

Speaker's Committee for the Independent Parliamentary Standards Authority

Oral evidence: IPSA's Main Estimate and Corporate Plan

Wednesday 23 January 2019

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Members present: John Bercow (Chair); Kate Green; Valerie Vaz; Mr Charles Walker.

Mr Kenneth Batty and Bronwen Curtis, lay members of the Committee, were in attendance.

Questions 1-40

Witnesses

I: Marcial Boo, Chief Executive of IPSA, Alastair Bridges, Director of Finance and Corporate Services IPSA, and Ruth Evans, Chair of IPSA.



Examination of witnesses

Witnesses: Marcial Boo, Alastair Bridges and Ruth Evans.

Q1 Chair: Ruth, Marcial and Alastair, thank you for coming in to discuss IPSA's estimate and corporate plan. Before we get into the substance of the meeting, on behalf of colleagues I should say thank you to this estimable troika, because you have this year come forward some significant number of weeks earlier than you did in the past, so we have at least got time to adjust and to seek a rethink if that is required. I am not suggesting that that is in our minds at the moment, but there was a problem in the past when we felt that our backs were slightly up against the wall and we were very time constrained. This year it seems you are a month to six weeks early, and that is not unnoticed and is appreciated.

Ruth, before we get into questions, I should ask whether there is anything that you or one of your team want to say at the outset. You are absolutely welcome to do so, although we do have only until 4.30, and we are quite keen to crack on with questions. But if you want to make an opening statement, please do.

Ruth Evans: First, thank you to you and the Committee for this hearing. I think it was a joint effort to bring it back, so I really appreciate that. Thank you to all of you for making sure it was at this point.

You will see from the estimate that, again, there are two budget heads, as there always are. The first is sub-head A on MPs' costs, where you will see there is an overall 1.7% increase. That increase is made up of MPs' salaries, staff salary changes, staffing accommodation, office costs and that sort of thing. Sub-head B is IPSA's costs. It is proposed they will amount to £8.9 million. It represents an 11.9% increase, but that is primarily associated with depreciation on our new IT system. If you take that out, IPSA's costs have gone down by 5%, as has our headcount from 69 to 62 for the year. In conclusion, as I know you are the ones to quiz us, the board's view is that this is a prudent budget that will ensure MPs can carry out their tasks and have sufficient funds to do so. Also, that will reassure the taxpayer that there is value for money in the money that is used.

Chair: Good. Thank you very much indeed, Ruth. It is appreciated. We ought to crack on with our questions. If I remember rightly, we start with Ken specifically on the main estimate 2019-20.

Q2 Mr Batty: So almost starting at the top of the page with salaries and staff salaries, we have raised with you a number of times the concerns that we have as to what it looks like when MPs get a 2.2% salary rise and their staff only get 1.4%. I realise that on the ground there is flexibility and it might be that people can do different things, particularly if they are not at the headroom of their expenses budget, so what it means to individual members of staff might be less important. On just the pure visuals of saying that MPs are getting this much and their staff that much, I suspect



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the press have more interesting things to talk about at the moment, but should they decide to pick on this one, we are kind of giving them a target to go after. Is there any way over time that something can be done so that this becomes less of an issue going forward? I am not asking you to change it now. I realise where we are on this and the logic behind it, but we have to come up with something that stops it looking quite so bad.

Ruth Evans: Marcial, can I start with that, and then perhaps you can fill in where I fail to elucidate some of the points? The Leader spoke to us about this as well—was it last week or the week before?—and expressed her concern. The board thought about this very hard. Last year we created a parity, which was the first time that had happened, because at that point it was a 1.8% increase. We looked at the optics and we felt that, for a whole number of reasons that I will quickly tell you about, we should not set a precedent by creating parity again this year, because it would lock us in and create an expectation that that parity would be continued in the future.

We looked at what was affordable and we felt that a 1.5% increase for staff, which is something we are proposing in our own staffing budget, and it is the Government cap, was more proportionate. The costs, as Alastair will tell you, of increasing staffing costs up to the 2.7% that we propose for MPs would be very significant to the budget. So there is the affordability and the precedent issue, which is that we do not want to be locked in.

It is important also to say that there is headroom within MPs' budgets currently to be able to increase their staff's pay. I think around 60% of MPs have that headroom, and the total headroom is around 8% to 9% overall in the budgets. If MPs felt minded to increase their staff's salaries, that is obviously something that the vast majority can do.

The final point worth mentioning is that we have a settlement that we agreed in 2015, before my time, in which MPs' salaries would be pegged to the ONS average public sector figures, and that seems to have taken a lot of the heat out of the argument on MPs' pay. We do not want to ruffle feathers and change that for this coming year, but we can look sympathetically. We did think about your questions. We can certainly look again when we undertake the pay review after the next general election when there will be another review of MPs' pay.

One more point is that we propose to review MPs' staffing needs. If, from the evidence, we find that more staff are required, that is another route through. That would not come into effect this year, but it certainly would in the April afterwards.

Marcial, I don't know whether you want to add to that.

Marcial Boo: Not at this juncture, unless there are further questions on this point.

Q3 **Kate Green:** I am following what you have said, which was immensely



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helpful. You mentioned looking at whether MPs' staffing needs might be greater than currently provided for, but you have also said that 60% of MPs are underspending their staffing budget. Do you plan to inquire into why that might be the case and why MPs appear not to be spending to the limit?

Ruth Evans: I think we probably know some of the answers to that, don't we, Marcial?

Marcial Boo: I think you are absolutely right that we will be inquiring into that. We have already sent out to all MPs and their offices a call for evidence on MPs' utilisation of the staffing budget. We have had informal, anecdotal feedback from MPs that the volume of activity in their offices has increased very significantly over the past few years, partly as a result of online petitions, but also people's greater interest in politics at the moment, for reasons that we all know.

We want to assess the evidence to see whether MPs are managing effectively within their budgets. That will include the extent to which they are underspending, in which case they may be very comfortable. We are open to all kinds of evidence.

The 60% of MPs that Ruth mentioned are well within their staffing budget and at no risk of overspending it, but a further 30% of MPs are utilising their staffing budget very effectively and are getting near the limit but don't go over. It is only a few MPs who are really at risk of overspending their staffing budget at present.

Q4 **Kate Green:** I suppose I am also interested to know why some MPs are underspending, and whether that relates to the way in which they work or confidence in their ability to deal with contingencies or unexpected needs for additional staff, or whether it is something else entirely. It would be useful, if you are doing an investigation, to be quite searching about why that might be. I would be wary of an assumption—I am sure it is not yours—that 60% of MPs have lots of headroom, and therefore the staffing budget is completely adequate and perhaps overgenerous.

Marcial Boo: No, I do not think that's our assumption whatsoever. What is certainly our assumption, on the basis of conversations we have had with many Members of Parliament, is that people use their budgets in extremely different ways.

Some people recruit to London and some to their constituencies. Some people use part-time staff and some have long-standing staff who have worked for them, sometimes for decades, who are near the top of the pay band. We know that there is a whole range of experience of the way that MPs use their staffing budget. We want to have some evidence of that in practice, so that we can be fair to MPs as well as to the taxpayer.

Q5 **Chair:** Is there evidence that the spend varies according to the type of constituency—in very crude terms, urban versus rural, or known to be heavily deprived compared with the comparatively affluent?



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Marcial Boo: We don't have that in evidence terms, so the numbers don't reflect that. But that is certainly the view given to us anecdotally, that there are MPs in urban areas who are experiencing high volumes of work and let us know.

There are also MPs who have constituencies where, in the past, perhaps asylum seekers had been relocated or a factory has closed or there has been a particular environmental issue or planning development, where there have been pockets of demand on those MPs. That is less predictable, but, certainly, the kind of evidence that we want to receive from MPs.

Chair: Thank you. Valerie and then Charles.

Q6 **Valerie Vaz:** Just to follow up on that, could you confirm when you are going to close the date for getting in all this evidence, because I want to add to the mix something that is going to come up after 29 March? I don't know if you are aware, or whether the question has been asked, but a lot of MPs are having to sit on SIs, and there is going to be a huge swathe of Bills coming through that takes them away from their day-to-day work if they are going to be sitting in a Committee.

Are you going to be able to have some flexibility in the responses you get, whenever that is and when you produce this evidence, as to understanding the nature of the change of work that is going to come out with recent events?

Marcial Boo: The call for evidence closes in the middle of February, so it won't capture that so that we can analyse it. The evidence is to build a long-term picture of changes in demands on MPs. However, we do have other mechanisms to respond flexibly to surges in demand. There have been MPs who have put it to us that there have been particular issues in their constituency. For example, there is HS2.

Q7 **Valerie Vaz:** Grenfell.

Marcial Boo: Grenfell is another example. Another one would be child sex abuse allegations in certain constituencies, where for a period of time—it could be a couple of years—there have been really quite excessive demands on all the services in that constituency, including those of the MP. We have responded with additional funds where we feel that is appropriate.

Q8 **Valerie Vaz:** I am talking about Brexit and leaving the EU. It is difficult to assess it and difficult for MPs to understand the nature of the work that they are going to be asked to do, but just to follow up on Mr Speaker's question, are you doing a separate analysis or will you be doing the analysis of the different types of constituency? Obviously, some MPs don't do casework; some MPs do. Some MPs have been in their seats for quite a long time, with a huge majority, and so feel that just turning up to a fête and being seen is enough. Maybe they do their work in a slightly different way from modern MPs. Are you going to assess the nature of the constituencies as well?

Marcial Boo: We will do that, yes.



Q9 **Valerie Vaz:** And will that be part of the report back?

Marcial Boo: Yes. The process will be that we are going out—we're consulting, in effect, MPs and their offices. I will be gathering that information together, analysing it in exactly that way and advising the board; and then it will be for the board to make decisions about budgets.

Chair: Thank you. Charles.

Q10 **Mr Walker:** I would just sound this note of caution. I have never had an underspend, but I have never reached the limit. I spend what I need to spend to do my job. I would hate it to be the case that somehow my political virility was measured by how much of my budget I had managed to spend, or that the fact that I don't spend it suggested that I was somehow lazier than another Member of Parliament. We have been in these cycles before. We all do our job differently. Some of us write our own letters; some of us have others to write our letters. We just need to be very, very careful that this is a completely judgment-free zone.

The only thing I would ask you to look at—this is just a point; I don't expect a response—is, for our staff, the idea of compassionate leave, particularly for bereavement. I think we need to do some more work collectively on that for our staff and I would like to engage with you on that at a later date.

Ruth Evans: Noted.

Q11 **Mr Batty:** I would like to pick up on an answer that you gave, Marcial, which was that, quite properly, some MPs are coming and requesting extra support for particular cases. What is the process for decisions as to yes or no, and what is the process for appeal if they don't like your original decision?

Marcial Boo: There is a very clear process—it is on our website; it's called contingency funding—where there might be something that is exceptional, unexpected or one-off. Those are the three criteria. And there is evidence that we request from the MP to justify any additional money that they feel that they need, either because it's over their budget or because it's outside the rules but there is a justification for the expenditure. Then we convene internally to decide, according to the criteria, whether we feel that there is a case for the money to be allocated, in which case we give it to the MP or we don't.

On the second part of the question, an MP whose application is rejected has two ways to appeal. If they feel that we have not conducted due process properly, they can appeal to the judicial member on our board, who is currently Sir Robert Owen, and he can assess whether I and my team have followed due process in making that decision. If they feel uncomfortable with the decision itself, there is an appeal process through a compliance officer that we have, who reports to the board but is separate from me.

Chair: Thank you. I think we are going to turn to the security budget. Valerie.



Q12 Valerie Vaz: I notice that the security budget is being reduced, the reason being that you feel that already the fixed costs have been taken up. I am still not convinced that all MPs have actually put in security measures. There is the breakdown between the three different arms, including the police and the House. I believe, from speaking to MPs, that threats have increased, so could you touch on that, what MPs can do and how the costs are broken down between the police, the House and yourselves?

Marcial Boo: The costs are all borne by us. The police advise MPs, the House manages the contract with the provider of the security services and we fund it all. That's the way it's broken down.

The budget has been set out as it has because, as you say, hundreds of MPs have already taken up the offer of a police assessment. They have produced a report. The provider has gone in and improved security in MP's offices and accommodation, which we fund. There are fewer MPs who need that security installed than there were before, which is why the budget has reduced. Just for the record, we take security extremely seriously. We have put provision in our budget now—this is the third year—in order to ensure that MPs, their family and their staff are safe from any threats that they experience.

Q13 Valerie Vaz: What I did say was that a number of MPs have not taken it up, and the threats are increasing. Whereas before we would have just dealt with our office, we are now having to look at other areas as well—homes and different places, and different ways of working. I am still asking the question: why has the budget reduced if you are funding everything, given that the threats have increased?

Marcial Boo: My understanding is that Officers of the House and the police are engaging very actively with MPs and encouraging them to take this up. We remind MPs from time to time in the bulletins that we send out to MPs and their offices that there is no impediment whatsoever to the funding being made available. We are, and will be, completely supportive of efforts in the House to engage MPs, to ensure that they keep themselves, their staff and their families safe.

Ruth Evans: I would like to add to exactly what Marcial has said. If we find that our projections are not accurate, we will still supply the funding.

Valerie Vaz: Thank you. That is helpful.

Q14 Chair: On the subject of the staffing budget, there is a 0.7% increase, but a 1.5% pay increase. IPSA proposes, as I understand it, a reduction of about 10% in full-time equivalent staff. I wonder how confident you are that that will not spawn an increase in consultancy or agency costs in the future, to plug staff shortfalls. I know that by definition it is difficult for an individual member to predict that in advance, but in making a decision of this type you can presumably take that into account and make some sort of prediction before you adopt the policy.



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Ruth Evans: The high-level answer—Marcial and Alistair can supplement this—is that the reduction in the headcount is a direct result of the benefits of the IPSA online transformation programme.

Marcial Boo: That is correct. This Committee very kindly gave us some money, both last year and the year before, to improve our IT system. In last year's budget there was provision for us to run a voluntary exit programme, which we have conducted, and some staff have left IPSA because the new system will be managed differently within the office and we won't need so many people. In answer to your question, I am very confident that we will not need to supplement the staff that we will have with consultants, because we will need fewer people to manage the system that we are about to implement.

Q15 **Chair:** And you do not think that any more Members will be up against the limit than is currently the case? If I have understood you correctly, you said a few moments ago that only a very small number of Members were about to crash through the barrier, or were at risk of crashing through the barrier. I don't think we actually asked you how many, but whether it is half a dozen or 20, I got the impression that it was a very small number. You don't anticipate that this is likely to lead to a somewhat larger number.

Marcial Boo: It could. One thing we will be doing is giving MPs more accurate and more real-time information about their budgets. It could be that that helps them to spend more of the budget that they are entitled to, which is absolutely fine. We have included some provision in this estimate to allow for that, but obviously we will have to see how this works in practice. When MPs and their officers log on to the system and they see that they have some headroom, it will obviously help them to manage their budgets more effectively. If that puts some pressure on us financially, of course we will need that.

Q16 **Mr Batty:** You are taking your staff down by 10%, but your accommodation costs are going up quite substantially in total. The way it looks on the estimate does not quite show it up, because of the rental income, but the reality is that it is going up from 458 to 586, so we presumably have a reduction in requirements for space and yet we are going up 17% as well. Do you want to just take us through that?

Marcial Boo: Yes. I will hand over to Alastair in a moment if I may. In sum, it is because we are in extremely cheap offices at the moment, which we moved into because we knew they were going to be redeveloped as they are, so we got a very good discount rate for the taxpayer. Now we are going somewhere else, which is still very cheap, actually, but not quite as cheap.

Alastair Bridges: That is correct. We are paying a relatively low rent—still a fair market rent, but at the lower end of the spectrum of what is available for what we need—for the new accommodation. Our actual rental costs will go down year on year, but what we are losing, as you said, is the rental income that we get on a portion of our existing premises. That



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was always understood to be a one-off or a temporary measure for a small number of years, so we knew we would not have that in perpetuity. But I think that on a like-for-like basis we can reasonably say that the costs are going down.

Chair: Content?

Q17 **Mr Batty:** I think so. You have a big office, so you are able to rent part of it off. You move to a smaller office and you say, "Like for like against what we had before, it is less money, yes, but we are spending 17% more than we were before in net. We got a very good deal before, and you can't beat us up now for getting a very good deal." How confident are you that the deal you have on the new offices is a good deal?

Ruth Evans: There has been extensive research done with our agents on this.

Alastair Bridges: Yes, we have taken professional advice on what is a good deal. We went out to the market, so we didn't just take the first thing that came along. We selected a building at the lower end of the rental price range from what was available. We have also signed a contract that gives us long-term stability on the amount of rent we pay, and it includes a rent-free period. We think that against market norms we have got a good deal. As Marcial said, where we were before, or where we currently are, was extremely cheap and we could never realistically have expected to continue with that.

Chair: Thank you. On the IPSA online improvement programme, Bronwen, I think you are going to lead the way and show us the light—or at least your questions might lead to us being shown the way and the light.

Q18 **Bronwen Curtis:** I have a number of questions on this. Shall I go through them all and then you can take them?

Marcial Boo: As you please.

Q19 **Bronwen Curtis:** If you look at this particular project, which has been significant for this Committee because we have granted additional funding for it, the headline results are that it has cost more and taken longer, and therefore we have lost the benefits realisation and the return on investment is reduced. So that is not exactly a tick in the box. My first question is: are the numbers that we now have before us the final ones? Is there any reason why these numbers will change?

Marcial Boo: None that I have available to me now, no.

Q20 **Bronwen Curtis:** So the ROI that we are now showing is what we can expect to be delivered.

Marcial Boo: That is what I expect, and what we as an organisation expect, to deliver, yes.

Q21 **Bronwen Curtis:** In your judgment, even though this is late and it costs more, does it still represent a good investment in the sense of use of money and benefits realisation? On what basis would you say that?



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Marcial Boo: I would say yes, absolutely, because factually this does deliver a return to the taxpayer. Over the time period—the nine years—that we have got displayed, which we sent through to you on request, there is a positive return to the taxpayer. On a purely factual basis, the taxpayer is investing a certain quantum of money and getting back more. That is the first point to make.

Q22 **Bronwen Curtis:** Not as much as they originally hoped.

Marcial Boo: No, that is absolutely true, and I have always acknowledged that.

Bronwen Curtis: I know that.

Marcial Boo: The second point is that, again, as we have discussed, there are benefits that we are confident will be delivered that cannot be quantified in financial terms. One of them, for example, is that we have run claims on the existing system and on the new system—the same claims—and on the new system it takes 30% less time to submit the claim. That is a 30% saving, on those examples that we have done, for every MP, in every office, every time they submit a claim. We haven't quantified that in financial terms, but that is a real benefit.

We have also brought our systems up to date. For example, we have the latest level of security, which is very important because we hold very sensitive data. We have increased flexibility so that from the new financial year, when we have the system in place, MPs and their officers will be able to scan or photograph evidence, whether it is a receipt or invoice, and upload it automatically into our system. That increases massively the convenience for the MP, because at the moment they need to print things off, put them into an envelope and send them to us. There are all kinds of benefits that in future we will be able to build on to ensure that we reimburse MPs for their claims even more effectively and reduce our costs even more.

Q23 **Bronwen Curtis:** I was going to explore that a bit. Now you have got some experience of running the system, even if in pilot mode. I have to say that when you showed it to us, it looked incredibly impressive, so at least we have got a good product. Are you seeing that maybe there is a phase 2 of benefits realisation? Now we know and are learning, what else could we deliver either for IPSA costs or for the cost of MPs?

Marcial Boo: I certainly think that is the case. I don't want to set out now what that might be, because for the past three years, as the Committee knows, we have been working with four or five different systems and consolidating them into a new one. Once we have got that in place and we realise these benefits, we will be able to improve it even further. As technology evolves everywhere, we will be able to ensure that we deploy that appropriately for the work that we do to support MPs. We are establishing a platform on which future improvements can be built.

Q24 **Bronwen Curtis:** I totally understand that. So, while not wishing to put any numbers or anything on the table, it would not be unrealistic for this



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Committee to expect, say, next year or the year after in the plan process to see something that I would call phase 2 realisation, or exploration of further benefits to be gained. It does seem that this is a reasonably significant investment, and therefore we should see opportunities to build on it.

Marcial Boo: That is absolutely true. We have talked in principle with the board about a continuous improvement programme that we want to implement from next year. It is mentioned in the corporate plan that we have shared in draft with you. Once we have consolidated the benefits of this particular phase, we absolutely intend to continue doing our job better, supporting MPs, making sure there is value for the taxpayer and implementing an effective regulatory environment to do the job that Parliament has asked us to do.

Q25 **Bronwen Curtis:** I think I have understood the benefits for IPSA itself, in terms of reduced costs and becoming more effective. I think I've understood the benefits for MPs of having a much more effective online system. Are there any risks? For example, we've got a new system, but the public don't see any difference. Is there anything you can put in that arena, or not?

Marcial Boo: Any risks to the public? Few. I think there are benefits, potentially, to the public of having an effective regulator in an area where a decade ago there were significant concerns. We will also have the potential in future to have a single system that stores all the data that we are using to both regulate and pay MPs. That will enable us to understand the needs of MPs better and more quickly. Coming back to an earlier conversation, if we see that there are particular demands on MPs in particular areas of their budget, we will potentially be able to respond more quickly to that, too.

Q26 **Bronwen Curtis:** There must be opportunities for doing data analytics on this.

Marcial Boo: Yes, there will be.

Q27 **Bronwen Curtis:** Can I just finally pick up on something that you said there, Marcial, about data security? That is obviously a big issue. I suspect that that world is not going to get less complex. In fact, the threat is going to increase. I wonder if you could say a word, and give us a bit of assurance, about how you are managing the risk of what is incredibly sensitive data.

Marcial Boo: Absolutely. Alastair, could I ask you?

Alastair Bridges: A number of things. On the new system, we have had the systems tested by an independent senior expert; we carry out penetration testing exercises to make sure the systems are secure, and we will carry on doing that up to the "go live" point and then regularly thereafter. More broadly, we are investing as an organisation in our cyber-security, so there is a small amount in the budget, for example, to help us secure ISO 27001 accreditation as a cyber-secure organisation. That is something we take very seriously.



Ruth Evans: Sorry, if you have finished—when you have finished—

Q28 **Bronwen Curtis:** When I have finished. *[Laughter.]* Picking up on that, and looking at this system going forward, what would you classify as the risks that you are most concerned about?

Marcial Boo: What I am concerned about at the moment is that, within the next week or two, we will be sending guidance to MPs about the end of the financial year—as we always do at this time of year—and in addition to that, we will be talking about the new system. In April—I think it goes without saying—MPs will be very busy, as has been alluded to already, so although it is a new financial year and it is an appropriate time to switch over to a new finance and payroll system, none the less it will potentially be a very high-pressure time for a lot of people. My concern is that MPs, understandably, will be focusing their time and energies elsewhere, and may take time to get to know the new system.

We are putting in place mitigation for that. We are going to have training around the country, so that MPs' staff can be trained in the new system. We have already trained 65% of MPs' offices, so we have already done a lot of that, but we want to make sure that we have further support for MPs at that time.

Ruth Evans: I was just going to give a general overview of your earlier questions about projections not being met on this project. For that reason, the board has put in place a programme of review under the chairmanship of Will Lifford, who is the audit committee chair, to review how the whole project has taken place and to learn lessons where we can.

Q29 **Valerie Vaz:** On this new system, MPs are expected to photograph their receipts or whatever and then upload them. In five years' time, perhaps, when an inquiry comes in under FOI, would MPs still be expected to keep the evidence of that? Obviously, you just turn around to us and send us an email saying, "There is an FOI on this," and we have to trawl through all our records. Those of us who have been solicitors in the past know that we have to keep them for six years, so are you saying that we are secure enough to not have to keep that extra record? Secondly, given the hacking evidence that is in the courts now, are some of the papers going to get it before you do?

Marcial Boo: On that second point, I certainly hope not, and Alastair has already talked about the security that we are putting in place. As you say, the standard timeframe is six years plus the current financial year. We will be using that ourselves; we will be deleting information after that period of time, so we will not hold it. Obviously, MPs themselves as independent office holders, have to take whatever measures they deem appropriate in terms of their own record keeping, and that is a matter for them, but we will have all the electronic records, and we will be deleting them. We have a schedule of deletion, in line with all public bodies.

Q30 **Valerie Vaz:** So it is a good idea to tell MPs to keep their records, rather than just rely on the fact that they are—



Marcial Boo: Indeed it would be.

- Q31 **Valerie Vaz:** In terms of the security of the phone and the extensive hacking that has gone on recently, are you satisfied that this is going to be a secure system?

Marcial Boo: It is worth saying that the use of the phone to submit evidence will be optional, so MPs do not have to do that. It is a choice: they can use that, or they can leave their receipts in their office, and the office can scan them and email them from the premises of Parliament through a secure network. It is a choice that the MP can make.

- Q32 **Mr Batty:** You mentioned that one of the prime benefits of the system is going to be a much-improved service for MPs and their staff. I notice that your KPI at the moment is at least 60% of MPs and their staff are satisfied with IPSA support. Are you going to set yourself a higher KPI when you put this in place, so that you can put some weight behind it—I realise that might come in higher, but are you going to set yourself a higher success factor, given you said this is one of the absolute benefits of it?

Marcial Boo: I would like to think that we will, yes. We have not had that conversation, but, yes, I understand the point you are making and I agree in principle.

Ruth Evans: We have had a general conversation about reviewing KPIs altogether, so it could come under that next year.

- Q33 **Chair:** As things stand, are you meeting your own targets?

Marcial Boo: We are, yes.

- Q34 **Chair:** Published targets, or unpublished targets?

Marcial Boo: They are all published. On that specific target, we ran a survey of MPs and their staff in December. It closed a couple of weeks ago. We have not had the results of that yet, so I will be able to let you know shortly whether we have met that target or not. I do not know whether we have or not.

- Q35 **Chair:** I have just got two questions at this stage. If others want to come in, they can, but we are constrained for time. You mentioned Brexit preparations. In the immediate term, and for some months, there has been a considerable spike in inquiries, I think—certainly, I have experienced a considerable spike. I am not one of those who says that I get a huge load—witness my earlier question about rural and urban constituencies—and I suspect some colleagues get a much heavier load than I. However, I have noticed a spike of inquiries flowing from Brexit, and the enormous—almost saturation—coverage of that one subject in the media was probably conducive to a lot of people writing or emailing. I suppose what I would like to know is whether you have thought about how Brexit will affect your role not just now but possibly for some time to come. Does it vary according to different Brexit outcomes? In other words, do you think the load will go down, and the implication for public



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funding will be lesser, if we are out within a few weeks, and greater if we are not? There are any number of gradations or variations on that theme, I suppose. What sort of thinking has been devoted to that?

Marcial Boo: We have had that conversation, as I am sure every public body in the country has. We judge that we are less affected than many Government Departments, for example, or public services, because, essentially, our client group is going to remain the same—there will still be 650 MPs who still need to be supported and paid.

The key risks for us are related first and foremost to any general election that takes place. We did not expect the 2017 one, as I am sure few people did, so we came back to this Committee and asked for more money to support that transition for those MPs leaving Parliament and those who were joining. That is the main risk that we have been preparing for. The second one, obviously, is any recall of Parliament that takes place when it is not sitting. We have provision already in place for that, and indeed that has happened in the period that IPSA has existed, and we have successfully supported MPs who have needed to return to the House in exceptional circumstances.

Those are the main financial implications. We also have business continuity plans in place for us as an organisation, whether because of Brexit or any other major event that takes place. We obviously have those in place and rehearse those too. So we have had those conversations, but, obviously, as the months go by and any new issues arise that we need to take into account, we will do that.

Q36 **Chair:** Thank you. There is a budget for Members' physical security. I wonder whether you are able to give more detail of the measures IPSA has taken to ensure the digital security of Members and staff using your systems, particularly given the new systems that you are introducing. How secure are they, and what sort of stress testing has been done?

Marcial Boo: Do you want some of the data, perhaps, that we have got on that?

Alastair Bridges: It links to the earlier point, I suppose, but we have worked closely with the Parliamentary Digital Service to ensure that the access point to the new system will be via Members' Parliamentary Digital Service log on. So we benefit from the high levels of security that PDS have in place. That is probably one of the key points. In addition to that, as I have said, we have taken a number of measures to ensure that the system that we are building, which will be accessed via the PDS gateway, is secure. It has been penetration-tested, in the jargon; that means seeing whether you can hack into it, in effect. We have built up multiple levels of security. The data will be hosted in extremely secure server locations. That is something that we will always keep under review, but we think, as of now, we have taken the steps that we need to.

Q37 **Valerie Vaz:** I want to move on to something slightly different, but to start by saying that we regularly engage and discuss things. Members bring things to me as shadow Leader of the House, and we have very



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useful meetings, so thank you for that. You have “lessons learned” reports following errors, and an innovation fund. Could you give us some examples of where you have learned some lessons and tell us what you are doing with the innovation fund?

Marcial Boo: The errors first. We conduct reviews, for example, on the emails that we send MPs. We see whether their salutation is correct and whether there are typos and spelling mistakes, as well as whether the advice that we give is accurate. And where we find that our team have failed to recognise that an MP is Dr So-and-So rather than Mr or Ms So-and-So, we obviously put in place measures to train them and correct that. Similarly, on advice, if we find that there is a lack of knowledge on, for example, how to respond to MPs’ queries about disability issues, we conduct training of our team on those kinds of issues. We get a senior manager’s regular reports on the kinds of things that we are finding, and I am pleased to say that the level of inconsistency in advice and of errors is extremely low, but none the less I want it to be zero, so we do learn lessons, as it says in the paperwork.

The innovation fund is a new thing that we have put in place because we recognise the figure from the National Audit Office and others that 80% of innovation in public services occurs through the people who are actually doing the jobs, rather than senior managers. This is the Toyota lean improvement stuff, whereby people who are actually conducting processes realise that things can be better and come up with ideas to improve them. We have given small sums of money to members of our team who have spotted that there are better ways of conducting our processes, making things more efficient. We reward them for coming up with improvements.

Q38 **Valerie Vaz:** What sort of figure?

Marcial Boo: How much money? We give up to £250 per person.

Q39 **Valerie Vaz:** I just want to say that we know that Frank has left, so we would like to thank Frank for all the work that he has done. He has been very helpful over the years.

Marcial Boo: It’s very nice of you to say so. I am really proud, I have to say, of not just Frank but all the team. I am privileged to work with a bunch of really talented people who do their job effectively and take it very seriously to fulfil the responsibilities that they have.

Chair: Thank you for that. Anyone else?

Q40 **Bronwen Curtis:** Well, you know when you sit here and think, “I wish I had said that at the time”? I didn’t and I am slightly regretting that. This is not something that this Committee has had a particular debate on; it is a personal view, but I am going back to the optics point that Ken raised earlier about MPs’ pay increase and staff pay increase. I for one would not wish to give the impression that simply making them the same is the right solution, because obviously that potentially is an increase, or potentially it’s a decrease because you decrease MPs’ benchmark to the civil service benchmark. There are rationales that exist at the moment for



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both those triggers. If we are to do something simply for the optics, we need to have a rationale for doing that. That's all I wanted to say. I think there was a request to at least consider it next time round, but in considering it there needs to be some rationale for it. Otherwise, I would personally feel very uncomfortable if we just increased pay so that it is the same as other people's pay. That is not how pay systems work.

Ruth Evans: The point is taken.

Chair: Okay. If there are no further questions, on behalf of all colleagues I thank you very much for giving evidence today. Ruth, thank you for your initial remarks, but more particularly for all of the answers you have given, which, speaking for myself, I have found extremely helpful. I reiterate that, while it may well have been a collaborative process whereby we arrived at this more manageable—I will not say leisurely, but manageable—timescale, you have nevertheless played your part in that. I would like to thank you, Ruth, and your colleagues for your leadership in this matter. As usual, we will now go into a short private session to discuss the IPSA estimate. Thank you very much for your time.