

**Minutes of a meeting of IPSA's Board**

**Tuesday 21 September 2021**

**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

Investigations Officer (Item 4)

**Apologies:** Compliance Officer (Item 4)

**Status:** Submitted for approval at the meeting of the Board on 27 October 2021

## **1. Welcome and Declarations of Interest**

- 1.1 The Interim Chair invited attendees to declare any interests not previously recorded. No such declarations were forthcoming.

## **2. Minutes and Actions List**

- 2.1 The Board meeting minutes of 21 July were approved.
- 2.2 The Board noted updates to the actions list, particularly on IPSA's communications and engagement strategy. It expressed an appetite for IPSA to communicate material more proactively and meaningfully on its website and across a range of media, including on consistently high regulatory compliance rates and through helpful explanatory notes to accompany its website content. This approach would necessarily involve cultivating and strengthening relationships and collaboration with stakeholders across Parliament and the media landscape, and clearer messaging. In light of this steer, the Board requested an update on relationship-building and communications messaging at its October meeting.

## **3. Chief Executive's Report**

- 3.1 The Chief Executive introduced the report and updated the Board on appearances by IPSA representatives before the Women and Equalities Select Committee and the All-Party Parliamentary Group on Women in Parliament. Both sessions were productive and valuable exchanges with MPs and an opportunity for IPSA to underline its commitment to a family-friendly Parliament, including through staffing funding cover for MP parental leave. On the latter, a verbal update was provided on specific discussions with an MP. In due course, IPSA would launch a working group with its customers to further refine and embed this important provision of funding cover as established in the Scheme.
- 3.2 For the record, the Board formally noted its decision by written procedure of 31 August 2021 to announce the outcome of its consultation on the mechanism used to determine future adjustments to MPs' salaries.
- 3.3 The Chief Executive outlined further operational progress made towards delivering improved customer service to MPs and their staff. On every working day in August, IPSA met its KPI to answer 80% of calls within 20 seconds and had reduced its open caseload. The alignment of the Payroll team to IPSA's new regional account management structure would further join up and improve IPSA's service delivery to MPs' offices.
- 3.4 As part of its continuous improvement agenda, the Homes, Offices, and Security team had conducted a series of property audits following the financial year-end and work on rental pro-rating. It had identified a number of legacy issues which it intended to address fully in advance of the next financial year.

- 3.5 The Chief Executive noted the smooth upgrade of IPSA's ERP system used by MPs and their staff to submit business cost claims. Apart from a single, limited data incident resolved at speed, the project was well-managed, successful, and involved effective collaboration across IPSA teams. Focus had now turned to realising the potential of the upgrade's improved functionality and establishing key priorities for optimisation in line with customer feedback. The model would seek to deliver user-friendly and helpful digital services, such as accessible guidance, alongside proactive human support.
- 3.6 Preparations had begun to ensure readiness and process improvement well in advance of the next General Election with a cross-IPSA project established and plans in train to work closely with colleagues in the House of Commons. A leadership development programme had also commenced to support leaders across IPSA, which had been very well-received.
- 3.7 The Chief Executive praised the Communications team for their work in holding a successful and informative international conference with parliamentary regulators in Australia and New Zealand from 14-16 September. The sessions stimulated impactful and insightful discussions on trust and transparency in advance of the Board's Strategy Day, with plans to deepen links and best practice sharing with IPSA's global peers.
- 3.8 Work continued to seek recovery of monies owed to IPSA, including through the engagement of a debt collection agency. As part of this and following one complaint, gaps had been identified in IPSA's processes. The Strategy and Change team were set to conduct a full end-to-end process review to strengthen the policy and use a range of techniques to secure earlier repayment and mitigate the upstream risk of debt arising in the first place. The Board thanked the Chief Executive for the update and underlined the importance of materiality, fair and ethical due process, and following a clear and recorded policy.
- 3.9 The Board thanked the Chief Executive for the progress report, noting the tangible strides which staff had made to improve IPSA's customer service delivery. Whilst there remained significant work to do, the successful introduction of an ERP upgrade was no small feat and provided a strong foundation upon which to build.
- 3.10 The Head of Policy updated the Board on developments in relation to the McCloud judgment since its last meeting. IPSA had procured new actuarial advisors and attended a first workshop session which provided comprehensive advice and information on the potential next steps, including on implementation governance and detailed potential policy decisions which may be required. This preparatory work was important given that the legislation set some absolute restrictions on impacting accrued pension rights in certain circumstances. An update was also provided to the Board on developing thinking as to the timing of any future choice on pension treatment for the relevant period, including potential interplay with the next General Election.

- 3.11 A substantive paper would be provided to the Board for its consideration at the meeting of 27 October. Thereafter, the Interim Chair would meet with the Chair of the Parliamentary Contributory Pension Fund Trustees in mid-November.
- 3.12 The Board thanked the Head of Policy for the update on an inherently complex matter, noting that some MPs may, as a result of the McCloud judgment, require detailed and individualised pension advice as to their circumstances and options at a future date.
- 3.13 The Director of MP Services also informed the Board that IPSA and the House of Commons had conducted and completed a competitive procurement exercise for a new provider to install and maintain MPs' security arrangements. Internal audit reports and recommendations had been used throughout the process to inform the statement of requirements and controls for the new contract, including to anticipate market price fluctuations for materials. Immediate priorities in the coming months would include ensuring a smooth transition between suppliers and no interruption of service for MPs, as well as work to refine and improve operational security policy. In the medium-term, the Board encouraged the Executive team to engage in open dialogue with House authorities as to accountabilities and improving efficiency in the management and delivery of the security contract. Updates on this would be provided to the Board in due course, with the Audit and Risk Assurance Committee taking a report in October on lessons learned from the procurement process.

#### **4. Compliance Officer's Report**

- 4.1 The Board welcomed the Investigations Officer, with apologies sent by the Compliance Officer. The Investigations Officer outlined the quarterly report of referrals made to the Compliance Officer, reviews of IPSA decisions, and developments since writing.
- 4.2 The Chief Executive noted that the Assurance team had collated recommendations made by the Compliance Officer with a view to the Executive making reasoned decisions by November as to whether IPSA should accept or reject (in full or in part) the recommendations made, proposed next steps and actions, and timelines for delivery. It was agreed that the outcome of the Executive's deliberations would be fed back to the Compliance Officer for information. A wider annual report from the Compliance Officer, covering key themes and lessons learned from reviews, would be presented to the Board in October.
- 4.3 The Board noted the report with thanks.

## **5. MP Staffing Budgets 2022/23**

- 5.1 The Director of Policy and Engagement outlined the prevailing political, economic, and customer context surrounding the Board's discussions on MP staffing budgets, including on wider public sector spend/efficiencies, cost of living and inflationary pressures, and representations from some MPs and their offices as to a sustained and significant rise in casework. These pressures were said to be derived from increased constituent engagement, the ongoing impact of the pandemic, and more recently the situation in Afghanistan.
- 5.2 Data via feedback from MPs' offices, wellbeing survey findings, and year-to-date staffing budget spend were presented, noting that pressures on budgets may grow later in the financial year as overtime and reward and recognition payments are submitted. It was also noted that the staffing budget review of 2019 indicated increasing casework pressures on MPs and their staff.
- 5.3 The Director of Policy and Engagement recommended that the Board agree, subject to the approval of the Speaker's Committee for the IPSA (SCIPSA), to make the current temporary uplift to the staffing budget ongoing for the remainder of this Parliament by the annual cost of a full-time caseworker and effective for 2022/23. As part of the recommendation, IPSA would not make other significant revisions to the staffing budget for the rest of this Parliament and would work with the House to explore ways in which other support may be offered to MPs' offices to manage spikes in demand.
- 5.4 The Director of Policy and Engagement additionally recommended that IPSA should not yet make a proposal on MPs' staff pay and annual cost of living adjustments.
- 5.5 After a discussion of potential alternatives, the Board approved the proposal to make the temporary uplift to the staffing budget ongoing for the remainder of this Parliament, by the annual cost of a full-time caseworker, subject to the agreement of SCIPSA, and endorsed the recommendation that IPSA explore with House authorities other potential ways in which support can be offered to MPs' offices facing significant pressures.
- 5.6 It was also agreed that IPSA should not provide a specific uplift to MPs' budgets to cover the 1.25% rise in employer national insurance contributions in 2022/23 unless HMT decides to fund this universally across the public sector. The Board also agreed that IPSA should not, at this stage, make a proposal on MPs' staff and cost of living pay adjustments.

## **6. Financial Position and Management Accounts**

- 6.1 The Director of Corporate Services outlined the financial position and management accounts as of August 2021. Stable positions were reported for both Subheads A and B of IPSA's budget but as noted above, an upward trend towards year-end was expected on MPs' staffing spend as overtime, reward and recognition, and pay rise submissions would likely be made closer to the end of the financial year. Updates were provided on other areas of expenditure, as well as on the wider debt position. The Board noted the position.
- 6.2 The Executive would shortly be considering ways in which some value-adding spend could be brought forward in order to support the delivery of the corporate plan, without displacing current activity or increasing in-year headcount.

## **7. Board Programme of Work and Any Other Business**

- 7.1 The Board noted its Programme of Work for upcoming meetings.
- 7.2 As any other business, the Interim Chair noted that the Board's expenses code and separate gifts and hospitality code, both of which were published, may benefit from an administrative update. The Chief of Staff took an action to propose amendments as appropriate and to circulate to Board members for their approval via written procedure.

**END**