

Minutes of a meeting of IPSA's Board

26 January 2022

Board Members: Richard Lloyd (Chair)

Sir Robert Owen

Helen Jones

Will Lifford

Lea Paterson (Observing only)

In attendance: Ian Todd, Chief Executive

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

Head of Finance

Chief of Staff

Senior Policy Adviser (Item 4)

Policy and Research Officer (Item 4)

Senior Policy Adviser (Items 7-9)

Senior Policy Adviser (Items 7-9)

Apologies: N/A

Status: Submitted for approval at the meeting of the Board on 2 March 2022

1. Welcome and Declarations of Interest

- 1.1 The Chair invited attendees to declare any interests not previously recorded. No such declarations were forthcoming.
- 1.2 The Chair warmly welcomed Lea Paterson, the candidate selected and approved by the Speaker's Committee for the IPSA (SCIPSA) to join the IPSA Board. Whilst the appointment remained to be formalised and the start date of the Board member term confirmed, Lea would attend Board meetings with non-voting observer status.
- 1.3 The Board expressed its deep sadness following the death of Jack Dromey MP and expressed its sincere condolences on behalf of IPSA to both Rt. Hon Harriet Harman QC MP and Mr Dromey's staff, to whom the Chief Executive had written privately.

2. Minutes and Actions List

- 2.1 The Board meeting minutes of 8 December were approved, and actions update noted. An action point relating to complex actuarial work would be further discussed under item 8.

3. Chief Executive's Report

- 3.1 The Chief Executive introduced his report summarising key operational activity taking place since the last Board meeting, including budget preparation for the public SCIPSA session of 1 March and the smooth annual publication of claims on 20 January.
- 3.2 IPSA had undertaken a comprehensive procurement process at pace to secure a replacement for its customer relationships management system and its implementation remained on track. Operational progress remained fairly stable, but with a rise in property registrations, claims, and calls. An induction plan had been put in place to offer support to the MP for North Shropshire elected on 16 December 2021, and dialogue held with Members' HR on how to offer tailored staffing support when an MP changes political party.
- 3.3 The Board sought further detail on the improvements planned to IPSA's online business cost claims system and assurance that this reflected customer feedback. The Director of Strategy and Change confirmed that IPSA had listened carefully to customer experience through a variety of fora, including user interviews and its annual satisfaction survey, and that development work was concentrated in the areas raised.
- 3.4 The Board further enquired as to whether any assessment had been made on what had driven an increase in call volumes and plans in place to improve response times to Freedom of Information requests. The Director of MP Services responded that the rise in claims submitted as more staff returned to the office likely explained the increase, as MPs or staff may call with queries as to certain claims submitted or returned. The Director of Policy and Engagement also confirmed that better response rates to

Freedom of Information requests in line with statutory deadlines was a key area for improvement not only to ensure higher compliance with the Act but also to offer opportunities to IPSA staff to develop their expertise in this area. This measure would also be reflected in IPSA's new KPI dashboard.

- 3.5 The Chief Executive outlined December's KPI performance and progress in delivering the transformation programme. Delivery of the latter remained on track, though risks remained with people resource, wellbeing, and capacity to carry out change at the same time as delivering and planning projects such as year-end and improving General Election processes. The latter included an operating manual to support MPs in assuming or leaving office.

4. Annual Survey of MPs and Staff

- 4.1 Subject to caveats on statistical reliability, the Senior Policy Adviser outlined headline findings from the Annual Survey 2021 of MPs and staff. This included a higher response rate and a clear improvement amongst customers in general satisfaction ratings and across individual services. A significant increase had also been recorded in the level of positive qualitative feedback offered by respondents. It was, however, noted that MP satisfaction levels in IPSA's delivery, whilst improved, lagged behind that of their staff.
- 4.2 Key areas for improvement included IPSA Online, account management responsiveness, access to payment cards for MPs' proxies, and the quality of information notes when claims are returned to MPs' offices for further detail.
- 4.3 The Board welcomed the update and the tangible improvement in service and relations evidenced within it. It also acknowledged the clear areas of focus identified by customers and noted the actions planned to address these within the transformation programme. It delegated authority for sign-off and publication of the report to the Chair.

5. Annual Survey of IPSA Staff

- 5.1 The Director of Strategy and Change introduced high-level findings from the annual IPSA staff survey. A paper with further analysis and action planning would be presented to Board members in due course.
- 5.2 The results indicated upward trends in satisfaction across key areas of activity. Results had been further broken down to reflect satisfaction across directorates, demographics (including age, gender, race, and sexuality), and grade/tenure. The lowest scoring area in the previous annual survey, 'Managing Change', had risen by 23% points alone.
- 5.3 The Board sought clarification on the impact of hybrid working on engagement levels. The Director of Strategy and Change confirmed that implementation continued to run smoothly with a clear and fair framework of rules applying to employees across the regions and nations. The Board also enquired as to varying engagement rates across

directorates, to which the Director of Strategy and Change responded that a new team structure, high levels of attrition and turnover, and previous use of fixed-term contracts may provide contextualisation. Further embedding of the team, regular pulse surveys, and process improvement would support efforts to boost engagement across all teams.

- 5.4 The Board welcomed the clear improvement in satisfaction across IPSA. That said, clear areas of focus had been identified to deliver culture change, higher people engagement, and workplace inclusion in the round. It agreed to reconsider the survey in due course.

6. Revised 2022/23 Business Plan

- 6.1 The Director of Strategy and Change presented a revised version of the business plan and MP budgets for 2022/23, which incorporated drafting and budgeting amendments requested by the Board in December.
- 6.2 The Board sought and received clarification as to specific aspects of the revised and base budgets presented and on some of the assumptions underpinning certain figures.
- 6.3 The Board further asked for the narrative of the business plan to be updated to reflect progress already made in delivering the corporate plan, and to include more detailed information insofar as possible on the benefits being realised by transformation activity.
- 6.4 The Board noted the business plan with thanks and endorsed both it and the updated budget proposals for 2022-23, including a revised hotel budget figure, subject to the approval of SCIPSA. It delegated authority to the Chair of the Board and the Chair of the Audit and Risk Assurance Committee for final sign-off before the SCIPSA meeting of 1 March 2022.

7. McCloud

- 7.1 The Head of Policy outlined the recommendations of the paper, namely that the Board approve the second phase of the McCloud consultation and that this include a specific question of whether fully protected members should be given a choice of benefits in the same way as other impacted members. A proposed additional question was on whether to widen the cost cap 'corridor' from 2% to 3% in line with reforms in other schemes.
- 7.2 A wider clarification was also sought on the appropriate treatment of cases where an impacted member dies during the relevant period, but before they had made a choice as to their pension treatment.
- 7.3 Following clarification of some aspects of the draft consultation document, the Board endorsed the recommendations in the paper and favoured consulting on granting the Parliamentary Contributory Pensions Fund (PCPF) provision to exercise discretion in the individual, specific circumstances as outlined in paragraph 7.2. It was additionally agreed that final sign-off of the consultation document would be delegated to the Chair.

8. Scheme Review

- 8.1 The Head of Policy introduced a draft consultation document on proposed changes to the Scheme for the 2022/23 financial year following Board steers in December, including proposals on the issue of homeworking contracts for MPs' staff and to consolidate the contents of the Scheme using 'Plain English'. These simplifications and changes were proposed in the context of and pending the wider long-term review of the Scheme which was set to take place in due course.
- 8.2 The Board sought further detail on the tax liability of ad hoc journeys potentially taken by MPs' staff on homeworking contracts to their constituency office or Westminster. It requested that the consultation be amended to make clear any potential tax liability under HMRC's treatment of regular patterns of travel or commuting, as opposed to ad hoc journeys. It further asked that the consultation make clear that the changes proposed should be considered in light of the fundamental regulatory review mentioned above.
- 8.3 The Board approved the draft consultation, delegating sign-off authority to the Chair.

9. MPs' Pay and MP Staff Pay

- 9.1 The Director of Policy and Engagement introduced proposals on MPs' pay and MP staff pay in light of data provided by the Office for National Statistics (ONS) under its AWE-KAC9 index and following the Board's decision in 2020/21 to not award a pay increase to MPs amidst the economic impact of the pandemic. In current circumstances as the economy and wage growth recovers, it was recommended that the award on MPs' pay once again be linked to an independent, objective index and rise by 2.7% in line with average public sector earnings. This uplift of 2.7% would correspondingly apply to the additional salaries paid to Committee Chairs.
- 9.2 It was further noted that the IPSA Board had decided, effective for 2021/22, that MP staff salaries would be automatically uprated in line with any cost-of-living increase provided to staffing budgets, but with an opt-out for MPs who did not wish for this to take place. The measure, designed to deliver administrative efficiencies for MPs and their offices, ensure greater pay consistency, and encourage pay increases to take place, had been largely adopted by MPs. It was proposed that the uplift to the staffing budget for the purpose of staff salary increases be 3% for 2022/23.
- 9.3 The Board discussed the proposals on pay. A fundamental principle was the importance of ensuring that the job of MP was an option for all, irrespective of personal background. It was also important that MPs were rewarded fairly for the work that they undertook, and that the process of determining pay was objective and transparent. The Board reiterated the value of linking MP pay determinations to an objective, independent

index which considered, in line with IPSA's pay principles of fairness, average public sector earnings.

- 9.4 It was also important to take account of the wider economic climate. In this context, the Board noted that the broader economic context remained extremely challenging, and that this could support a smaller rise than had been proposed. However, on balance, and in the light of IPSA's pay principles, the Board felt that the proposed 2.7% increase was appropriate. It was noted that MP pay had been frozen in the previous year, and that, even following a 2.7% rise, current and prospective inflation rates would likely lead to a reduction in real pay growth. It was also noted that the onset of the pandemic had led to a material increase in the volume and complexity of MPs' workload.
- 9.5 The Board therefore determined that pay for MPs and Committee Chairs should be increased by 2.7%, as recommended. It requested further information on IPSA's proposed communications approach to the decision and suggested this be aligned with that above on McCloud, and with a draft publication date of 10 February. Final sign-off authority was delegated to the Chair.
- 9.6 The Board also approved the recommendation to increase MPs' staffing budgets by 3% for the purpose of automatic uprating and to increase the maximum of each pay range to accommodate this in practice. To support good employment practice across MPs' offices and tackle low pay, the Board underlined its continued commitment to considering these issues when making decisions on MPs' budgets.

10. Financial Position and Management Accounts

- 10.1 The Head of Finance outlined a broadly stable financial position, with a slight uptick in the uncapped travel budget in November which was expected to fall in light of Plan B coronavirus measures. Further work would be undertaken to assess and provide assurance on forecasting between now and year-end, and particular clarifications were provided on MP staff headcount and the contingency budget.
- 10.2 The Board noted the report, and particularly the reduction in monies owed, with thanks.

11. Board Programme of Work and Any Other Business

- 11.1 The Board noted its agenda for the meeting of 2 March and, following the end of Plan B coronavirus rules, resolved to hold future meetings in person but with hybrid attendance options available.
- 11.2 The Board formally noted and approved updates made to its standing orders, discussed in December 2021, and which would now become operational and published online.
- 11.3 The Chair noted that, following the departure of the Director of Corporate Services, the IPSA Trustee position on the PCPF remained vacant and formal consultation was

required with the PCPF on the proposed replacement. It was agreed that the Board should return to this issue at its meeting of 2 March.

- 11.4 The Board also considered a request made by the PCPF to waive time limits set out in the pension scheme owing to exceptional circumstances in a particular case. The Board agreed to delegate the decision on this matter to the Chair of the Board and Chair of the Audit and Risk Assurance Committee.