

Minutes of a meeting of IPSA's Board

2 March 2022

Board Members: Richard Lloyd (Chair)

Sir Robert Owen

Helen Jones

Will Lifford

Lea Paterson (Observing only)

In attendance: Ian Todd, Chief Executive

Georgia Wilson, Director of MP Services

Thomas Fitch, Director of Finance

Lee Bridges, Director of Policy and Engagement

Karen Walker, Director of Strategy and Change

Chief of Staff

Head of Communications

Head of Finance

Head of Policy

Compliance Officer (Item 3)

Head of MP Services (Item 4)

Senior Policy Adviser (Item 6)

Apologies: N/A

Status: Submitted for approval at the meeting of the Board on 30 March 2022

1. Welcome and Declarations of Interest

- 1.1 The Chair invited attendees to declare any interests not previously recorded. The Chair confirmed his appointment as Interim Chair of the Financial Conduct Authority effective 1 June 2022. No other declarations were forthcoming.
- 1.2 The Chair warmly welcomed Thomas Fitch, who had recently been appointed the new Director of Finance, to his first Board meeting.

2. Minutes and Actions List

- 2.1 The Board meeting minutes of 26 January were approved, subject to minor contextual edits to be signed off by the Chair, and the actions update was noted.

3. Compliance Officer's Report

- 3.1 The Compliance Officer introduced a report summarising their activities over the period July to December 2021 and provided updates on developments since writing. This included the range of discussions undertaken with complainants, those subject to complaints, and various authorities involved in the cases.
- 3.2 The Board noted the report with thanks and enquired as to whether common themes had arisen within referrals made to or investigations conducted by the Compliance Officer, particularly if related to policy or end-to-end processes. If so, it sought assurance from the Executive that such insight would be fed into the regulatory review for consideration or addressed as part of iterative improvement to guidance and engagement. The Compliance Officer confirmed that the three principal subjects of referrals were the use of staff time for potentially non-parliamentary purposes, claims made in relation to dependants, and the use of IPSA-funded websites, and that discussions were taking place with the Policy team to weave such feedback into the regulatory review as suggested.

4. Chief Executive's Report

- 4.1 The Chief Executive introduced the report as read but drew out key areas of activity for the Board's information. This included the significant progress made in implementing IPSA's customer relationship management system replacement, a value-add project which was fast-tracked to utilise in-year underspend. The new system was set to go live on 7 March with a minimal viable product, with data migrated dating back to at least the 2019 General Election immediately accessible. The successor would bring many benefits to customers and IPSA alike, including improved reporting, stronger SLAs, and better understanding of customer demand to drive IPSA's performance excellence agenda.
- 4.2 Annual publication for 2020/21 took place on 20 January, following its postponement from autumn 2021 and the tragic murder of Sir David Amess. In its communications, IPSA had taken steps to provide further contextual information to assure the public that the vast majority of MP business cost expenditure related to staffing their offices which,

in turn, enabled MPs to provide a service to their constituents. This additional context had been welcomed by MPs and had been featured in many media reports.

- 4.3 The Chief Executive highlighted the data provided on inbound phone calls and, in particular, the target of answering 80% of calls within 20 seconds. As the Data and Insight Manager was revamping IPSA's dashboards, further work would be needed to improve the reporting, such as on questions of duplicate and abandoned calls, with the figures tabled therefore having to be read as including a potential margin of error but of no more than +/- 1%. The new KPI dashboard would be presented to the Board on 30 March.
- 4.4 The Chief Executive underlined IPSA's focus on ensuring that the integrity of data relating to monies owed, and particularly that linked to the transition to the new Business World claims system, was robust. This was an immediate and high priority for the new Director of Finance to rigorously assess and assure the Chief Executive, and subsequently the Board, of the quality and accuracy of this data.
- 4.5 The Chief Executive concluded with updates on the digitisation of payroll files, which neared completion, and how this would enable IPSA staff across the regions and nations to access documentation more easily both for their internal work use and to provide copies as appropriate. The Leadership Development Programme also approached its end, with an evaluation exercise to follow.
- 4.6 The Board noted the report with thanks, particularly the earlier, tailored, and more proactive engagement with MPs on year-end issues. It sought detail on any assessment made as to what could be driving the increase in call volumes, and any preparatory work which IPSA had undertaken to prepare for the peak in property renewals.
- 4.7 The Director of MP Services confirmed that the Homes, Offices, and Security team had made greater use of forecasting to proactively alert MPs as to their lease expiration and any action which they may need to take at an earlier date. On calls, as more normal working patterns resumed after Plan B covid measures were lifted, claim volumes had also risen. It was therefore suggested that as claim volumes rose, so too did calls with potential associated queries. The new CRM system, however, would enable IPSA to capture the nature of demand more fully, and to respond accordingly by refocusing effort on those areas which may require further or improved guidance and/or engagement, thereby reducing incoming calls if answers were readily available via other means. The Board welcomed this and recognised the positive scores arising under the new assurance framework designed to assess the quality of customer interactions.
- 4.8 The Board acknowledged that the Information Governance team had moved from the Corporate Services to Policy and Engagement directorate and asked for further detail on its activities. The Chief Executive responded that the move had taken place as part of the wider redefinition of the Corporate Services function and the Finance Director role, which had also seen the IT team join the Strategy and Change directorate. The

Information Governance team was small and covered *inter alia* data protection, GDPR, and Freedom of Information at both the strategic and operational level. The team had recently, for example, made critical contributions to support GDPR compliance of the new CRM project. That said, further improvement was necessary to improve response rates to Freedom of Information requests in line with statutory deadlines.

- 4.9 The Director of Strategy and Change introduced January's KPI dashboard and noted an improving picture. It was additionally flagged that where there had been turnover, it was important to note that the individuals in question had progressed to more senior roles elsewhere. The transformation programme also featured a key people strand and an Employee Value Proposition to improve retention, engagement, and productivity.
- 4.10 The Director of Strategy and Change presented the February status report for the transformation programme. The proxy payment card pilot had been well-received and now sat with IPSA to operationalise its rollout more widely. Further work had been successfully undertaken on training and support, as well as people and culture, with a draft People Strategy set to be created by the end of March. Collaboration had also improved, notably within the public sentiment research work and recent policy consultations. The recruitment of the new Remuneration Specialist would further bolster IPSA's capacity and capability to deliver transformation. As with January, the key risk flagged was the resilience and wellbeing of IPSA people to deliver change at the same time as considerable BAU pressures.
- 4.11 The Board noted both updates with thanks. It enquired as to whether any of the proposed transformation work may need resequencing in light of the above. The Director of Strategy and Change commented that the programme was flexibly designed to respond nimbly to pressures, citing the pausing of General Election process work, in favour of deploying further capacity to the CRM replacement project, as an example of how IPSA had responded dynamically to prioritise resource in sensible, value-adding ways. The Director of Policy and Engagement confirmed that IPSA's approach to the exploratory phase of the regulatory review would be mapped out to the Board by April.
- 4.12 The Head of MP Services introduced the latest report into complaints, rebadged as an 'Improving Customer Service report' to reflect IPSA's desire to draw lessons from them so to enhance support and boost compliance. The report illustrated that year-to-date complaints had fallen significantly and the average per month had halved. Key themes of complaints included year-end, budget overspends, and publication issues, with all three factored into the planned wholesale review of publication policy. Another focal point concerned debt, with a rise in complaints here perhaps linked to the intensification of IPSA effort to recover (particularly historical) monies owed and which had seen a significant reduction in the age profile of debt. The majority of monies owed to IPSA now related to expenditure incurred within this financial year.
- 4.13 A final theme concerned gaps in customer service, including inconsistency of advice and speed of response. The new CRM system was again cited as an essential tool to help

identify the nature of customer demand, as well as improve the consistency and timeliness of advice via greater use of automation, standard templates, and a built-in knowledge management portal. It will also enable IPSA to track the date of email receipt and response more easily in order to more consistently meet its SLAs.

- 4.14 The Head of MP Services added further ways in which IPSA would improve its customer service, including refinements to IPSA Online, expanded use of its Quality Assurance Framework, updating the feedback policy to include wider commentary including positive qualitative feedback, and a wholesale review of its approach to validation.
- 4.15 The Board welcomed the report and the potential of the new CRM to address two key areas of IPSA improvement: the consistency and speed of advice. Importantly too, the greater use of automation and template responses would further free IPSA staff time to focus on more complex queries and transformation activity. The Head of MP Services concurred that the new system would reap immediate benefits as well as provide a foundation upon which to make further improvements. The Director of Strategy and Change similarly confirmed that the new KPI dashboard would be updated to reflect the capability of the new CRM by measuring, for example, first-contact resolution rates.

5. Update: Speaker's Committee for the IPSA meeting – 1 March 2022

- 5.1 The Board welcomed the formal approval of IPSA's Main Estimate 2022/23 by the Speaker's Committee for the IPSA on 1 March 2022. It further underlined the importance of the improved and constructive working relationship built between IPSA and the Committee and, whilst there was more to do, welcomed the recognition by its members of the progress IPSA has made.
- 5.2 The Head of Communications outlined the proposed timeline for communicating the decisions made to MPs and their staff, notably on MPs' budgets for 2022/23, as well as the response to the determination on MPs' remuneration. On MPs' budgets, IPSA had been clear that the business cost funding provided was critical to enabling MPs to carry out their parliamentary functions and to provide the valuable service needed by many constituents. On MPs' pay, its communications had also been clear that this was a decision taken independently by IPSA in line with the Office for National Statistics' index on average public sector earnings. Following the pay freeze applied to MPs' pay in 2020/21 during the pandemic, it was also important that remuneration kept pace with the wider public sector and made entering Parliament a viable option for individuals from all walks of life.
- 5.3 The Director of Policy and Engagement added that the initial response of MPs' staff had been positive, particularly to IPSA's recognition of the sustained casework pressure on MPs' offices and the flexibility granted in relation to excess annual leave built up during the pandemic. Further work would be undertaken with Members' HR and MP staff to support offices to manage workloads, time, and staffing issues effectively, particularly in terms of tackling high attrition.

5.4 The Board noted the update and expressed its sincere thanks to IPSA staff not only for the budget preparation, policy analysis, and communications planning needed for the SCIPSA session, but also for the tangible improvement in performance and engagement which was noted in the meeting itself of 1 March 2022. It was therefore critical to maintain this momentum and ambition as IPSA progressed its transformation further and embarked upon its regulatory review.

6. Scheme Consultation 2022/23

6.1 The Head of Policy introduced IPSA's new Senior Policy Adviser who had collated and assessed responses received as part of the Scheme consultation, with a further response received from Unite the Union in line with the general consensus of views tabled.

6.2 In line with the proposals in and responses to the consultation, it was proposed that:

- the Scheme be simplified using a principle of 'Plain English' across the document, with over 3000 words removed as unnecessary or better placed within guidance (unless essential to the Scheme provision itself (i.e., a condition of funding)),
- the budget and cost limit annex be expanded to include hotel nightly limit and mileage rates,
- a new, expanded discretionary clause be added to the Scheme to provide IPSA with flexibility to depart from Scheme provisions where proportionate in response to events,
- rental and hotel accommodation budgets be amalgamated at the amount agreed by the Board for rental accommodation (with hotel nightly limits continuing to apply, with claims only able to be made for *either* rent or hotel accommodation at one time, and with dependant uplifts still applied as normal),
- a separate budget be maintained for associated costs where MPs make such claims in relation to a property they own,
- the pro-rating of budgets should only take place where MPs move from accommodation in London to accommodation in their constituency; or from rental/hotel accommodation to claiming associated costs only,
- changes be made to how former MPs claim during the winding-up period by instead claiming in future from their office, accommodation, staffing and travel budgets for winding-up costs (rather than a distinct winding-up budget) and by pro-rating budgets to cover the two-month winding-up period), but with PILON and untaken leave to now register against the contingency budget as redundancy currently does,
- MPs have the flexibility to employ staff on home-based contracts but face no obligation in the case of hybrid arrangements, with this option to be added to the IPSA contract generator tool and text in the contract to be updated accordingly,
- travel rules be amended to enable staff contractually based at home to claim for ad hoc journeys to the constituency and Westminster,
- new staff be employed on the salary range aligning with their work location (including their home), but existing staff should not have to take a pay cut if moving

- from a Westminster-based to home-based contract (with the issue to be reconsidered in the next year),
 - detailed guidance be produced in conjunction with Members' HR and published alongside the Scheme to provide advice to MPs and staff on home-based contracts and working,
 - the 'MP parental leave budget' be expanded to formalise the extension of staffing cover for other absence including illness, with guidance added to the website, and
 - provisions in relation to the recovery of monies owed via salary deductions be clarified to reflect and align the Scheme with the process currently in operation.
- 6.3 The Head of Policy fleshed out further detail on the operational implications, including benefits and risks, of three recommendations: simplifying changes to the budgetary treatment of winding-up claims, the year-end adjustments and pro-rating of accommodation budgets under its proposed amalgamation, and HMRC tax treatment of travel claims made by home-based staff. In all cases, the risk-benefit analysis informed the clear recommendations in favour of the changes being implemented as consulted upon and proposed.
- 6.4 The Board thanked the Head of Policy and the team for their comprehensive work and endorsed the recommendations in 6.2, subject to making plain within the guidance that tax implications and liability may flow from journeys taken by MP staff on home-based contracts and that this determination would rest exclusively with HMRC. IPSA should therefore be explicit on this point and provide as much HMRC guidance as possible, notwithstanding the fact that decisions fall wholly within HMRC's ambit. It also recommended that the guidance to be produced jointly with Members' HR include advice on how MPs can ensure fulfilment of their employer duties in regard to the health and safety of home-based MP staff and on employers' liability insurance.
- 6.5 The Board additionally noted and welcomed the report of the Women and Equalities Select Committee into *"Equality at the heart of democracy: a gender sensitive House of Commons"* to which the Chief Executive had provided evidence. In agreeing the recommendation above on formally extending the MP absence fund and welcoming the Committee's conclusion that IPSA had taken major steps forward, it committed to exploring the recommendations made by the Committee, many of which IPSA had already previously agreed to implement or would cover in future, and separately endorsed the proposed stakeholder sessions designed to further refine the support offered to MPs during periods of extended absence.
- 6.6 Separately, the Head of Policy outlined a recommendation to cease funding end-of-tenancy cleaning costs from 1 April in line with current Scheme provisions and the Tenant Fees Act 2019. Following determinations of the Compliance Officer in recent years, IPSA had amended its de facto policy to permit such payments. The Board were therefore invited to reverse this change in policy and reaffirm the Scheme provision as written, alongside proposed additional support offered by IPSA in terms of template dispute letters should fees be charged and relevant grace periods enabling MPs to temporarily defer the repayment of deposit loans if in active dispute with their landlord.

- 6.7 The Board noted the recommendation and the 2019 Act, though cautioned that the legislation itself may not yet have been subject to significant case law. In light of this and its desire to avoid the risk of unnecessarily prolonging the winding-up process for former MPs, it made a decision to maintain the status quo and to roll this question into the full regulatory review which IPSA would soon undertake. It therefore tasked the Executive with outlining the operational consequences of maintaining the status quo for the time being, whilst endorsing the proposed additional proactive steps which IPSA could take, such as template dispute letters, to avoid the payment of such fees ostensibly unenforceable in statute.
- 6.8 The Head of Policy further sought the Board's steer on the continued payment of HMRC's working from home allowance designed to cover a portion of the additional utility bills incurred by those *required* to work remotely. Whilst this was not included in the consultation, continued payment of the allowance to all MP staff, unless the MP opts out, would require reconsideration in future as Covid-related restrictions are lifted and staff return to more office-based working, contrary to HMRC's stipulation for the allowance itself and given the considerable administrative input required by IPSA Payroll.
- 6.9 It was noted, however, that an immediate decision was not yet sought given the variations in guidance applying across the nations of the United Kingdom and, as such, it was important that a decision taken by IPSA applied fairly to the U.K. as a whole rather than being tied to prevailing guidance set for England by the Government. It was therefore proposed that the HMRC working from home allowance continue to be paid into the new financial year, pending reconsideration and its likely removal in summer when staff could revert to the ordinarily applicable practice of either claiming homeworking costs in line with the Scheme or seeking tax relief directly from HMRC.
- 6.10 The Board was grateful to the Head of Policy for raising the question and agreed that flexibility into the new financial year would reflect the lack of uniformity of coronavirus-related workplace guidance across England, Scotland, Wales, and Northern Ireland. It would return to the issue at its meeting of 30 March 2022.
- 6.11 The Scheme for 2022/23, reflecting the changes agreed and suggested by the Board, was to be laid in Parliament on 17 March 2022 and would be due for printing a week before. As such, the Board delegated the authority to sign off the final version to the Chair and Chief Executive, and this would be circulated to Board members for information.

7. Financial Position and Management Accounts

- 7.1 The Head of Finance outlined a stable financial position in line with previous forecasts, with a slight uptick expected in the uncapped travel budget following the lifting of Plan B coronavirus measures as working and associated travel patterns perhaps regularise. Following the SCIPSA meeting of 1 March 2022, it was noted that this financial year had

been particularly difficult to forecast and had seen peaks and troughs in claims and activity largely reflecting public health restrictions operative at the time.

- 7.2 The Board noted the report with thanks and sought further detail on the lower than anticipated spend against Subhead A contingency. The Head of Finance noted that fewer applications had been made and the Director of Strategy and Change confirmed that the number of contingency applications, approval rate, and resulting expenditure would be measured and reported to the Board within the new KPI dashboard.

8. Board Programme of Work and Any Other Business

- 8.1 The Board noted its agenda for the meeting of 30 March and its separate meeting with Kathryn Stone, the Parliamentary Commissioner for Standards.
- 8.2 The Director of Policy and Engagement raised an item under 'Any Other Business' relating to the decision taken under Chair's authority, and subsequently approved by the Board, to suspend bimonthly publication provisionally until May 2022, following the murder of Sir David Amess and pending fresh security analysis and advice from Members' Security Support Services. To proceed with publication in May, work would have to be undertaken now to prepare the data and ready it for onward circulation to and verification by MPs. MSSS' security review, however, had not concluded and IPSA had therefore not received updated advice nor had an opportunity to discuss its findings with MSSS. It was anticipated that the review would conclude at the end of March.
- 8.3 The Head of Policy discussed a number of options with the Board on potential ways forward, including publishing only certain types of claims, publishing all claims with only certain information provided, resuming bimonthly publication without MSSS' latest review, or delaying its resumption until the report was available for review, discussion with MSSS, and operationalisation.
- 8.4 The Board thanked the Head of Policy for raising this important issue and noted the paramount importance of minimising the risk to MPs' security, and that of their family, staff, and constituents. It agreed that IPSA should await the results of MSSS' security review before resuming bimonthly publication and deciding in what form this might proceed. It agreed to communicate this to MPs and their staff in collaboration with MSSS.
- 8.5 The Board reiterated its thanks to all IPSA staff for the continuing improvements made.