

Minutes of a meeting of IPSA's Board

Wednesday 29 November 2017

Present: Ruth Evans, Chairman
Sir Robert Owen
Liz Padmore
Anne Whitaker
Rt. Hon Jennifer Willott

In attendance: Marcial Boo, Chief Executive
Alastair Bridges, Director of Corporate Services
John Sills, Director of Regulation
Vicky Fox, Director of MP Support Services
Chief of Staff
Head of Communications
Head of Human Resources
IPSA Online Project Lead (Items 5 and 6)
Business Change Manager (Item 6)

Apologies: None

Status: Submitted for approval at the meeting of the Board on 13 December 2017

Publication: Approved for publication.

1. Welcome and Declarations of Interest

- 1.1 The Chairman opened the meeting and welcomed those attending.
- 1.2 No apologies were received.
- 1.3 The Chairman invited the Board and members of staff to declare any interests not previously recorded. No new interests were declared.

2. Minutes of previous meetings and matters arising

Minutes

- 2.1 The minutes of the meeting of the Board held on 2 November 2017 were approved as a correct record, subject to minor amendments.

Actions arising from the previous meeting

- 2.2 The Board noted the actions that had been completed since the last meeting. In particular, it noted that IPSA had not received an update from the Information Commissioner's Office on its report into the data breach that took place in March.

3. Compliance Officer's Report

- 3.1 The Compliance Officer for the IPSA provided the Board with an update on current cases, including the assessments, investigations and reviews that had been completed since his last report to the Board in September. He noted, in particular, that he had notified all relevant parties of his intention to instigate a formal investigation into the allegation that the expenses claimed by an MP to set-up and facilitate their website over the last two years had not in all cases been utilised solely for parliamentary purposes.
- 3.2 The Board noted the report, and the activities that had been undertaken by the Compliance Officer during the period.

4. IPSA's Strategy for 2018 – 2022

- 4.1 IPSA's Chief Executive presented IPSA's draft strategy for this Parliament which had been developed in consultation with IPSA's staff and the Board. He noted that IPSA's previous strategy for the 2015-2020 Parliament had set out its aim and objectives, and described a number of specific activities that IPSA committed to undertake during the period. These included reviewing the *Scheme of MPs' Business Costs and Expenses*, improving IPSA's processes, and upgrading the organisation's IT. All these goals had been achieved, including the five stated objectives of the IPSA Online improvement programme: to introduce account management, to review the Scheme, and to launch

a new website, a new online portal for MPs, and (soon) a new integrated finance, payroll, HR and expenses system. This success, the unexpected General Election in June 2017 and a new Parliament, made it necessary for IPSA to write a new strategy for the coming five years.

- 4.2 The Board reviewed the draft strategy and endorsed the strategic priorities that had been identified for this Parliament. The Board also made a number of specific drafting suggestions, and requested some changes to the phraseology of the stated aims and the overarching priorities.

IPSA's Values

- 4.3 The Board noted that over the last few months, IPSA had engaged extensively with staff at all levels of the organisation about IPSA's values, how they should be defined in the new Parliament and how they should be expressed. IPSA's Head of Human Resources had led the work which was conducted alongside the development of the strategy.
- 4.4 The Board reviewed a selection of the values and behaviours that had been cited frequently by staff during the discussions that had taken place, many of which centred around notions of teamwork and collaborative working, and success, pride and professionalism. The Board endorsed the work to refresh IPSA's values for the new Parliament, but suggested that some continuity with the existing values could be helpful. It might not be the case that all the current values of openness, independence, honesty, fairness and accountability need to be replaced.
- 4.5 The Board noted that internal discussions would continue into the New Year and a proposed set of values would be submitted to the Board at its meeting on 31 January. Thereafter, further work will be undertaken to define the behaviours that will deliver the values in practice.

Engagement with the public

- 4.6 As part of the Board's recent strategic discussions, it had considered how IPSA engages with the public and whether it should do more to explain IPSA's work and to measure its impact in terms of IPSA's aim to assure the public that MPs' business cost are well regulated. The Board continued this discussion in the light of a paper from IPSA's Head of Communications which put forward some specific recommendations for how IPSA could increase its level of engagement with the public.
- 4.7 The Board considered the content of the paper and noted, in particular, that:
- Data show that mentions of IPSA in the news and during debates in the Houses of Parliament had declined overall during the last eight years between IPSA's creation and today. There were some one-off increases in IPSA's profile, which correlates with its consultation on MPs' pay and remuneration in 2013 and the announcement of its determination in 2015. But it is reasonable to conclude from the data that the

issue of MPs' expenses is of far lesser concern to MPs, the media and the public, than in 2009. It is also reasonable to conclude that this is in part a result of IPSA's existence and its work as the independent statutory regulator of those costs.

- A number of other public bodies consult the public on their draft strategy. IPSA should also seek comment from the public and other interested parties before the strategy for this Parliament is finalised.
- The Board agreed that IPSA could do more to actively consult the public on its policies relating to MPs' business costs and expenses and asked the Chief Executive to consider how it could do so more effectively in future. It also considered whether IPSA should seek to survey the views of the public in order to attempt to measure the impact of IPSA's work. The Board asked the Chief Executive to provide further advice on this suggestion at a forthcoming meeting.
- The Board noted that a number of other public bodies routinely publish their Board papers. There is an argument to be made for IPSA to do so as well, in line with its commitment to transparency. Any such publication could take place after a specified period of time had elapsed so as to minimise the risk of the publication affecting the open consideration of high profile policy issues. The Board discussed the risks of doing so. It concluded that the risks outweighed the value to the public of proactively publishing that information.
- IPSA should explore whether it can become involved, as appropriate, in the work that is already undertaken by Parliament to educate young people and others about its role. The Board agreed that this could be an effective means of engaging with the public that involves a low cost to the taxpayer and minimal staffing resource.

4.8 The Board noted that the strategy for this Parliament would be amended in the light of the Board's comments and would be submitted to the Board's meeting on 31 January 2018 for approval, along with a set of proposed values and recommendations for its publication and dissemination internally and externally.

5. IPSA Online Highlight report

5.1 IPSA's Project Lead for the IPSA improvement programme presented the highlight report for November. The Board noted, in particular, that the user testing of the main system was progressing fairly well, although a large number of minor issues had delayed the overall schedule of testing. Over the coming weeks, live data will be loaded onto the system in preparation for the next phase of user testing. The launch of the IPSA Online Homepage has also been delayed by a few days due a number of outstanding technical tasks and to allow for a longer period of engagement with MPs and their staff.

6. Benefits of the IPSA Online Programme

6.1 The Board received an update on the benefits that are expected to arise from the IPSA Online improvement programme, and how IPSA intends to measure those benefits. The Board last received a substantive update in January 2017 as part of the revised business case, which included the recalculated costs of the programme, the revised financial savings, and the non-financial benefits.

6.2 The Board noted, in particular, that:

- IPSA is broadly on track to make the savings that were reported to the Board in January 2017, on staffing and office costs.
- The ongoing savings on IT and business technology that had been predicted in January are likely to be lower than expected.
- The new system is likely to save MPs and their staff time, but this is difficult to quantify and will only be realised in practice as they become proficient in using the system over time.
- The new system will enable IPSA to provide a better service to MPs, with a reduced error rate.
- There will be an approximate £150k reduction per annum in IPSA's budget from not paying MPs' taxes on some of the expenses that are considered by HMRC to be a benefit-in-kind.

6.3 A more detailed reassessment of the benefits and costs will be undertaken after the user acceptance testing is complete. This will give IPSA a greater understanding of how the system will work in practice and in turn provide greater assurance to the Board about the benefits and costs.

ACTION: IPSA's Director of Corporate Services to bring a detailed paper to the Board on the issue of MPs' taxable expenses, including the background, current status and future strategic matters for consideration.

7. Financial Position and Management Accounts

7.1 IPSA's Director of Corporate Services updated the Board on IPSA's financial position at the end of October 2017 and reported that the forecast year-end outturn for 2017-18 is a 12 per cent resource DEL underspend, which is slightly up on the 10 per cent forecast underspend last month.

7.2 The Board noted, in particular, that:

- On Subhead A (MPs' pay, staffing and business costs), £17.5m of General Election underspends had been moved from budget profiles into the Subhead A contingency, to give more meaningful full-year budget figures. These changes have affected the forecast full-year variances across all spend categories within Subhead A.
- The full year forecast underspend for MPs' staff salaries at 2 per cent reflects the lower than budgeted turnover of MPs at the General Election and the fact that staff turnover in the first six months of the year has been higher than originally assumed.
- Capped expenses are also forecast to underspend by 5 per cent at year-end, which reflects the movement of £13m into reserves to bring the budget more in to line with requirements for the remainder of the financial year.
- On Subhead B (IPSA operations), the year-end forecast underspend is 12 per cent, down slightly from the 13 per cent reported last month. The underspends are primarily on IT, consultancy, office running costs and legal costs.

7.3 The Board noted IPSA's financial position and management accounts for October 2017.

7. Chief Executive's Report

7.1 IPSA's Chief Executive presented his monthly update report to the Board. He noted that he and IPSA's Chairman attended a meeting of Parliament's cross-party working group, led by the Leader of the House of Commons, which is developing proposals for an enhanced complaints and grievance procedure for MPs' staff and others. IPSA's Chief Executive and Chairman offered IPSA's support to the Group to strengthen the safeguards for MPs' staff, particularly through independent mechanisms, and confirmed that IPSA is keen to work actively with the House of Commons to produce a handbook for MPs' staff, and to fund or take on any further responsibilities that are deemed appropriate.

7.2 The Board noted that IPSA's performance in October was very positive overall. Every business area was at or above target. IPSA's payroll and operations teams had begun to refocus on their core functions following the completion of the majority of the work from the General Election, and this was reflected in the improved measures. However, there were two new data breaches during the period. The Board therefore asked the Chief Executive, in consultation with IPSA's Senior Information Risk Owner, to consider again how IPSA handles the data breaches that occur and how the issue can be addressed, so there are no future recurrences. The Board was assured that a substantive update on data security would be presented at the Board meeting on 13 December.

7.3 The Board noted that the Speaker's Committee for IPSA had recommended the appointment of Will Lifford to IPSA's Board, as the member who is eligible for appointment as a statutory auditor. Subject to a vote in the House of Commons, he will start on 11 January. There were no appointable candidates to the second role post and a second recruitment process was underway.

8. Organisational Design

8.1 IPSA's Head of Human Resources presented the Board with a high-level plan for the development of IPSA's organisational design programme and its four key deliverables: a revised strategy; a clear operating model; a revised structure; and a clear framework of values, behaviours and skills. The Board noted the following key messages, in particular:

- Organisational design must align with, and enable the delivery of, IPSA's overall strategy.
- IPSA's new operating model will be based upon the principles of having higher quality contact with MPs, having fewer staff but with professional expertise, continuous improvement and the pursuit of excellence.
- The current high-level structure of the organisation will remain the same. However, changes to IPSA's ways of working will take place to facilitate a number of improvements, including the use of data analytics, joint working between teams with close dependencies and improved procurement and supplier management. This may require some structural changes within existing teams.

8.2 The Board noted the update and the timetable for the development and completion of the organisational design programme.

9. Any other business

9.1 The Chairman asked if there was any other business for report by the Board or the Executive. No further business was raised.

Meeting closed.