinburgh. But the Board did not want to impede the Compliance Officer's independence in establishing her procedures in consultation with others.

11. Financial position and management account

- 11.1 The Director of Corporate Services gave the Board a summary of IPSA's financial position for August 2018. He noted that IPSA had made savings as a result of a discount received on the purchase of the long-term product licences from Unit4 for the use of its Business World software. We had also received a refund from Unit4. Thus, although moving IT supplier involved higher up-front costs in this financial year, it will deliver savings to the taxpayer in the medium and long term. In addition, existing functions

previously performed by staff from PA Consulting would now be brought in-house, providing further savings, and PA Consulting had committed to providing further assistance at no charge. IPSA was also in the process of reducing its headcount through a programme of voluntary exits, as had been promised to the Board and to SCIPSA. These measures would ensure that the IPSA Online programme would provide positive value for money.

- 11.2 IPSA had sought and received agreement from HM Treasury to reallocate funds from Subhead A of IPSA's Estimate to Subhead B in order to meet the funding pressure resulting from the IPSA Online programme in 2018-19.
- 11.3 The Board noted the budget update and thanked the Director of Corporate Services for IPSA's work to reduce costs over the medium term, notwithstanding the increased costs in 2018-19. The Board requested a full breakdown of all costs and savings for its next meeting.

12. Chief Executive's report

- 12.1 The Chief Executive noted this was the Board's first meeting after the retirement of John Sills as IPSA's Director of Regulation. He thanked John for his substantial work for over eight years to help IPSA become firmly established as an independent regulator and particularly to create IPSA's Scheme of MPs' Business Costs and Expenses. The Board also noted their thanks.
- 12.2 The Board discussed IPSA's prospective office move from 30 Millbank to new premises in The Strand. The Chief Executive informed the Board that agreement was near, and that the proposed terms were financially favourable, with a seven-year lease of good quality offices within walking distance of parliament.

13. The Board's programme of work

- 13.1 The Board reviewed its programme of work. It noted that its forthcoming strategy day in November would be in Richmond, and would cover aspects of IPSA's work on communication and public engagement, on how we might use our data more effectively in future, on the future shape of our organisation following the implementation of IPSA Online, and on issues relating to data security and financial transparency.
- 13.2 The Board asked that, at a future meeting, they could discuss possible changes in IPSA's regulatory role over the next five years.

14. Any other business

14.1 No further items were raised. The Chair thanked the Board and Executive for their attendance, bringing proceedings to a close.

Meeting closed