

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

**29 March 2023**

**Board Members:** Richard Lloyd OBE (Chair)

Will Lifford

Helen Jones

Lea Paterson CBE

Sir Robert Owen

**In attendance:** Ian Todd, Chief Executive

Karen Walker, Director of Strategy and Change

Thomas Fitch, Director of Finance

Lee Bridges, Director of Policy and Engagement

Chief of Staff

Head of Policy

Investigations Officer (Item 4)

MP Services Regional Manager (Item 6)

MP Services Regional Manager (Item 6)

Head of Communications (Items 6-10)

**Apologies:** Tracy Hawkings, Compliance Officer

**Status:** Submitted for approval at the meeting of the Board on 28 June 2023

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

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

## **2. Minutes and Actions**

- 2.1 The minutes of the Board meeting of 22 February were approved, subject to one amendment. The Board noted that all actions were either on track, subject to specific updates or papers tabled at the meeting of 29 March or were not yet due.
- 2.2 The Board welcomed a report conducted by an external facilitator into the effectiveness of Board governance arrangements. A session designed to digest and draw out the findings was scheduled for 26 April. Pending Board decisions on any recommendations made, a further workshop was planned later into spring/summer. IPSA planned to publish a summary of the report, which delivered a clean bill of health alongside some improvement suggestions.
- 2.3 The Director of Policy and Engagement introduced a paper outlining the residual duties which will remain with IPSA after 1 April 2023, the date upon which security funding will move to House of Commons authorities. The Board welcomed the effective collaboration between IPSA and the House to ensure that the transition occurred smoothly, noted the validation and in-train work which will still sit with IPSA, and the plan to communicate what discretionary options remain available to MPs from IPSA budgets. Further updates would be provided in regular CEO Reports to the Board.
- 2.4 Following, *inter alia*, the publication of the Administration Committee report into the experience of MPs leaving Parliament, the Director of Policy and Engagement proposed a consultation document, which included changes to the eligibility criteria for winding-up and loss-of-office payments in light of the repeal of the Fixed-term Parliaments Act 2011 and upcoming boundary review. The consultation also posed neutral questions to seek views from interested parties as to the appropriate length of the winding-up period in which former MPs close their parliamentary affairs. The Head of Policy provided additional context as to the average winding-up period duration following the General Election in 2019 and the work IPSA has conducted following an assurance review to make the process more efficient.
- 2.5 The Board approved the consultation document and agreed to consider consultation responses on 28 June 2023.
- 2.6 The Director of Policy and Engagement updated the Board on the design work planned to improve the presentational display of publication data. IPSA's supplier would shortly begin user interviews to this end and a report would be tabled to the Board in June.

**3. Report from the Audit and Risk Assurance Committee (ARAC)**

- 3.1 The Chair of ARAC updated the Board on discussions and decisions made at the meeting of 29 March. The Committee had noted the latest update on IPSA’s strategic risk register, including the inclusion of a strategic risk on ‘people’ and that the risk on transformation would be re-evaluated by June. The Committee also considered recent reports into payroll processes and HR policies and, on the former, commented on plans to validate the effectiveness of controls after assurance mapping exercises had been undertaken.
- 3.2 The Committee also considered internal audit reports and noted considerable progress and a positive trajectory in terms of improving the picture on procurement. The Committee further approved the programme of internal audit work for 2023/24, reviewed the draft internal audit opinion of reasonable assurance, noted the draft timetable for considering the Annual Report and Accounts, and the NAO’s programme of activity. The Committee welcomed external speakers who reflected on their respective experiences and relative pros and cons of in-house internal audit (with external call-off) or a fully outsourced function.
- 3.3 The Board noted the update with thanks.

**4. Compliance Officer’s Report**

- 4.1 On behalf of the Compliance Officer, the Investigations Officer introduced the latest quarterly update on the activities of the Compliance Office and provided verbal updates on any developments since writing. The Investigations Officer noted an increase in correspondence or referrals relating to the alleged use of communications materials, as well as MP staffing resource and time, on party-political activity.
- 4.2 The Chief Executive added that both he and the Chair of the People Committee had recently conducted a successful recruitment campaign for the new Compliance Officer and had made a provisional offer to the preferred candidate.
- 4.3 The Board noted the update with thanks and would meet with the Compliance Officer on 26 April before the end of her five-year term of office on 29 May 2023.

**5. Chief Executive’s Report**

- 5.1 The Board enquired as to the implications of the recent spring Budget on the implementation of the McCloud project. The Head of Policy updated the Board on recent conversations with HM Treasury and the Parliamentary Contributory Pension Fund (PCPF) on the impact of the annual allowance changes. As discussion was ongoing as to the potentially smaller number of impacted members following the changes, the viability of compensation, and interplay with any outside earnings or pension schemes, IPSA was compelled to wait for

formal correspondence from HM Treasury as to its position and future plans, which may necessitate amendment to a Finance Bill.

- 5.2 The Board thanked the Head of Policy for the update and noted that IPSA may need to caveat the options pack due to be circulated to members given the dependencies and uncertainty raised above.
- 5.3 The Head of Policy confirmed that IPSA's first step would be the closure of the final salary section and formal laying of the document to that effect on 30 March 2023. The PCPF also planned to issue a letter to scheme members on the basis that a legislative solution remains to be found, but making clear that this was out of the PCPF and IPSA's control. The Director of Policy and Engagement confirmed that IPSA was planning for every scenario, including for an upcoming Finance Bill and equally if a legislative vehicle should not be forthcoming.
- 5.4 The Board enquired as to the contents of the complaints review which IPSA was undertaking. The Chief Executive confirmed that this was a live project designed to close the loop and ensure the consistency of categorisation and recording of complaints within IPSA systems. This would ensure that all such data is captured in assurance and KPI reporting.
- 5.5 The Board asked for an update on the rollout of proxy payment cards and, in particular, on the impact of the strengthened policy on salary deductions. The Director of Strategy and Change confirmed that IPSA would review all February-March data in April and that proxies were subject to the payment card policy as per terms and conditions signed upon receipt.
- 5.6 The Chair updated the Board on the recruitment campaign for the upcoming Board Member (Former High Judicial Officeholder) vacancy, which was proceeding ahead of schedule. The Chair had also recently met with a number of MP staff representative groups who had commented on the improved performance and cultural change delivered by IPSA.
- 5.7 In those discussions, the Chair held productive exchanges on the rationale behind IPSA's decisions for 2023/24. These conversations also proved helpful in informing some of the work already planned for 2023/24 and which will consider staff job descriptions, pay ranges, and pensions more fully in the round for 2024/25. The Director of Policy and Engagement confirmed that IPSA would engage staff representative groups in the spring to develop this thinking, in line with IPSA's remit and for Board sign-off of the scope of the review in June.
- 5.8 The Director of Strategy and Change introduced the latest KPI dashboard for February 2023. The Board enquired as to the status and age profile of monies owed. The Director of Finance noted that IPSA was performing a stocktake to identify sources of debt and to adopt a consistency of approach, with this work to be absorbed into the Improving IPSA programme. The management of former MP debt had been returned to MP Services with the aim of clearing all aged debt by the next General Election via tracing, full recovery, repayment plans, or write-off where appropriate. In addition to better recording and stronger processes upstream, the new debt dashboard was able to break down and categorise the debt across deposit loans, payment cards, validation, and budget overspends, and this was considered in depth and actively managed at the Delivering Financial Value pillar meetings.

- 5.9 The Director of Strategy and Change commented on IPSA's improved performance in supporting MPs and staff at year-end. The number of calls had fallen from around 1600 in March 2022 to 1000 in March 2023, indicating that the proactive work of MP Services and Finance Business Partners had helped to prevent, reverse, or mitigate issues in advance. The number of internal handovers had, however, risen. This was encouraging, as it suggested that the more complex queries were being filtered and allocated to the right people.
- 5.10 The Director of Strategy and Change also outlined interim results of a recent pulse survey of IPSA staff, showing further improvement on already strong engagement and retention.
- 5.11 The Director of Strategy and Change introduced the final update on the Transformation Programme as currently constituted, with the Board set to receive quarterly reporting on the Improving IPSA programme henceforth. Recent activity included further progress in General Election readiness planning and resilience training for IPSA people, with an offer of group or 1:1 coaching to boost confidence across the diversity of the IPSA population.
- 5.12 The Board noted the update with thanks.

## **6. General Election Planning**

- 6.1 The Board welcomed two MP Services Regional Managers who led the departing MP workstream for IPSA's General Election planning. The Managers noted that much had changed since the 2019 election, including with IPSA Online more embedded, more capacity, more experienced and resilient teams who had already been involved in by-election winding-up processes, more visibility and clarity on debt and payment card processes, a simplified winding-up budget to enable continuity of claim processing, and a stronger working relationship with the House of Commons. A guiding principle of the approach to supporting former MPs was compliance through customer service, with the more trusted and personal relationships built by Account Managers leading to quicker solutions, and with sensitivity shown to those who had experienced the shock of losing their seat.
- 6.2 As part of the planning, IPSA had been working closely with the House and Parliamentary Digital Services (PDS) on joined-up dissolution and kit disposal guidance, with the aim of first publication by 30 April 2023. IPSA had developed an iterative resource plan, with the aim of offering single points of contact insofar as possible and had conducted several standing down reviews with MPs not seeking re-election. In addition to a review of end-to-end processes, customer engagement was planned from May and a targeted set of FAQs was set to be drawn up. A driving principle across IPSA BAU activity was that all MPs should be 'election ready' with accounts in good order and IPSA staff would take part in regular workshops and refreshers to enhance their knowledge of processes for winding-up.
- 6.3 Winding-up, however, remained inherently complex and each MP had different circumstances. More work was therefore required to smooth the process as much as possible. In line with the Administration Committee's recent report, one such area was the delivery of timely and comprehensive asset lists in conjunction with the House. Work was

ongoing with partners in Parliament to improve this picture. A paper would also soon be brought to the Executive on the boundaries, both in terms of dates and quantum, of validation activity during an election. Other aspects would be considered as part of the Improving IPSA programme, including centralisation, and following Board decisions on, in particular, the length of the winding-up period and on pay in lieu of notice.

- 6.4 The Board enquired as to collaboration between IPSA and PDS to this end. The Regional Manager confirmed that IPSA was sharing lists of PDS equipment during IPSA's standing down reviews so that the departing MP had sight of the full picture of their affairs. This approach will soon be taken on broadband provision too. The Chief of Staff additionally confirmed that IPSA had agreement in principle from PDS that former MPs will retain access to their parliamentary email accounts for the duration of the winding-up period, which would smooth the process, free IT and MP Services capacity, and reduce risk of data incident. A next step to maintain momentum was to connect IPSA workstream leads with their counterparts in the House of Commons to ensure further positive alignment.
- 6.5 The Board noted the update with thanks.

## **7. Improving IPSA Programme**

- 7.1 The Chair of the Improving IPSA Assurance Group (IIAG) updated the Board on a useful first meeting on 8 March 2023 in which it asked the Executive to table the top three deliverables (with benefits, costs, and milestones insofar as possible) to the Board on 29 March. This was in addition to a proposal on governance, business plan for 2023/24, and Technology Strategy. The Commercial Strategy remained in draft and, as such, the Director of Strategy and Change sought the Board's view on the direction of travel. The People Strategy was tabled for completeness but had already been signed off by the People Committee.
- 7.2 The Chief Executive noted that the exact costings and full scope of some of the areas documented would be finalised in due course, noting that IPSA had brought forward the delivery of the Improving IPSA by some twelve months due to the progress made. The Director of Strategy and Change added that the documents also illustrated plans for tactical, as well as transformational, improvements.
- 7.3 The Board thanked the team for a comprehensive set of papers. Subject to some tweaks, it supported the business plan in principle and delegated sign-off to the Chair.
- 7.4 The Board endorsed the top three deliverables proposed by the Executive: the IPSA Online user interface, property management support, and direct supply provision. It underlined the importance of effective communications when conducting the pilots to manage expectations and ensure that all decisions are taken based on evidence.
- 7.5 The Board also approved the proposed governance of the Improving IPSA programme, with quarterly reporting to the Board supplementing the work of the IIAG subcommittee.

- 7.6 On the Technology Strategy, the Board were supportive of the proposed approach to consolidation, interoperability, and cybersecurity, and the wider thrust of the Strategy. Given the depth of the topic, it suggested that the IAG meeting of 25 April could be broadened to include all Board members and wider discussion of the Strategy, to which the IPSA Online interface is central. The Director of Strategy and Change confirmed that further work on the phasing and resourcing of the Strategy would be available at that point. It was agreed that the Chair of IAG would consider how best to weave this into the agenda.
- 7.7 On the draft Commercial Strategy, the Board were comfortable with the direction of travel and would revisit the Strategy for decision in June.
- 7.8 The Board welcomed the discussion and noted that sufficient assurance could still be achieved with fewer materials tabled, particularly as the IAG subcommittee gets underway.

## **8. McCloud**

- 8.1 This item was discussed fully during the CEO Report.

## **9. Financial Position & Management Accounts**

- 9.1 The Director of Finance updated the Board on the accounts, which were largely stable with some movements on capital. The Finance Business Partners could look further into budgets to properly delineate between revenue and capital, with wider forecasting capability to be enhanced through the Improving IPSA programme.
- 9.2 The Board noted the update and suggested that a mid-year review should be conducted to rigorously assess spend against major commitments, perhaps in October 2023.

## **10. Board Work Programme and Any Other Business**

- 10.1 The Board noted its Programme of Work for the remainder of the calendar year. Comments to the Chair and/or Chief of Staff were invited for future business.
- 10.2 The Director of Policy and Engagement updated the Board that he had become IPSA sponsor for parliamentary passes, which would facilitate arrangements in BAU and election times.
- 10.3 The Chair noted that he had held a productive meeting as part of the regular cycle of meetings between Chairs of Independent Bodies. There was an appetite for further such meetings, with some participants possibly to be invited to meet the IPSA Board.
- 10.4 The Chief of Staff noted that the standing orders approved by the Board in February 2022 and its expense code for 2023/24 would be published and circulated shortly.