

Minute

Minutes of a meeting of IPSA's Board

Wednesday 9 June 2021

By video conference call

Board Members: Richard Lloyd (Interim 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

Karen Walker, Director of Strategy and Change

Georgia Wilson, Director of MP Services

Head of Communications

Head of Policy

Chief of Staff

Public Engagement Manager (Item 4)

Senior Policy Adviser (Item 5)

Head of MP Services (Item 6)

Senior Policy Adviser (Item 7)

Status: Submitted for approval at the meeting of the Board on 21 July 2021

1. Welcome and Declarations of Interest

- 1.1 The Interim Chair invited attendees to declare any interests not previously recorded. As Trustee of the Parliamentary Contributory Pension Fund (PCPF), the Director of Corporate Services withdrew from final discussions under item 5 on MPs' pensions.

2. Minutes and Actions List

- 2.1 The Board meeting minutes of 14 April were approved and progress on actions noted.

3. Chief Executive's Report

- 3.1 The Chief Executive alerted the Board to the potential need for some MPs' offices to install ventilation systems within constituency offices, depending on government guidance on covid-secure working and social distancing. The Board noted this and commented on the potential interplay with landlords' obligations.
- 3.2 After notifying the Board of two brief service outages, the Chief Executive summarised IPSA's new phonenumber system and direction of travel to offer a more responsive and flexible user support service to suit the needs of customers.
- 3.3 The Chief Executive highlighted a third-party supplier issue impacting IPSA and other organisations' payroll run, with 91 individuals subject to excessive student loan deductions from their salary. IPSA identified the error before payslips were sent, immediately rectified the mismatch through same-day payments to avoid disadvantage, and proactively communicated the issue and its response to the individuals concerned and cross-party Office Manager representatives. The speed, effectiveness, and proactivity of IPSA's response was warmly appreciated.
- 3.4 Work continued on re-procuring the security contract, with IPSA involved in discussions on its specification to secure greater assurance. The Head of Audit, Risk and Assurance would shortly conduct a review of security arrangements between the House, IPSA, and the supplier to understand shortcomings of the system as it relates to the planning permission process, with a view to implementing stronger financial controls. This report would be put to the Audit and Risk Assurance Committee.
- 3.5 The Chief Executive updated the Board on legal developments in relation to the 2017 data breach. In one case, IPSA succeeded at summary judgment and was awarded costs, with the claimant refused leave to appeal. The Board noted this.

- 3.6 The Board enquired as to improvements made to budget management information provided to MPs. The Chief Executive responded that IPSA had identified areas for improvement, including on staff holiday data, but would soon adopt a change freeze to focus resource on testing the new, more adaptable Business World upgrade. Stakeholder feedback on recent changes and the direction of travel was positive.
- 3.7 The Director of Strategy and Change updated the Board on the upgrade timetable and accompanying stakeholder engagement plan, which the Board welcomed.
- 3.8 The Board placed on record their appreciation to staff for ensuring smooth year-end reconciliation and for the tangible wider progress made. The new knowledge management system empowering staff to offer consistent customer advice was further proof of a step change in both growing our people and improving our service. The Board was keen to assess the effectiveness of the quality assurance framework and its impact on the interaction between customers and IPSA. The Director of Strategy and Change agreed to update the Change Oversight Committee in July.
- 3.9 The Chief Executive briefed the Board on IPSA's position on providing staffing funding cover for MPs who take parental leave. The Board endorsed the approach and delegated responsibility to the Executive Leadership Team to apply the guidance and pilot new approaches as appropriate within our constitutional framework.
- 3.10 It was agreed that the Change Oversight Committee would consider in July how IPSA may realise long-term benefits of hybrid working and greater regionalisation of its workforce, as well as respond to immediate changes to government guidance.

4. Communications and Engagement Strategy

- 4.1 The Director of Policy and Engagement outlined a new communications and engagement approach to complement IPSA's transformation. It involved IPSA committing itself to strengthening customer relations, improving its bulletin, proactively correcting misleading commentary on IPSA or MPs' claims, and speaking to the *value* of the resources provided to MPs in supporting constituents. Plans were also outlined to engage and measure public feedback, and work with regulators in the standards landscape on both issues of mutual concern and to clarify our remit.
- 4.2 The Board welcomed a proactive approach to communications and engagement, subject to receiving further detail on how, in practice, IPSA's strategy will shift and the tools by which change will be implemented. The Board had appetite to test new channels more creatively and regularly, and for members to act as spokespeople as appropriate. It therefore tasked the team to examine which channels, interlocutors, and messaging may prove most effective and to report back on this basis.

5. MPs' Pay and Pensions

- 5.1 The Senior Policy Adviser sought agreement to hold a consultation in the summer on a temporary variation of approach to MPs' remuneration. Owing to the economic turbulence inflicted by the pandemic, the approach would install the AWE KAC9 benchmark as an upper bound ceiling on MPs' remuneration award and provide a temporary discretion to the Board to make a determination separate to the index until the economic cycle stabilises. In exercising this discretion, pronouncements from the OBR, the Government, and the SSRB, and the potential to buy in specialist data, would prove informative. The Board were also invited to approve preparatory work in 2022 before the next election and subsequent statutory review.
- 5.2 The Chief Executive added that this twin-track approach helpfully aligns IPSA to an explicable, objective indicator, but grants the Board discretion to make judgments which ensure a fair award within the exceptional economic context of coronavirus.
- 5.3 Given that the economic impact of the pandemic may produce irregular results under the KAC9 index which did not reflect the principles set by the Board, the Board accepted a role for increased discretion during this turbulent period. As such, it approved the proposals and a temporary variation of approach to MPs' remuneration until a more stable economic background enabled fair and sound reliance upon an objective pay indicator.
- 5.4 The Senior Policy Adviser outlined next steps in IPSA's response to the McCloud pensions judgment, which engaged key IPSA risks across every strategic objective. On the question of when those impacted should make a choice as to their treatment for the relevant period under the fairness remedy, the paper recommended that the Board agree an 'immediate', rather than 'deferred', choice. The paper further recommended to the Board that IPSA work closely with PCPF Trustees to ensure successful delivery, manage risk, and improve assurance. The Director of Corporate Services then withdrew from the discussion owing to the interest declared above.
- 5.5 In light of the significant financial and reputational risks, the Board agreed that IPSA should collaborate tightly with PCPF to ensure that the implications of McCloud are well-handled for all involved. It urged the team to proceed with maximum caution and engage in focused discussions with PCPF and the House of Commons to this end.
- 5.6 On the question of 'immediate choice', the Board approved the recommendation. More widely, the Board agreed:
- to deploy appropriate resource to procure external expertise on this complex area of work,
 - to keep key features of the approach consulted upon,

- to explore alignment to the General Election for the relevant period's end,
- to offer support and information to the PCPF as part of close collaboration, and
- to consider the timing of the next consultation at a later date.

5.7 Once the McCloud implementation is sufficiently advanced, the Senior Policy Adviser recommended that IPSA take a more strategic approach to considering the long-term appropriateness of MPs' pension arrangements and build upon future enhanced insight and collaboration with external expertise. This may serve to sketch out a potential pensions 'roadmap' for each parliamentary term.

5.8 The Board agreed to this ambition, subject to McCloud as the immediate priority.

6. Complaints Report

6.1 The Head of MP Services presented a quarterly report on complaints, including a quantitative assessment of complaint numbers as well as qualitative analysis of key themes. The report forms part of the user strategy to inform service improvements.

6.2 Formal complaints had dropped significantly and continued to fall, with fewer escalations to the Chair and Chief Executive. More broadly, however, the complaints policy remained ripe for review following organisational design changes, to better define 'complaint', and to complement internal audit work on complaints handling.

6.3 The Head of MP Services outlined IPSA's efforts to further engage customers and boost the quality/quantity of feedback channels. This included attendance at the cross-party Office Manager group, regular MP Staff User Group meetings, IPSA management information, and the Annual Survey. From these fora, key themes of complaints concerned service quality (consistency of advice, speed of response, and accessibility of support), monies owed to IPSA, and delays in the payment of rent.

6.4 To improve service quality, IPSA had boosted staffing capacity, introduced a new phonenumber system supporting customers to contact account managers when convenient, and established named account management to enable customers to build rapport with IPSA staff, who in turn develop detailed understandings of their MPs' accounts. Both changes have been warmly received by MPs and their staff as offering improved support, making best use of their time, and building stronger working relationships. To this end, IPSA planned to further highlight and communicate the availability of the new phonenumber system to MPs and their staff.

6.5 To build on this progress, a knowledge management system has been introduced to provide a fixed dataset capable of equipping staff to deliver sound, up-to-date, and consistent advice, alongside the rollout of customer service management training.

- 6.6 On monies owed, complaints largely related to delays in finalising the previous year-end. For this year-end, IPSA learnt lessons and applied changes to begin the process earlier, improve spend vs budget reporting, and ratchet up engagement. Feedback indicates that the year-end process was smoother for both customers and IPSA.
- 6.7 On rent delays, capacity had been increased to process property registrations and amendments more speedily, leading to a significant reduction in complaints.
- 6.8 On next steps, IPSA would work to strengthen and make full use of its engagement with customers. The Business World upgrade also provided an opening to make the online claims system more user-friendly, alongside work in parallel to review end-to-end processes to track customer journeys. Effort was needed to ensure that policy recommendations included clear proposals on their operationalisation, in terms of subsequent processes, system, and advice to customers.
- 6.9 To ensure that complaints flagging systemic problems were fed into IPSA's transformation, reporting would be analysed by the Change and Assurance teams, with learning accordingly fed into the internal audit or transformation workstreams. Refreshed meeting governance, aligned with our strategic objectives, would also assist in drawing out and deploying this learning. An example was given as to how, in response to complaints as to IPSA's mid-year pro-rating of rent when MPs move properties, teams responded helpfully with joined-up guidance and communications.
- 6.10 The Board praised staff for tangibly improving delivery. It enquired to what extent IPSA is building subject matter experts to address complex or escalating complaints and whether its knowledge management system is updated dynamically in real time.
- 6.11 The Head of MP Services confirmed that complaints are handled by the relevant head of service and can be escalated upwards to Directors. To ensure their resolution at the appropriate operational level, investment had been made to build a dedicated property team and knowledge specialisms amongst staff. This enables account managers to field most conversations before handing over to a specialist.
- 6.12 On knowledge management, the Head of MP Services confirmed that MP and internal search terms are regularly reviewed, as well as staff feedback on rising or complex queries, to inform additional content. As such, account managers can now effectively field common payroll queries. The Director of MP Services added that team structures would be further regionalised with Finance and Payroll to enable joined-up, informed collaboration and more seamless issue resolution for customers.

7. MPs' Accommodation

- 7.1 The Senior Policy Adviser updated the Board on a proposed more centralised approach to procuring MP accommodation. Meetings were held with the MP Staff User Group to ascertain appetite for change. Support was warm in principle, subject to ironing out significant logistical challenges. This suggested a middle-ground approach could be most suitable. Meetings would also be held with senior MPs.
- 7.2 The Senior Policy Adviser noted productive discussions with estate services and property providers experienced in assisting clients with property searches and lease negotiations. Further internal discussions would take place on next steps and focus on how such an arrangement for MPs may work and be funded. The Board received assurance that such services could provide genuine national cover.
- 7.3 The Board noted the update with thanks.

8. Financial Position and Management Accounts

- 8.1 The Director of Corporate Services set out the 2020/21 accounts, subject to audit and year-end adjustments for MP-facing expenditure. Year-end had been conducted smoothly and was on track to be finalised for NAO review. Particular areas of expenditure were highlighted for the Board's information, with the significant impact of the pandemic on both Subhead A and B noted. IPSA would soon begin to establish underspends, with a view to redeploying monies to support value-adding priorities.
- 8.2 Improved debt management governance, a review of 2020/21 debt levels, and associated recovery plans, as well as developments concerning 2017's data breach, were outlined, which the Board noted alongside the wider report.

9. Board Programme of Work

- 9.1 The Board noted its Programme of Work. It was agreed that extending the September session on IPSA's strategy and next steps to a full day would be valuable.

10. Any Other Business

- 10.1 In line with its commitment to meaningful transparency and MP staff welfare, the Board agreed a minor change to the publication policy to ensure that MPs' staff wellbeing and privacy was safeguarded within the publication of claims.

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