

Minutes of a meeting of IPSA's Board

Wednesday 27 October 2021

Board Members: Richard Lloyd (Chair)

Sir Robert Owen

Helen Jones

Will Lifford

In attendance: Ian Todd, Chief Executive

Alastair Bridges, Director of Corporate Services

Lee Bridges, Director of Policy and Engagement

Head of Communications

Head of Policy

Chief of Staff

Policy Manager (Item 5)

Senior Policy Advisor (Item 5)

Apologies: Karen Walker, Director of Strategy and Change

Georgia Wilson, Director of MP Services

Compliance Officer

Status: Submitted for approval at the meeting of the Board on 8 December 2021

1. Welcome and Declarations of Interest

- 1.1 The Chair invited attendees to declare any interests not previously recorded. No such declarations were forthcoming. The Board welcomed receipt of the Royal Warrant officialising the appointment of Richard Lloyd as Chair effective from 1 September 2021.
- 1.2 The Chair noted the apologies of the Compliance Officer, whose *Lessons Learnt Report* would be deferred to the meeting of 8 December 2021.
- 1.3 The Board marked its deep sadness at the death of Sir David Amess MP and expressed its sincere condolences to his family, staff, and colleagues. It underlined IPSA's commitment to supporting Sir David's office through this extraordinarily difficult time and renewed its determination to work closely with parliamentary and police authorities to protect the security of MPs, their staff, and families. The Board also thanked IPSA staff for their responsiveness and sensitivity in the aftermath of this tragedy.
- 1.4 The Board further paid their respects to James Brokenshire MP, who sadly passed away in October. It similarly emphasised IPSA's commitment to supporting bereaved relatives and staff through this difficult period and thanked IPSA staff for their work to this end.

2. Minutes and Actions List

- 2.1 The Board meeting minutes of 21 September were approved, and actions update noted.

3. Chief Executive's Report

- 3.1 The Chief Executive introduced the report and focused on IPSA's immediate response following the tragic murder of Sir David Amess MP. This included postponing annual and bimonthly publication of claims scheduled for November, temporarily removing descriptive information from MPs' previously published claims data, and continuing to process and fund MP security measures as efficiently as possible. Importantly, discussions would continue with House and police authorities on next steps.
- 3.2 The Chief Executive was invited to and attended a meeting of the 1922 Committee, which largely focused on MPs' security. This was a valuable opportunity to hear the concerns of MPs, with further such sessions planned or suggested with the Parliamentary Labour Party, the Liberal Democrats, and Westminster SNP grouping.
- 3.3 Preparations had been made for the informal, hybrid meeting of the Speaker's Committee for the IPSA scheduled for 1 November, in which IPSA would report progress against meeting its corporate plan and outline emerging thinking for 2022/23 budgets.

The Board underlined the need for sensitive and clear communications on any staffing budget proposals.

- 3.4 The Chief Executive highlighted an outage affecting IPSA's internal customer records management system for one working day in October. A mitigation measure had been implemented to shorten recovery times should the issue re-occur and pending a longer-term solution in procuring a Cloud-based alternative. A separate issue had been identified later in October affecting automated email processing to IPSA's enquiry and payroll queues, which strengthened the case for an alternative system in place for 2022.
- 3.5 After responding to Board members' specific questions on recruitment and staff wellbeing, the Chief Executive informed the Board of a correction to his update of 21 September 2021 and reflected in the minute of the same meeting. The data incident noted at paragraph 3.5 of the September minute was, in fact, unrelated to the ERP upgrade and instead related to a pre-existing, but now resolved, system flaw.
- 3.6 The Chief Executive also outlined the latest iteration of the complaints report which, for the period covered, tended to highlight isolated issues rather than systemic shortcomings. Recommendations made within the internal audit report into complaints handling tabled at the Audit and Risk Assurance Committee meeting of 26 October, alongside customer service improvements such as named account management and a quality assurance framework, would further assist in reducing and better learning from complaints. Anecdotal customer feedback indicated that IPSA's matrix approach to customer support, including staff from MP Services, Payroll, and Finance Business Partners, was well-received. In its communications to stakeholders, it was noted that IPSA should explore how it can further emphasise recent changes, such as the introduction of named account management, so that busy MP offices become aware of and can benefit from more personalised support.

4. MPs' Security and Publication Policy

- 4.1 The Director of Policy and Engagement recapped the immediate actions taken by IPSA, outlined at paragraph 3.1, in response to the death of Sir David Amess MP. The Board noted the measures taken under Chair's authority, and in parallel with a fresh expert-led review of publication and security in conjunction with the House, with approval and thanked the team for their swift and proportionate response.
- 4.2 The Director of Policy and Engagement invited the Board to consider changes to publication which could be implemented in the short-term, as well as a recommendation to explore a more fundamental rethink of IPSA's policy in tandem with wider reflections on the Scheme of MPs' Business Costs. This fuller review would include further work on the issues of sickness absence reporting, taxi fares (in line with the security review), dependant uplift information, and small-value claims publication, as well as whether greater contextualisation and visualisation of data could make it more accessible to the

public and ensure that the policy sought to enhance confidence in democracy. This may also entail a benchmarking comparison exercise with other public bodies, and perhaps internationally, on levels of detail published elsewhere in sufficiently similar contexts.

- 4.3 The Board welcomed proposals to engage in a fundamental evaluation of publication policy in tandem with the Scheme review, highlighting the importance of a cohesive framework protecting MP security, individuals' data privacy, and meaningful transparency for the public. It asked the Executive to report back with an earlier than anticipated timeline for providing longer-term clarity of direction for both reviews, as well as a proposed date for annual publication in the new year.
- 4.4 It also suggested ways in which IPSA's Annual Report and Accounts could in future offer further contextualisation by including casework volume faced by MPs and a broad description of their Westminster and constituency duties. It offered a further steer to the Executive to contextualise and visualise information incrementally and in real-time where possible pending and where without prejudice to this fuller review.
- 4.5 Subject to establishing how to implement the proposals in practice and avoid unintended consequences, the Board further agreed recommendations in principle to aggregate: a) MP staff health and welfare costs across all MPs, b) parental leave cover costs across all MPs, and c) reward and recognition payments per MP.
- 4.6 The Board also agreed to explore in principle a recommendation to publish overdue debts per MP, subject to satisfactory assurance on the accuracy of the figures, clarity on defining the term 'overdue' and the timescale lapsed before monies owed become overdue debts, and on appropriately worded communications to MPs. It also suggested that publication of such figures would not provide meaningful transparency if applied retroactively.
- 4.7 In addition, the Board noted an update on IPSA's planned communication activities for the remainder of the financial year and welcomed plans to engage in public sentiment research to further understand what and how information would better engage and be more meaningfully presented to the public. It urged the Executive to ensure that communication of key policy decisions was consistent in its clarity and proactivity.
- 4.8 It was also highlighted that IPSA had received a draft report from UCL's Constitution Unit with commentary and recommendations relating to it and other public bodies. This would be shared with Board members for information.

5. Scheme Review

- 5.1 Following Board steers in June, the Policy Manager outlined proposals designed to stimulate discussion as to areas the Board may wish to explore in the Scheme review. These concentrated chiefly on sustainability, changing working patterns, and

simplification. The Board welcomed the emphasis on environment, society, and governance as an increasingly important focus for forward-looking organisations.

- 5.2 On the first topic, the Policy Manager outlined a range of options from incorporating sustainability principles or specific rules within the Scheme of MPs' Business Costs, to the use of targets and publication on the environmental impact of expenditure, and best practice guidance and targeted communications.
- 5.3 The Board agreed that it would be appropriate for IPSA to take initial steps to improve its guidance and targeted communications on sustainability issues, commensurate with its strategy, in parallel with wider thinking on centrally procured, value for money services designed to save MPs' time, and in line with emerging practice from the Houses of Parliament and across the devolved assemblies. It also urged the Executive to consider ways in which IPSA itself as an organisation could contribute to a more sustainable society and communicate with and engage its own staff in the process.
- 5.4 The Policy Manager noted the potentially sustained impact of the pandemic on working practices and whether it may be appropriate for IPSA to explore the introduction of home-based contracts. This necessarily included consideration of practical implications on IPSA's contract tool functionality, how pay bands would apply for those originally based in London but now working from home elsewhere, as well as wider implications in terms of travel rules, workplace locations, and taxability.
- 5.5 The Board agreed that IPSA should explore the introduction of a homeworking contract with Members' HR, and its implications on travel and HMRC rules, in time for the new financial year. It also suggested that the Executive work collaboratively with Members' HR on best practice guidance to support MPs with various employer responsibilities, such as health and safety, when working from home, as well as on measuring output and hours worked. Questions on pay bands for those previously based in London but now working elsewhere would, however, be best considered in future once further clarity on how other public and private sector bodies are approaching the issue is available.
- 5.6 The Policy Manager opened the final topic of simplifying the Scheme by using plain English principles, removing perhaps excessive detail best otherwise presented as guidance, and providing further clarity on complex areas drawing customer queries.
- 5.7 The Board agreed that it would be sensible for IPSA to identify and proceed with any simplifications which can be implemented quickly and without unintended consequence in advance of 1 April 2022. To avoid this work becoming nugatory, it would be best coupled with further effort to improve our external guidance content and internal knowledge management bank, and in parallel and without prejudice to the more fundamental and now accelerated end-to-end rethink of the Scheme and publication. As such, the Board requested further updates on how this would impact business planning and prioritisation for year two and year three of the corporate plan.

6. McCloud

- 6.1 The Head of Policy introduced a paper outlining potential next steps following the McCloud judgment and seeking an in principle decision on whether to proceed with the proposed changes to the MPs' pension scheme. IPSA was continuing to seek detailed advice on complex matters to inform the development of policy, including on timing of the closure of the *relevant period* and the choice exercise, and any potential interplay with the next General Election.
- 6.2 The Board noted that the work entailed carried significant risk and complexity, necessitating close collaboration and effective joint governance with the Parliamentary Contributory Pension Fund (PCPF) Trustees, clarity of direction to and high confidence in the pension administrators, deep expertise across IPSA, the PCPF, and pension administrators to see through the work in the coming years, and a considerable resourcing requirement to deliver. Subject to further conversations with the PCPF Chair and Trustees on their assessment of capability and deliverability, as well as with the Speaker's Committee for the IPSA on likely budgetary implications, the Board indicated that it was minded to proceed with the project as proposed pending a substantive decision on 8 December 2021.

7. Annual Report and Accounts 2020/21

- 7.1 The Board received and agreed a recommendation from the Audit and Risk Assurance Committee to approve the Annual Report and Accounts for 2020/21. It thanked IPSA staff and IPSA's auditors for the timely completion of an important piece of work.

8. Financial Position and Management Accounts

- 8.1 The Director of Corporate Services outlined the latest financial position, which was broadly stable following mid-year review and with Executive agreement to progress certain underspend priorities in support of the corporate plan. For Subhead A, updates were provided on MP staffing, security, and travel budgets.
- 8.2 On Subhead B, year-to-date spend, excluding depreciation and without allocated contingency spend, was close to budget, with specific further updates on premises costs, IT, contracting, and capitalisation. Some progress had been made in recouping current/departing MP debt and the recovery of monies owed by ex-MP staff, paused for end-to-end process review, had resumed. The Board noted the report with thanks.

9. Board Programme of Work and Any Other Business

- 9.1 The Chair confirmed that the Change Oversight Committee meeting of 24 November 2021 would take place virtually and consider governance arrangements for the

Transformation Programme and how the Board could take assurance from them. This was with a view to formally standing down the Change Oversight Committee.

- 9.2 The Board considered its revised Expense Code and separate Gifts and Hospitality Code, which had been shared via correspondence, and formally approved the amendments.