

Minutes of a meeting of IPSA's Board

Wednesday 10 June 2020

By conference call

Board Members: Richard Lloyd (Interim Chair)

Sir Robert Owen

Rt. Hon Jenny Willott

Will Lifford

In attendance: Marcial Boo, Chief Executive

Alastair Bridges, Director of Finance and Corporate Services

Vicky Fox, Director of Regulation and Insight

Georgia Wilson, Director of Improvement and MP Support

Head of Communications

Head of Policy and Assurance (Items 1-5, 7, and 9-15)

Head of Data, Publication, and Validation (Item 5)

Improvement Portfolio Manager and External Consultant (Item 6)

Head of Finance and Payroll (Item 8)

Head of Operations (Item 8)

Communications and Engagement Manager (Item 9)

Assurance Analyst (Item 11)

Senior Policy Adviser (Item 12)

Executive Assistant and Board Secretary (Minutes)

Status: Submitted for approval at the meeting of the Board on 15 July 2020

1. Welcome and Declarations of Interest

- 1.1 The Interim Chair opened the meeting and invited all to declare any interests not previously recorded. No such declarations were forthcoming.

2. Minutes and Actions List

- 2.1 The minutes of Board meeting of 19 May were approved, with all actions completed.

3. Chief Executive's Report

- 3.1 The Chief Executive introduced his report within the context of stabilising demand, as well as a new phone booking system popular both internally and externally. IPSA was managing its relationship with users more effectively than in earlier months. The monthly payroll run was again conducted remotely, including over 500 salary awards for MPs' staff and pension auto-enrolment. Extra demand has, however, arisen from lease renewals and unreconciled payment card lines.
- 3.2 Other critical pieces of work continued at pace, notwithstanding the coronavirus lockdown and remote-working. This included the statutory consultation on coronavirus-related Scheme changes, organisational design work, and the improvement programme.
- 3.3 The Board discussed the report, noting the effective consultation work and the reduction of the case backlog amidst the pandemic. The Board emphasised the importance of staff wellbeing, encouraging staff to take leave to rest and recharge. It was suggested that staff could be surveyed to better understand their needs, concerns and preferences about any return to IPSA's office.
- 3.4 The Chief Executive noted that the next planned review of the coronavirus lockdown will be undertaken by the Government on 4 July. IPSA would conduct a stock-take thereafter, within the context of our three tests for office return: that the office is safe, that staff can commute to it safely, and that our plans are in line with government guidance. We were already planning to survey staff on the subject of office-return, including the potential for staggered hours and a mix of remote and office-working. The Chief Executive would update the Board at its July meeting.
- 3.5 The Chief Executive noted that IPSA had conducted many virtual, social activities to maintain a sense of team spirit and is exploring further ways to do so in line with moving government guidance.

- 3.6 The Board noted the complaints about the winding-up process of former MPs. Whilst there was progress in the last month, it stressed the importance of capturing the common themes of the complaints to support improvement work. The Director of MP Support said that a report on complaints will be presented in July.
- 3.7 The Board received detail on a finance coding issue and a particular contingency application. The Interim Chair also provided an update on the recruitment of the new Chair.

4. IPSA's Vision and Strategy

- 4.1 The Board received a paper which built on the Board's February Strategy Day and sought advice on IPSA's proposed vision, model of excellence, and strategy to inform the preparation of papers for discussion at the Board's September Strategy Day.
- 4.2 The Board noted the capacity constraints to taking this work forward, in light of the volume of work already being handled. It also noted that it may not be appropriate to accelerate work on IPSA's vision before the recruitment of the new Chair, particularly as the current business plan's strategic goal was felt to be adequate.
- 4.3 The Chief Executive noted that we had made a commitment in IPSA's Corporate Plan 2020-21 to 'define what excellence means' for IPSA and that IPSA's 2019 staff survey indicated that staff want greater clarity about IPSA's direction.
- 4.4 The Board noted that the context of coronavirus limited the extent to which IPSA could engage meaningfully with external stakeholders on longer-term strategy in advance of the Board's September Strategy Day. It was decided that IPSA should press on with its improvement work focused on getting the basics right, with the Strategy Day used as an opportunity to receive early input from staff on the vision and to clarify our ambition for user excellence.
- 4.5 The Board therefore agreed to defer decisions about IPSA's vision and longer-term strategy to 2021, noting the importance of tangible improvements to MPs' user experience this year in line with the corporate plan. It also noted that the current strategy is operative until 2022.

5. Key Performance Indicators (KPIs)

- 5.1 The Head of Data, Publication, and Validation introduced his paper which analysed IPSA's current publicly-reported KPI measures and proposed new measures of performance. The measures proposed were based on those adopted by comparable

regulatory bodies, such as the Electoral Commission. Tracking success against the measures would be based on data and external feedback. The paper also proposed a new monthly report to the Board measuring performance against the three objectives in the corporate plan.

5.2 The Board noted the paper with thanks, stressing the importance of measuring public-facing KPIs objectively. It suggested a different measure to evaluate staff performance and professionalism, and sought more detail on IPSA's assessment of inputs versus outcomes, recognising the data gaps that exist.

5.3 The Board approved the overall approach and measures proposed in the paper, subject to suggested improvements and comments. It noted that this KPI work was necessarily iterative until IPSA more clearly defines excellence and its longer-term strategy and targets.

6. Improvement Programme Update: Governance and Processes

6.1 The Chief Executive introduced his paper which built on the detail provided to the Change Oversight Committee and the substantive work conducted at pace since the Board's approval of the improvement programme on 21 April. The paper considered the budget, governance, and priorities of the programme.

6.2 Much work was already underway or planned. This included a revised organisational design, a new MP-facing website, system changes to IPSA Online, and a wholesale review of our key business processes. The imperative now was to bring the work together to prioritise, resource, and sequence projects in light of their urgency and dependencies. This would come to the Board's Change Oversight Committee for approval.

6.3 The Board welcomed the paper, which outlined a complex and comprehensive programme. The Board commented on how best to update the Speaker and his Committee for the IPSA on the improvement programme. A SCIPSA Lay Member had been formally invited to attend the Change Oversight Committee as a non-voting observer. The Board highlighted the importance of understanding the needs of users and suggested a more formal role for a user representative in the improvement programme's governance structure.

6.4 The Director of Improvement and MP Support agreed and noted that IPSA's qualitative and quantitative surveys of users, frontline conversations with proxies, and workshop engagement had all been helpful. The Improvement Portfolio Manager added that the workshops have been positive, but concern remained as to

the front-end of the system and that some users did not believe that improvement would be delivered. An upgraded version of Business World, better at linking with more user-friendly software, was planned. This, and the potential for accredited apps, was welcomed by the Board.

- 6.5 The Improvement Portfolio Manager informed the Board that a methodology had been created to improve IPSA's business processes, and that this had been tested on two key processes: the new starter payroll process and lease registration. Workshops had been conducted to obtain the views of users. A prioritised action list has been created to take forward improvements. Sixteen other processes have been prioritised, subject to resourcing and sequencing considerations. She noted that the programme would also look at the staff skills needed.
- 6.6 The Board considered the budgetary dimension of the programme. The Director of Finance and Corporate Services outlined the numbers in more detail, which the Board noted.
- 6.7 The Board welcomed the clear progress made, noting the importance of:
- clear guiding principles for the Change Oversight Committee about service provision, avoiding assumptions on users' needs and preferences
 - proactive insight and user engagement in process design, including more active involvement in the formal governance of the improvement programme
 - the technological context and the need to integrate the digital strategy, recognising feedback on the front-end of the system
 - defining the skills necessary for IPSA to take this forward
 - learning as we move and capturing knowledge to ensure that advice is given reliably and consistently
 - the improvement budget, its frontloading, and constraints and
 - integrating these workstreams, whilst noting the proposals on governance and the role of the Change Oversight Committee.

7. Draft Addendum to the Scheme 2020/21

- 7.1 The Director of Regulation introduced the paper following the 81 responses to the consultation on the Scheme which closed on 5 June.
- 7.2 The consultation illustrated strong support for the first and second recommendations. Responses on the third recommendation led to amendments to the draft addendum to provide for an opt-out home-working allowance for connected parties. IPSA's post-payment assurance process would check for double payments made to the same household. The addendum also incorporates drafting amendments suggested by IPSA's legal advice.

- 7.3 The Board stressed the importance of clarifying the home-working allowance rules to avoid overwhelming IPSA staff with queries and creating uncertainty for MPs' staff on the tax treatment of the sum. The Head of Policy and Assurance agreed, and noted that the allowance would only be payable monthly and could not be pro-rated if staff were on a phased return to office-working. The Head of Communications agreed that the payment of the sum should be straightforward for the period from April to July 2020 and that HMRC's response to the consultation was positive and provided clear guidance which IPSA would communicate to MPs and their staff.
- 7.4 The Board suggested a drafting amendment to paragraph 3.1 of the draft addendum to make clear that the £10,000 uplift to the office costs budget was to cover additional business running costs faced by MPs' offices, not MPs personally.
- 7.5 It was agreed that IPSA's Interim Chair should write to the Speaker on the financial implications of the changes proposed. The Board also delegated authority to the Interim Chair to approve the final addendum and related communications.

8. Report on Debt

- 8.1 The Director of Finance and Corporate Services introduced the paper and report to improve the monitoring of debt. In April 2016, IPSA's Board had reduced the write-off threshold for monies owed to £0 and set a principle that IPSA would recover all monies owed by MPs. Write-offs remained possible after all reasonable efforts at recovery were exhausted, but the current policy prioritised recovery over proportionality.
- 8.2 The Head of Finance and Payroll outlined the current process for the recovery of monies owed and provided detail on the current debt levels owed to IPSA; the majority of which constituted deposit loans to be returned by sitting MPs upon standing down or losing their seat. It was noted that the December 2019 General Election and subsequent winding-up period had made it more difficult for IPSA to follow up on monies owed by current MPs.
- 8.3 The Board asked about the definitions and trigger points of debt for MPs' staff, as well as questions about the migration of data onto IPSA Online and some specific debt figures. Detail was provided by the Head of Operations and Head of Finance and Payroll. The Director of Improvement and MP Support added that, whilst there was a wider policy question about the proportionality of debt recovery, IPSA's operational activities adopted a sensitive and targeted approach to MPs, unless a lack of engagement required a stronger recovery method.

8.4 The Board welcomed the clearer report into debt and monies owed. It instructed IPSA staff to be sensitive in its handling of MPs' debt and to avoid asking staff to engage in difficult conversations without good data and communication training. It asked the Director of Finance and Corporate Services to consider IPSA's debt policy, including the proportionality of the write-off threshold and principle that IPSA will recover all money from MPs. The Chief Executive agreed to do so, and flagged the risk to IPSA's regulatory responsibilities and reputation if we did not publish MPs' debts written-off. The Board accepted this but emphasised the importance of considering value for money when expending staff and user time on pursuing small debts.

9. Annual Survey of MPs and Staff and Report from the General Election 2019 Survey of MPs and their staff

9.1 The Head of Communications introduced papers on the Annual Survey of Users, which measured satisfaction with IPSA, and qualitative research interviews with current and former MPs and their staff on IPSA's performance during the general election of December 2019. Both showed disappointing results, reflecting the time they were conducted when IPSA's staff were stretched and its processes inefficient. Upon publication, IPSA should point to operational improvements made since the feedback was sought. The election report would also be shared with the House for comment prior to publication.

9.2 The Board thanked teams for both reports, noting that issues identified should be tracked to ensure improvement and resolution before the next General Election. Drafting suggestions would be sent outside of the meeting. The Board delegated authority to the Interim Chair to approve the final publications.

10. HCMF 'Death in the Line of Duty' Provisions

10.1 The Head of Policy and Assurance introduced her paper which addressed matters previously discussed by the Board, but included new legal advice. This advice concluded that the Trustees of the Parliamentary Contributory Pensions Fund were legally entitled to exercise their discretion in this matter. IPSA's legal advisers have worked with those of the House to ensure that there was a common understanding of the legal position. As such, the paper recommended that IPSA notes the legal advice on the retroactive application of 'death in the line of duty' provisions and not consult further.

10.2 The Board approved the recommendation and agreed that the Interim Chair would write immediately to the Chair of the House of Commons Members' Fund with the Board's determination. The Speaker would also be informed.

11. Pooled Services Assurance Review

11.1 The Assurance Analyst introduced the review which found some non-compliance across all pooled services, including examples of bias, poor referencing and derogatory comments about other political parties. The Director of Regulation and Insight added that clearer guidance and standards would be created and that there was great appetite for collaboration from the pooled services so that their work could be compliant with the Scheme. The Board sought and received further detail on specific findings of the report.

11.2 The Board approved the recommendation to work with each pooled service to improve their compliance with the rules, whilst maintaining funding for pooled services due to their popularity amongst MPs and the potential of value for money to the taxpayer.

11.3 On the question of expanding the number of pooled services whose subscriptions could be funded directly by IPSA, the Head of Policy and Assurance noted that MPs can already claim for other professional services, including prospective pooled services.

11.4 The Board resolved to reconsider the question on the expansion of pooled services once draft standards and guidance had been produced. Thereafter, case-by-case determinations could be made in light of the standards.

12. Mileage Pilot Evaluation

12.1 The Senior Policy Adviser introduced his paper which invited the Board to note the positive feedback on the mileage pilot and decide on next steps. The pilot had achieved its objectives of lowering the administrative burden on MPs' offices and realising value for money benefits. Further work would be needed to assess whether the pilot had impacted on public trust in IPSA's regulation.

12.2 The Board received further detail on specific aspects of the pilot and its evaluation. The Board approved the recommendation to delay a decision on the future of the mileage pilot until wider questions, including IPSA's wider regulatory approach, were

resolved in the autumn or in 2021. Those currently participating in the pilot could continue to do so in the interim.

13. Report from Change Oversight Committee

- 13.1 A report from the Change Oversight Committee of 27 May 2020 was formally noted and approved, subject to one drafting amendment.

14. Financial Position and Management Accounts

- 14.1 In line with previous meetings held at this early point of the financial year, the Director of Finance and Corporate Services verbally updated the Board on the financial position pending a report for its July meeting. This included an overview of current coronavirus-related expenditure incurred by MPs and by IPSA. He noted that a Supplementary Estimate would be presented to the Speaker's Committee for the IPSA, following Board approval. Other financial pressures later in the year, unrelated to coronavirus, could apply subsequent pressure on IPSA's budgets and plans.
- 14.2 The Board noted the update. It asked for a projection of additional organisational costs which may be incurred as a result of coronavirus, with a forecast based on spending to date.
- 14.3 The Board asked that the Supplementary Estimate and explanatory memorandum be circulated following the meeting. Subject to comments and its approval, this could then be submitted to the Speaker's Committee for the IPSA by the Interim Chair.

15. Board Programme of Work 2020-21 and Any Other Business

- 15.1 The Interim Chair noted that the agenda for the September Strategy Day would be modified in light of the Board's decisions at this meeting.

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