

Minutes of a meeting of IPSA's Board

Thursday 28 April 2016

Present: Sir Ian Kennedy, Chairman
Sir Robert Owen
Liz Padmore
Rt. Hon John Thurso
Anne Whitaker

In attendance: Marcial Boo, Chief Executive
John Sills, Director of Regulation
Linda Everet, Acting Director of Operations
Naomi Stauber, Head of Board and Chief Executive Office
Head of Communications
Leader of Change Programme
Head of Finance (Item 3 and 4)
Head of Policy (Item 6)
Website Manager (Item 5)
External Relations Manager (Item 5, 6 and 7)
Investigations Officer (Item 8)

Apologies: Peter Davis, IPSA's Compliance Officer

Status: Submitted for approval at the meeting of the Board on 18 May 2016.

Publication: Approved for publication.

1. Welcome and Declarations of Interest

- 1.1 The Chairman opened the meeting and welcomed those attending.
- 1.2 The Chairman noted one apology that had been received from IPSA's Compliance Officer.
- 1.3 The Chairman invited the Board and members of staff to declare any interests not previously recorded. No new interests were declared.
- 1.4 The Chairman congratulated the Rt. Hon John Thurso, on behalf of the Board, on his recent election as a Hereditary Peer to the House of Lords.

2. Minutes of previous meetings and matters arising

Minutes

- 2.1 The Minutes of the meeting of the Board held on 23 March 2016 were approved, 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, and asked to see the policy to be written by the Head of Finance on the circumstances in which IPSA will pay salary advances using CHAPS payments.

3. Financial Position and Management Accounts for March 2016

- 3.1 IPSA's Head of Finance introduced the report which provided an update on IPSA's financial position as at the end of March 2016. The Board reviewed the report and noted the following key elements under each subhead:

Subhead A

- 3.2 In line with the forecast for February, IPSA is currently forecasting an underspend of £32.7 million at the year-end. The in-month underspend is primarily a result of the rephasing of the budget and the larger than usual contingency fund. The level of travel and hotel claims was also lower than forecast, and down on the monthly average. However, it is expected that the expenditure will increase to nearer the average by the time of the cut-off point for the consolidation of the accounts for the 2015-16 financial year.

Subhead B

- 3.3 IPSA is currently reporting a year-end underspend of £110k, or 2 per cent. The small pay overspend of £13k is down in part due to a higher than forecast annual leave accrual.

Subhead C

- 3.4 This budget of £1.5 million is now reporting a £208k underspend at year-end. As noted previously, IPSA had largely concluded all expenditure on the General Election (the major 2015-16 component of subhead C) prior to the final quarter. IPSA is not proposing to retain this subhead into 2016-17 and is budgeting accordingly.

Subhead D

- 3.5 The year-end position is in line with previous forecasts: a spend of £187k against this budget for the year. This subhead will not be carried into 2016-17.
- 3.6 The Board noted, in particular, that IPSA was considerably underspent on the capital IT budget. The Chief Executive explained that the majority of the underspend was a result of savings made on the forecast cost of the image redaction project. IPSA's experience and understanding of what was to be delivered suggested that this work would cost in the region of £200k. However, the quote was significantly below this.
- 3.7 The Board noted IPSA's financial position and management accounts for March 2016.

4. IPSA's Debt Policy

- 4.1 IPSA's Head of Finance introduced the report which presented a revised high-level policy on debt and monies owed for the Board's information and, in particular, asked it to agree to the reduction of the write-off threshold for MPs' debt from £500 to £0.
- 4.2 The Board noted the following, in particular:
- IPSA had previously agreed a policy on debt and monies owed in 2013, and it is good practice to review policies such as this every two years. As part of the 2017 improvement programme, IPSA is now in the process of upgrading all of its financial systems and processes. In this context, it is timely and appropriate to look again at IPSA's debt policy, which contains a high level of procedural detail and could be altered to provide IPSA with more flexibility to manage debts in the most effective way possible.
 - Since 2014-15, IPSA's policy has been to write off all debts of under £500 at the end of the financial year on the grounds that it is too costly, and not good value for money for the taxpayer, to recover small sums of money. This write-off threshold was set at £500 to be in line with the practice in many other public bodies, and was appropriate for the circumstances of the time. However, IPSA is

now in a position to apply different principles in relation to debt and monies owed.

- The Board recognised that IPSA has a duty to safeguard taxpayers' money. On this basis the Board agreed that IPSA's guiding principle in respect of MPs' debts should be to recover all money that is owed, whilst retaining the flexibility to decide, in exceptional circumstances and on a case-by-case basis, taking into account the cost of recovery, value for money and IPSA's regulatory responsibilities, whether the amount in question should be written-off.
- Lastly, the Board provided IPSA's Head of Finance with some comments on the content of the debt policy, which will serve as an internal high-level operational document for the recovery of MPs' debts and monies owed.

4.3 The Board agreed:

- a) to note IPSA's revised high-level policy on debt and monies owed, subject to the suggested amendments to the content; and
- b) that IPSA's general principle should be to recover all money from MPs, thereby reducing the write-off threshold for MPs' debt from £500 to £0.

5. IPSA's Website and Social Media

5.1 IPSA's Website Manager introduced a paper which updated the Board on the work undertaken to date to develop IPSA's new public website, the planned future work and the overall web strategy, including social media channels.

5.2 The Board received a presentation and a demonstration on some of the features of the new website and noted, in particular, that:

- Feedback from surveys (including from current and former MPs and their staff) has shown that IPSA's current website requires improvement. IPSA currently has two websites, both of which do not translate to internet browsers on anything smaller than a desktop screen. They are also difficult and costly to change and run and do not focus on the needs of any particular user group.
- Website surveys and data analytics indicate that the majority of the users of IPSA's website are members of the public and that they are visiting the website to view an MP's expenses. However, they find this information difficult to locate and navigate. As such, the new website is focused on these users' needs and will provide an improved experience for all visitors.
- The new website brings together the functions of IPSA's two current websites, without compromising security, and has improved compatibility with all social

media platforms, allowing IPSA to coordinate news from across its channels of communication.

- IPSA will use feedback from surveys of users to gauge the requirements of the public, combined with data from IPSA's contact with MPs to analyse areas where MPs and their staff could be better served online (for example, being more responsive on the website to 'hot topics').
- IPSA's aim is to build a website that provides information and services in a way that users would prefer to use, by making the content and navigation of the information simpler, faster and of a higher-quality. Once this is achieved the demand on IPSA's MP Support team to answer queries by phone is expected to ease, allowing them more time to focus on work that delivers greater value for MPs and the public.
- Social media links to and from IPSA's website will also help to improve engagement with current channels of communication and enable IPSA to better promote any other channels that are added at a later date, such as training videos on a YouTube channel that might demonstrate, for MPs and their staff, how to use its expenses system.

5.3 The Board congratulated IPSA's Website Manager on the quality of his work, and endorsed the approach to building the new website and to the social media strategy.

6. Draft Consultation Paper on the Comprehensive Review of the MPs' Scheme of Business Costs and Expenses

6.1 IPSA's Director of Regulation presented a revised consultation paper for IPSA's comprehensive review of the *MPs' Scheme of Business Costs and Expenses* ("the Scheme") for the Board's review and approval, in advance of its publication.

6.2 The Director noted that at the Board's last meeting on 23 March, it considered a first draft of the consultation paper, covering the first seven chapters, and policy papers on remaining issues for the Scheme and the publication of MPs' business costs and expenses. The draft paper presented to the Board reflected the comments and steers it provided at that meeting.

6.3 The Board agreed the consultation paper for publication, subject to a number of amendments.

ACTION: Director of Regulation to incorporate the Board's comments in advance of the publication of IPSA's consultation paper on the comprehensive review of the MPs' Scheme of Business Costs and Expenses.

7. Communications Plan for the Comprehensive Review of the MPs' Scheme of Scheme of Business Costs and Expenses

- 7.1 IPSA's Head of Communications introduced the report setting out the suggested approach to communications for the launch of the comprehensive review of the Scheme. He noted that this is the first time that IPSA will be consulting on the Scheme in detail since 2011. In addition, IPSA has also decided to publish, alongside the Scheme, the research, findings and evidence that underpins the consultation and which has informed the content of the document.
- 7.2 The Board agreed the communications plan for the comprehensive review of the MPs' Scheme of Scheme of Business Costs and Expenses.

8. Update from IPSA's Compliance Officer

- 8.1 In the absence of IPSA's Compliance Officer, IPSA's Investigations Officer provided the Board with an update on current cases, including the conclusion of the investigation into Simon Danczuk MP, who had now repaid in full the amount owing to IPSA.
- 8.2 The Board noted the report.

9. Chief Executive's Report

- 9.1 The Chief Executive introduced a paper setting out the organisation's activities since he last reported to the Board in March. He noted, in particular, that the interviews for the two new Director posts had been undertaken and that offers would be made to the successful candidates over the coming days.
- 9.2 The Board received an update on the IPSA 2017 improvement programme from IPSA's Leader of the Change Programme. It noted that the programme was on schedule to achieve its 'critical path' milestones and to go live with new systems and processes in April 2017. The Board further noted that implementation consultants had been recruited through competitive tender, and that they were already adding value to the programme. One of their first tasks will be to assist with the selection and procurement of a new Enterprise Resource Planning (ERP) system and manage its installation. A shortlist of ERP solutions will be available for the next Board meeting in May.
- 9.3 The Board noted IPSA's performance in March 2016, and the list of the Chief Executive's and Chairman's meetings with MPs and officials since the last report.

10. The Board's Programme of Work for 2016-17

10.1 The Board noted its programme of work for the financial year.

11. Any other business

11.1 The Chairman enquired if there was any other business for report by the Board or the Executive. No business was raised.

Meeting closed.