

Minutes of a meeting of IPSA's Board

Thursday 22 September 2016

Present: Ruth Evans, Chairman
Sir Robert Owen
Liz Padmore
Anne Whitaker
Rt. Hon Jenny Willott

In attendance: Marcial Boo, Chief Executive
Naomi Stauber, Chief of Staff
John Sills, Director of Regulation
Alastair Bridges, Director of Corporate Services
Vicky Fox, Director of MP Support Services
Head of Communications
Acting Head of Policy (Item 9)
Head of Policy and Assurance (Item 9 and 10)
Investigations Officer (Item 5)
Programme Manager (Item 4)
Project Manager (Item 4)

Apologies: Leader of the Change Programme
Compliance Officer for IPSA

Status: Submitted for approval at the meeting of the Board on 20 October 2016.

Publication: Approved for publication.

1. Welcome and Declarations of Interest

- 1.1 The Chairman opened the meeting and welcomed those attending. The Board welcomed, in particular, IPSA's new Director of Corporate Services to his first meeting.
- 1.2 Apologies were received from the Leader of Change Programme and IPSA's Compliance Officer.
- 1.3 The Chairman invited the Board and members of staff to declare any interests not previously recorded. No new interests were declared.

2. Minutes of previous meetings and matters arising

Minutes

- 2.1 The Minutes of the meeting of the Board held on 28 July 2016 were approved, subject to a minor amendment.

Actions arising from the previous meeting

- 2.2 The Board noted the actions that had been completed since the last meeting. There were no matters arising.

3. Chief Executive's Report

- 3.1 The Chief Executive introduced a paper setting out the organisation's activities since he last reported to the Board in July. He noted, in particular, that four data breaches took place in August, which varied in severity. The Board further noted that, since the beginning of this financial year, seven data breaches had been recorded. The Board noted that, as a priority, the executive must take action to identify and understand where and why these data breaches are taking place, to address the root cause and minimise the possibility of future occurrences.
- 3.2 The Board received assurance that IPSA is taking immediate action to address the recurrence of data breaches through a comprehensive action plan that is being overseen by IPSA's Director of Corporate Services, who is also the organisation's Senior Information Risk Owner (SIRO). This action plan includes a new policy and process for dealing with data breaches, a survey of staff awareness on information

assurance and an audit on our progress later this year, as part of the internal audit work programme for 2016-17.

- 3.3 The Chief Executive provided the Board with an update on IPSA's work with the House of Commons to provide the advice and assistance it required to procure a supplier to visit all 650 MPs' offices and homes to identify and install any security measures needed, with the costs paid for by IPSA. A Memorandum of Understanding has been agreed between IPSA and the House of Commons, to give IPSA, as the independent regulator with responsibility for funding these security measures, the assurance that it needs to ensure that public money is being spent within the rules of the MPs' Scheme of Business Costs and Expenses ("the Scheme"), solely in support of MPs' parliamentary responsibilities and with due regard for value for money.
- 3.4 The Board noted that IPSA had continued to engage MPs and MPs' staff on the consultation on the Scheme and the IPSA 2017 improvement programme throughout the summer, including the launch of an online survey to gather feedback from MPs and their staff. Over the last few months IPSA's staff and Board members have met with numerous MPs and their staff in person, holding focus groups and events on both projects. On 14 September, IPSA's Chief Executive, Chairman and Director of Regulation attended a meeting of the House of Commons Administration Committee to receive feedback specifically on the consultation on the Scheme. IPSA's entire Board will also be holding a feedback session for all MPs on 19 October, in addition to two evidence gathering sessions on accommodation and MPs' staffing at its next formal meeting on 20 October.
- 3.5 Some Board members and senior staff had also shadowed MPs in their constituencies to gain first-hand experience of the important, unique and difficult job that MPs do, and to see how IPSA's policies are put into practice. IPSA will continue its comprehensive programme of engagement with MPs and their staff throughout the autumn and in advance of the launch of its new IT system in 2017.
- 3.6 The Board noted IPSA's performance in August 2016, and the list of the Chief Executive's and Chairman's meetings with MPs and officials since the last report.

ACTION: Director of MP Support Services to submit a report on IPSA's engagement plan for the IPSA 2017 improvement programme to the Board's next meeting.

4. Benefits of the IPSA 2017 Improvement Programme

- 4.1 IPSA's Programme Manager and Project Manager for the IPSA 2017 improvement programme introduced the report which presented detailed information on the benefits that would be delivered by the programme, and explained how the qualitative benefits, in particular, would be captured and assessed.
- 4.2 The Board noted that the main types of benefits to be delivered will include financial savings for IPSA; improved performance by IPSA; time savings for MPs (and their

staff); improved compliance with the Scheme; the delivery of a better service for MPs; strengthened regulation; improved satisfaction with IPSA internally; and an improved reputation for IPSA. The paper further detailed how and when those benefits could be delivered, which is underpinned by a more comprehensive piece of work that identifies and quantifies even more specific benefits that contribute to the realisation of those benefit types.

4.3 The Board reviewed the paper and noted the following, in particular:

- Benefits will be delivered through the implementation of new systems, including the MP Portal; the redesign of IPSA's business processes (closely aligned to new systems); organisational redesign and development; the comprehensive review of the Scheme; and effective external and internal engagement.
- Whilst some benefits will automatically be realised by the improvements delivered by the programme, some benefits require explicit actions to ensure they are fully exploited. It is important that the programme identifies these benefit-enabling actions, especially during the current design phase, and incorporates them into the programme plan.
- Benefit delivery – including cost savings – will peak in 2018-19 and 2019-20 when the new systems, processes and ways of working have been embedded. The savings associated with reduced effort needed for IPSA to operate through a General Election will only occur when the next election takes place, and the programme is likely to require an increase in IPSA staff through the roll-out of the new system, before the planned reductions in staff numbers can be implemented.
- Further work is required on some of the aforementioned benefits to properly quantify them. For example, IPSA is confident that the implementation of the new system will make the submission of claims smoother, quicker and simpler for MPs. However, the exact beneficial impact that the new system will have on their work, what the reduction will be in terms of the time they spend on their expenses, and the effort that is required to submit claims, is difficult to calculate – not least because of the diverse ways in which MPs work with and claim from IPSA.
- IPSA will have established the baselines for the specified benefits by December 2016, and will report the full realisation plan to the Board at its meeting in January, in the light of this further piece of work.

4.3 The Board noted the report, and agreed that a further report on the full realisation plan will be submitted in January 2017.

5. Update from IPSA's Compliance Officer

5.1 In the absence of IPSA's Compliance Officer, IPSA's Investigations Officer provided the Board with an update on current cases, including the assessments, investigations and reviews that had been completed since his last report to the Board.

5.2 The Board noted the report.

6. Financial Position and Management Accounts for August 2016

6.1 IPSA's Director of Corporate Services introduced the report which provided an update on IPSA's financial position as at the end of August 2016. The Board reviewed the report and noted the following key messages:

- Overall, IPSA is forecasting a 3 per cent Resource DEL underspend as at the end of August. This is unchanged from July and is driven mainly by underspends on MPs' staff pay and capped expenses, plus unused contingency and depreciation. But within this overall percentage a number of individual areas are forecasting higher underspends than last month.
- On capital, IPSA is currently forecasting a 13 per cent underspend. This is an increase on last month and is driven by a reduction in the forecast IT spend, in addition to lower than budgeted take-up of MPs' loan deposits.
- IPSA is undertaking a detailed reforecasting exercise specifically on the IPSA 2017 change programme to further improve confidence in the figures for resource and capital spend on the programme.
- The risk of any breach of IPSA's budget control totals is low. IPSA is managing a number of risks and opportunities, including on security costs, staff vacancies and the phasing of IT capital expenditure. The likelihood is that further underspends will emerge, although some pressures could also arise on security costs and consultancy.

6.2 The Board noted IPSA's financial position and management accounts for August 2016.

7. Research Proposals for the 2016-17 MPs' Survey

7.1 IPSA's Head of Communications introduced the report which presented the findings of the qualitative research that had been undertaken following the General Election in May 2015 with newly elected, departing and returned MPs, and set out a number of options for future research that IPSA could conduct. He explained that IPSA has carried out an annual survey of MPs and their staff to gauge stakeholder satisfaction with IPSA for the last six years. The questions included in the survey have historically focussed on the advice and guidance provided by IPSA, its systems and its processes.

7.2 The Board noted that last year was the first in which the survey contained questions which were specifically targeted to MPs' proxies as distinct from other MPs' staff, given that these individuals often act as an MP would in terms of interactions with IPSA. It was also the first time the survey contained questions which specifically targeted the experiences of newly elected, departing and returned MPs in the context of IPSA's General Election programme. In addition, IPSA supplemented the survey with a series of in-depth qualitative interview discussions with MPs who joined, returned to, and departed Parliament during the May 2015 General Election, to measure MPs' experiences of IPSA's General Election programme and its systems, processes, day-to-day support and regulation in general.

7.3 The Board reviewed the report and noted, in particular, that:

- The language used in the report must be consistent with that which IPSA publishes as part of its other documentation, such as consultation documents.
- The report as drafted sets out in detail the findings of the survey and interviews with MPs, but does not clearly explain what the recommendations arising from that feedback were and how IPSA has responded to them. This should be included in the second iteration of the report.
- The report could also helpfully be shortened to include an executive summary of the key points and conclusions, and a more concise account of MPs' views, rather than a comprehensive detailed account of the comments made by each interviewee.
- Of the options for future engagement detailed in the paper, the Board agreed that IPSA should explore the possibility of a public omnibus survey as the most cost effective method of measuring public perceptions of IPSA and the work it does, in addition to an annual survey to continue to gauge and understand MPs' views directly and compare the results from previous years.

ACTION: Head of Communications to redraft the report to reflect Board's suggestions and recirculate it, prior to publication in the autumn of 2016.

8. Update on MPs' Commentary on Expenditure

8.1 IPSA's Director of Regulation updated the Board on the opportunity that IPSA had made available to MPs on a trial basis to provide commentary, if they wished, on their expenditure to accompany the publication of MPs' annual expenses data in November. The Board reviewed the paper and noted the following, in particular:

- The suggestion that MPs produce an annual account of their expenditure formed a key part of the proposed package of remuneration for MPs that IPSA consulted on in 2013. Many who responded to the consultation agreed with IPSA's

aspiration to inform the public about the work of MPs, and that the proposed annual opportunity to provide commentary was one appropriate method of doing so.

- IPSA consulted again on MPs' pay in June 2015 and, in that document, it said that it would implement the proposal that MPs should more actively inform their constituents of how they are spending taxpayers' money on parliamentary and constituency work. IPSA's research had found that, as public understanding of the role of an MP increases, the more likely the public is to believe that MPs deserve a professional level of salary. IPSA therefore invited MPs to produce an annual written account of their activity to sit alongside IPSA's routine publication of MPs' claims for business costs and expenses.
- A trial of this proposal was due to be carried out with MPs last year and implemented 2016-17. However, IPSA then decided to wait to conduct the trial until it had built its new website as that would make it easier to display any information from MPs. The new website is scheduled to go live in November, and it is therefore an appropriate time to trial the publication of any voluntary submission MPs wish to provide to explain how they have spent taxpayers' funds throughout the 2015-16 financial year. The Board will then review the success of the trial in early in 2017.
- The Board further noted that there may be other ways, including through the public engagement work of the House of Commons or Parliament's website, by which MPs can provide an account of their work to the public.

8.2 The Board noted the progress to date and IPSA's plan to trial the opportunity for MPs, on a voluntary basis, to provide commentary on their expenditure as part of the annual publication.

9. Comprehensive Review of the Scheme: Emerging Findings from the Consultation

9.1 IPSA's Acting Head of Policy provided the Board with an update on the emerging findings from the consultation as part of the comprehensive review of the MPs' Scheme of Business Costs and Expenses and IPSA's publication policy.

9.2 The Board noted that, although there was still a month left of the consultation period, respondents' main area of focus to date had been IPSA's policies associated with MPs' accommodation and the regulation of MPs' staffing. It further noted that it would be holding two evidence-gathering sessions with MPs in October on each of those subjects.

9.3 The Board noted the report.

10. Assurance Report on MPs' Travel and Subsistence Expenditure

- 10.1 IPSA's Director of Regulation introduced the first assurance report which had been completed as part of IPSA's assurance programme for 2016-17, through which IPSA undertakes a comprehensive review of claims made within thematic areas of risk. In accordance with IPSA's overarching strategy for this Parliament, IPSA will regularly carry out this work and will publish the findings to inform the public of its work as a regulator.
- 10.2 The Board noted that some of the findings in the report, such as those relating to the London Area Living Payment, are relevant to the forthcoming consideration of the simplification of IPSA's travel rules. These aspects will be considered by the Board as part of the wider comprehensive review of the Scheme, when further detailed advice and evidence on MPs' travel provisions will be provided, following the closure of the consultation.
- 10.3 The Board asked for external advice to be sought on some aspects of the report, and agreed to defer consideration and publication of the assurance review until that had been received.

ACTION: Director of Regulation to seek the external advice requested by IPSA's Board, and to report back.

11. The Board's Programme of Work for 2016-17

- 11.1 The Board asked IPSA's Chief of Staff to rearrange the schedule and timings for its next meeting.

12. Any other business

- 12.1 The Chairman enquired if there was any other business for report by the Board or the Executive. No further business was raised.

Meeting closed.