

Minutes of a meeting of IPSA's Board

7 December 2022

Board Members: Richard Lloyd OBE (Chair)

Will Lifford

Helen Jones

Lea Paterson

In attendance: Ian Todd, Chief Executive

Thomas Fitch, Director of Finance

Georgia Wilson, Director of MP Services

Lee Bridges, Director of Policy and Engagement

Karen Walker, Director of Strategy and Change

Chief of Staff

Head of Communications

Head of Policy

Compliance Officer (Item 5)

Senior Policy Adviser (Item 7)

Remuneration Policy Specialist (Item 8)

Apologies: Sir Robert Owen, Board member

Status: Submitted for approval at the meeting of the Board on 25 January 2023

1. Welcome and Declarations of Interest

- 1.1 The Chair noted the formal apologies of Sir Robert Owen. He invited attendees to declare any interests not previously recorded. No such declarations were forthcoming.

2. Minutes and Actions List

- 2.1 The minutes of 19 October were approved, and actions update noted.
- 2.2 The Head of MP Services and Chief of Staff delivered a presentation on General Election readiness and the planning which IPSA had undertaken to prepare for a future poll. Work had, for example, been conducted to redesign the winding-up process, enhance the induction of new MPs, and produce guidance for the dissolution of Parliament and other activities, such as website use, during the election campaign. IPSA had been working closely with House of Commons authorities to align and collaborate to improve the experience of new, returned, and departing MPs, and their staff, during this intense period. It was proposed that both would report to the Board quarterly to provide overviews of progress and thematic spotlights on key areas of planning, particularly after the publication of the Administration Committee's report into General Election services.
- 2.3 The Board welcomed the progress made and the proposal for quarterly reports, including deep dives into project workstreams. It encouraged the team to consider how best to factor in hybrid, virtual, and online resources and ways of working into planning, and how IPSA might work with respective party Whips to sustain the support to new MPs beyond initial induction as they establish their office arrangements, for example by arranging mentoring.

3. Report from the Audit and Risk Assurance Committee

- 3.1 The Chair of the Audit and Risk Assurance Committee (ARAC) summarised proceedings at the ARAC meeting of 6 December. The Committee received the latest iteration of the risk report, in which the strategic risk on security had been reframed to focus on the smooth transition of funding arrangements to the House of Commons for 2023/24. The risk on transformation had also been reduced as the transformation programme, as originally constructed before the acceleration of the regulatory review, was drawing to an end phase. The Committee agreed that 'people' should be made a key strategic risk, and noted that a presentation from the Government Internal Audit Agency aligned with that decision.
- 3.2 In addition, other items included a report tabled on the controls IPSA had in place, which could be further tailored, to mitigate the risk of malicious or accidental data loss. The Director of Finance also presented an update on procurement controls and would continue to provide progress reports at future meetings.
- 3.3 In reviewing the Audit, Risk, and Assurance team's work programme for 2023-24, the Committee suggested that General Election planning and the phasing and delivery of the regulatory review would profit from first-line assurance review. It was also noted that both IPSA and the NAO would benefit from a lessons learned exercise designed to improve timetabling and activity for the Annual Report and Accounts for 2022-23.

3.4 The Board noted the report with thanks.

4. Chief Executive's Report

4.1 The Board sought an update on the McCloud pensions judgment and whether communications were needed to inform members of the interim position whilst further work is conducted on implementing the remedy. The Director of Policy and Engagement confirmed that an update would be sent to all members by the PCPF. The Board welcomed this and encouraged the Executive to consider further ways in which more information can be provided in the most accessible way possible to those impacted.

4.2 The Board further enquired as to the obstacles encountered in the rollout of the Financial Planning and Analysis (FP&A) tool and the improving, although still disappointing, learning and development findings in the staff pulse survey of the last quarter. It also queried senior recruitment plans, including for the Compliance Officer post becoming vacant in May 2023.

4.3 The Director of Strategy and Change updated the Board on challenges faced in implementing the FP&A tool and confirmed work underway to explore if the project was recoverable within cost and timeline. It was additionally noted that work was underway to boost the development offer via a learning curriculum. It was noted that 'on the job' learning and wider opportunities had been received by many staff over and above formal training and classroom-based learning.

4.4 The Chief Executive updated the Board on senior recruitment plans, noting that the recruitment pack for the Compliance Officer, as a statutory officeholder, would be shared in January after consulting the Parliamentary Standards Act 2009 and other relevant materials.

4.5 The Board noted the report with thanks, including progress in reducing monies owed, as well as the latest strategic KPI dashboard and transformation programme update. It asked the Executive to establish a forum by which Board members could seek assurance quarterly on progress made in delivering the next stage of the transformation programme including the regulatory review.

5. Compliance Officer's Lessons Learned and Quarterly Report

5.1 The Compliance Officer introduced her latest activity report and provided an update on developments since writing. This included her proposed approach to long-running investigations and planned engagement with the Police in specific cases.

5.2 In the annual lessons learned report, the Compliance Officer had identified several common themes in referrals and complaints. This included the alleged party-political use of newsletters and leaflets, online surveys including questions as to voting intention, the use and accessibility of constituency offices, connected parties, the use of staff for non-parliamentary purposes, and bought-in services. Across the year, whilst the Compliance Officer had overturned a minority of IPSA decisions, IPSA had faithfully applied the Scheme

as written but the Compliance Officer had judged that wider factors merited the exercise of discretion in favour of the MP. There had since been a material reduction in appeals to the Compliance Officer following decisions of the contingency panel.

- 5.3 The Board noted the reports with thanks and welcomed the falling number of cases referred to the Compliance Office, indicating that IPSA was taking reasonable and rounded decisions rooted in the Scheme whilst fairly considering all the circumstances.

6. MP Extended Absence

- 6.1 The Chair of the People Committee introduced a paper summarising findings of a proactive consultation exercise with MPs on the support IPSA provides to MPs who require an extended absence from Westminster whether for parental reasons, ill-health, or another caring responsibility. The feedback overall suggested that IPSA had developed a fit for purpose package of provisions well-suited to supporting MPs and their offices. There was additionally no further demand for a 'locum' position which could replace an MP on a like-for-like basis. MPs consulted had low levels of awareness of the support available, with work therefore required to raise awareness and make more explicit the circumstances in which MPs are eligible for support.

- 6.2 The Chief of Staff added that consultation with MPs' staff, external advisory and advocacy bodies, and devolved and international legislatures indicated that IPSA had developed a modern and flexible framework of support. This was especially the case in terms of the coverage of all parents, mental health, and flexible duration of support. Aggregated publication and non-financial practical measures, such as flexed proxy permissions, were also welcomed. As a secondary benefit by virtue of this exercise, IPSA had developed relationships with devolved bodies and academics which could prove valuable in reviewing other areas of policy and sharing practice, as well as key House services and parliamentary stakeholders who could signpost to this information.

- 6.3 The Chief of Staff outlined the recommendations flowing from the report, with oversight of publication and the associated communications plan to be delegated to the Chair.

- 6.4 The Board noted the report with thanks and approved the recommendations.

7. Scheme Consultation 2023/24

- 7.1 In line with previous Board discussions, the Senior Policy Adviser introduced a draft consultation paper on the financial treatment of former MPs and, in particular, the loss-of-office payment in light of expected changes to constituency boundaries and the repeal of the Fixed-term Parliaments Act. The document covers the terms and timings of payment and seeks views on non-financial support to MPs leaving office which could be explored. It was noted that this was a complex policy area to be considered in light of the boundary review.

- 7.2 The Board approved the consultation, subject to clarification that it retained discretion to depart from indexed pay determinations.

8. MP and MP Staff Pay

- 8.1 The Head of Policy and Remuneration Policy Specialist introduced a paper on proposed MP and MP staff pay determinations for 2023/24 following a benchmarking exercise on the latter.
- 8.2 The Board noted the paper as regards MP pay and reaffirmed its preference to link the MP pay determination to the KAC9 index. It would, however, await the latest data on 13 December before taking a formal confirmatory decision at its meeting of 14 December.
- 8.3 On the staffing budget, the Board requested a further iteration of options, including potential new alternatives, for its meeting of 14 December. This included the recommendation as tabled, as well as an option anchored in the benchmarking exercise but without the previously proposed changes to the assumptions used in calculating the staffing budget. It would be helpful to draw out market-driven considerations where the benchmarking review indicated that MP staff pay ranges were fundamentally out of kilter with comparators, as opposed to other banding variations proposed on the basis of skillset and workload. The Chief Executive confirmed that this could be provided with an explanation of each option and operational impact assessment, including in terms of how this would be translated into the Main Estimate to be submitted to the Speaker's Committee for the IPSA in January.
- 8.4 On the amount provided in the staffing budget for annual pay increases, the Board was content with the proposal of 4.9% in line with the ASHE index and additionally agreed that the minimum of the Administrative 1 salary range should be set at the Voluntary Living Wage.

9. MPs' Budgets 2023-24

- 9.1 The Head of Policy outlined the latest iteration of MP budget proposals for 2023-24, taking into account CPI forecasts for the purposes of rental accommodation, office costs, and the dependant uplift. A modest increase was also proposed for the ceiling on London hotel accommodation, as well as a recommendation to align any increase in the London Area Living Payment (LALP) to the forthcoming determination on MPs' salaries.
- 9.2 The Board sought and received further detail on the nature of office costs analysed as part of these recommendations, the basis for aligning LALP with MPs' pay, and in market rent pressures in London and across the United Kingdom.
- 9.3 The Board noted the importance of a robust evidence base upon which to take its decisions and, again, in considering each in the round rather than in isolation. As such, it was persuaded by the recommendations to uplift the office costs budget by the proposed 7% forecasted CPI rate of inflation, the LALP in line with the determination on MPs' pay, and small rise in capped nightly London hotel expenditure. The Board also supported the

approach to utilities and agreed a 7% increase in line with projected inflation, though reserved the possibility of conducting a mid-year review should the need arise.

- 9.4 The Board wished to consider in more detail the proposals on rental accommodation and the evidence base for a differential approach to London rental accommodation to that outside the capital. Given that this data can often be lagging, it asked if any forecasting could be made in regard to future rental pressures either at market level or via any demand IPSA has seen with property amendment forms approaching the third anniversary of the 2019 General Election. The Director of Policy and Engagement confirmed that further data could be provided on MPs' spend against budget and any trends discernible in non-London rented accommodation, and that a universal proposal could be made comprising both London and non-London for the meeting of 14 December.

10. Speaker's Committee for the IPSA

- 10.1 The Chief Executive confirmed that work was underway on a more detailed business plan and a business case outlining the delivery of and benefits intended for realisation as part of the regulatory review. Figures in the Estimate would also necessarily change following Board decisions on 14 December.

- 10.2 It was agreed that final sign-off of materials for SCIPSA be delegated to the Chair.

11. Financial Position and Management Accounts

- 11.1 The Director of Finance introduced the report as read.
- 11.2 The Board sought further information as to the level of accommodation expenditure in October 2022, with the Director of Finance to respond in due course.

12. Board Programme of Work and Any Other Business

- 12.1 The Board noted its agenda for the meetings of 14 December and 25 January.

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