

Minutes of a meeting of IPSA's Board

18 October 2023

Board Members: Richard Lloyd OBE (Chair)

Will Lifford

Lea Paterson CBE

Helen Jones

Dame Laura Cox

In attendance: Ian Todd, Chief Executive

Karen Walker, Director, MP Services, Strategy and Change

Lee Bridges, Director, Policy and Engagement

Thomas Fitch, Director, Finance

Chief of Staff

Acting Chief of Staff

Head of Policy

Head of MP Services (Item 5)

Policy Manager (Item 5)

Apologies: N/A

Status: Submitted for approval at the meeting of the Board on 13 December 2023

1. Welcome and Declarations of Interest

- 1.1 The Chair welcomed the Acting Chief of Staff to his first meeting and invited attendees to declare any interests not previously recorded. Helen Jones noted that she had received a communication regarding pension options and the McCloud judgement, but she believed this to be the first such notification of a potential impact on her personal financial position rather than a conflict of interest.

2. Minutes and Actions

- 2.1 The minutes of the Board meeting of 12 September were approved subject to notifying the MP staff representatives in attendance of the summary for publication.
- 2.2 The Board noted the actions update with thanks.

3. Approach to planning and budgeting for 2024/25

- 3.1 The Director of MP Services, Strategy and Change presented draft slides to the Speaker's Committee for the IPSA (SCIPSA) reflecting on progress made under the Corporate Plan 2021-24 and year-to-date, outlining key priorities for the next financial year, and its overarching likely budget approach, including significant expected expenditure on the McCloud pensions remedy and General Election. It was noted that the formal business plan for 2024/25, Strategic Plan 2024-27, and Main Estimate for 2024/25 would be tabled at the Board meeting of 13 December.
- 3.2. The Board approved the report as drafted.

4. Publication Action Update

- 4.1 The Head of Policy introduced a paper recommending changes to IPSA's approach to publication in the short, medium, and long term. On more immediate tactical changes, this included a proposal to redact hotel names for staff members, details of parking claims in line with current practice on mileage and venue hire, and any reference to formal family relationships where they appear in dependant travel claims. The Board endorsed the proposals as consistent with its approach on similar matters and as an appropriate balance

between IPSA's duty of transparency to the public and protecting the security and privacy of MPs, their families, and their staff.

- 4.2 The Head of Policy raised the prospect of additional aggregation of published data which, as a departure from existing Publication Policy, would require consultation. This could return with a more detailed consultation document in December, including a proposal to aggregate rent and pooled service costs by MP on an annual basis to avoid data discrepancies when publishing certain types of costs in a bimonthly cycle.
- 4.3 The Board asked the Executive to consider the timing of consultation on further tactical changes, in light of the discussion about a more fundamental review of publication in line with its duties under the Parliamentary Standards Act 2009 and other legislation, as well as how such a proposal may be operationalised. It discussed the proper interpretation of IPSA's duties under the Act with regard to transparency to ensure statutory compliance.
- 4.4 The Director of Policy and Engagement also sought the Board's appetite on changing the presentation of the data set to be published during this round of Annual Publication. This could include a report with further contextualisation, aligned with recent public research and stakeholder engagement, into the value of the spend in supporting democracy and resourcing MPs and staff to do their jobs in support of constituents. This is feasible to produce within the current timeframe, though the Board were open to a short delay should more material change be required.
- 4.5 The Board were supportive of IPSA taking greater steps to contextualise and visualise the data to make clear that the vast majority relates to staffing and office expenditure, does not go to MPs directly, and costs such as accommodation or hotels were essential for MPs to fulfil their parliamentary duties. The Board also supported presenting staffing and office expenditure differently using more neutral language that reduces the risk of misrepresentation, and to aggregate or present this distinctly and separate to other types of spend. It asked the Executive to return with a proposal of what may be possible within current staffing capacity and website design, and an associated communications approach, by early November and in initial response to the Speaker's Conference on the employment conditions of MPs' staff. IPSA could also more impactfully note its own validation activities and statutory duties as a regulator in ensuring that the published claims to which the data relates have been robustly checked.
- 4.6 The Head of Policy further presented proposed future transparency objectives governing IPSA's longer-term approach to publication.
- 4.7 The Board noted that whilst central procurement may impact the volume of data for publication in future, contextualisation remained important. It approved the draft objectives, pending a clear delineation of measures of success and the development of effective public and stakeholder engagement activities to this end.

5. Initial review of funding of non-parliamentary communications

- 5.1 The Head of Policy introduced a paper outlining challenges in distinguishing between party-political versus parliamentary content in communications materials. In the future and wherever IPSA landed in its approach to regulation, it was noted that a strong communications plan would be needed to support MPs and their staff to understand the position and in offering guidance on how IPSA may interpret claims.
- 5.2 The Board recognised the challenges presented and supported a smaller but ring-fenced budget for such communications and for the use of this fund to be governed by principles-based regulation from 2024/25. This would limit the regulatory risk that public money is used for large-scale political campaigning, obviate the need for difficult and subjective pre-verification by IPSA employees and place an obligation on MPs to consider what is appropriate. Such judgements may then be affirmed by MPs attesting that their expenditure has been in line with said principles. It further encouraged the Executive to provide clear guidance including examples, for instance distinguishing between information intended by MPs to raise awareness of constituency surgeries and those related more to public relations activity. It was also clear that IPSA has no role in the scrutiny of speeches made in the House.

6. Report from the Audit and Risk Assurance Committee and Annual Report & Accounts

- 6.1 The Chair invited the Chair of the Audit and Risk Assurance (ARAC) to update the full Board on the discussions held at ARAC the day previous and to take the item relating to the Annual Report and Accounts in tandem.
- 6.2 The ARAC Chair informed the Board of the Committee's conclusion that the strategic risk relating to security could be removed by the end of the year, and that the importance of communications strategy, alongside an initial risk assessment, should be elevated to the strategic risk register. The Chief Executive and Director of Policy and Engagement had also provided updates on their assessment of risks, particularly in relation to the external environment and its impact on IPSA operations and people. The Committee further noted good progress made in implementing audit and assurance recommendations, though one high-risk item required re-evaluation and further work was needed to embed a culture of systemically implementing actions by due dates. The ARAC Chair summarised the Committee's discussions of future options relating to IPSA's internal audit function and sought delegated authority from the Board for the Committee to lead the work on both risk identification and mitigation, as well as procurement.
- 6.3 The ARAC Chair additionally informed the Board of a clean audit report from the National Audit Office, as well as reassuring opinions under the draft Internal Audit Annual Report, draft ARAC Annual Report, and draft SIRO Report. All reports and the Annual Report and Accounts were therefore recommended for approval and adoption by the Board.
- 6.4 The Board approved the Annual Report and Accounts and thanked IPSA colleagues and the NAO for their effective collaboration during its production. It noted that future editions may lend themselves to greater visualisation or communications opportunities without

detraction from the statutory requirements to which IPSA was subject. It additionally delegated authority to ARAC as per the recommendation above on the future of the internal audit function.

7. Chief Executive's Report

- 7.1 The Chief Executive highlighted key headlines from the report, noting progress made in the performance of IPSA's validation function, updating the Board on a new payroll process designed to identify outlier tax payments, informing the Board that the Executive would produce an annual schedule of write-offs for its information as per the Scheme of Delegation going forwards, and, again as per the Scheme of Delegation, informing the Board of two contracts relating to a Financial Planning and Analysis Tool whose quantum did not require the Board's agreement but only its notification. IPSA had additionally retained its Cyber Essentials Plus certification following external audit and separate external penetration testing.
- 7.2 The Director of MP Services, Strategy and Change, updated the Board further on progress made in IPSA's validation performance. This included an enhanced risk assessment model and more informed decision-making by validators, as well as better employing the existing relationships of Account Managers to support customers with the highest return rates. IPSA was also considering improved software, including that used by the Government Internal Audit Agency, to identify outliers, had updated internal guidance on the recovery of paid claims, and introduced quality assurance across the function.
- 7.3 The Board acknowledged the notification with regard to contracts above threshold and procured through the Crown Commercial Services Framework, and welcomed the continued progress made in validation. It further welcomed IPSA's retention of its Cyber Essentials Plus certification.
- 7.4 The Director of MP Services, Strategy and Change, introduced the latest update on the Improving IPSA Programme, including commercially sensitive information on the procurement, piloting, proofs of concept, and proposed stakeholder engagement approach for both the property management support and IPSA Online front-end portal projects. She further flagged to the Board that IPSA's ERP provider had decided to move all its functions to the Cloud and IPSA would meet with it to discuss options for post December 2024. She would also return to the Improving IPSA Assurance Group (IIAG) in November to discuss internal engagement and culture in relation to embedding principles-based regulation.
- 7.5 The Director of MP Services, Strategy and Change, also introduced the latest strategic KPI dashboard and highlighted improvements of the Information Governance team in meeting statutory deadlines under Freedom of Information. IPSA's email response rate had also improved, alongside timely telephone performance. The whole organisation pulse survey for Q3 had also registered an engagement score of 84% with a 67% response rate. Specific scores under pride, advocacy, and motivation working at IPSA remained very high, whilst

growth and development and collaboration saw significant increases. Remaining 'in development' metrics on the dashboard would be completed soon now that the new Data and Insight Manager had been embedded, and further data would be provided to the Chair on complaints.

- 7.6 The Board noted both reports with thanks and noted the statistical update provided in relation to annual publication.

8. Financial Report & Management Accounts, including mid-year budget review for 2023/24

- 8.1 The Director of Finance introduced a mid-year review of Subhead B factoring in future projects which, in turn, provided room for manoeuvre for any external financial shocks. IPSA may require a supplementary estimate to move revenue to capital in the early part of the 2024 calendar year and it was noted that the SCIPSA Clerk should be notified for information. Subhead A figures were based on statistical projection given the 90-day claim window available to MPs, but such projections would be smoothed in future by the Financial Planning and Analysis Tool.

- 8.2 The Board noted the report with thanks.

9. Board Work Programme, Reflections, and Any Other Business

- 9.1 The Board noted its programme of work for the rest of the financial year, alongside the Good Governance Grid.
- 9.2 Board members reflected on a productive meeting and that an agenda of fewer but more substantive items with sufficient time was valuable. It also noted that the fact the Board had more opportunity to focus on the future was not only testament to the strategic thinking of the Executive and their teams, but also a product of the strong foundations and improved performance delivered by the organisation.
- 9.3 Before closing the meeting, the Chair thanked the outgoing Chief of Staff on behalf of the Board for his time at IPSA and wished him well for the future.

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