

## Minutes of a meeting of IPSA's Board

Wednesday 24 June 2015

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**Present:** Sir Ian Kennedy, Chairman  
Sir Neil Butterfield  
Liz Padmore  
Anne Whitaker  
Professor Tony Wright

**In attendance:** Marcial Boo, Chief Executive  
John Sills, Director of Policy and Communications  
Judith Toland, Director of Operations  
Naomi Stauber, Head of Board and Chief Executive Office  
Matthew Lumby, Head of Communications  
Briony Carew, Head of Policy (Item 3)  
Peter Davis, IPSA's Compliance Officer (Item 4)

**Apologies:** None

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**Status:** Submitted for approval at the meeting of the Board on 8 July 2015

**Publication:** Paragraphs 4.2 and 4.3 are not for publication.

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

1.1 The Chairman opened the meeting and welcomed those attending.

1.2 The Chairman noted that there were no apologies.

1.3 The Chairman invited Board and staff members to declare any interests not previously recorded. No interests were declared.

## **2. Minutes of previous meetings and matters arising**

### Minutes

2.1 The minutes of the meeting held on 18 May 2015 were approved as a correct record.

### Matters arising from the minutes

2.2 The Chief Executive reported that he had a constructive introductory meeting with the Leader of the SNP in Westminster, Angus Robertson MP, at which they discussed, in particular, the support that IPSA had provided to new MPs after the General Election.

### Actions arising from the previous meeting

2.3 The Board noted the actions that had been completed since the last meeting.

## **3. Fundamental Review of the Scheme 2015-16: Initial Discussion**

3.1 IPSA's Director of Policy and Communications introduced the report which presented proposals for the scope and priorities of the forthcoming fundamental review of IPSA's Scheme of MPs' Business Costs and Expenses. The report also presented a new set of principles for the Scheme, for the Board's review, and a potential timetable for the work to be undertaken and delivered.

### Principles of the Scheme

3.2 First, the Board considered the proposed new set of principles for the Scheme. It noted, in particular, that:

- The proposed draft principles are simpler and more concise than the previous set, and this is to be welcomed.
- The order in which they appear should be amended so that principle (g) comes first.
- Draft principle (f) suggested that, in devising and applying its rules, IPSA should bear in mind what would generally be thought acceptable by MPs' constituents, and that MPs, in seeking to adhere to IPSA's rules, should bear the same principle in mind. However, IPSA has no way of determining what exactly MPs'

constituents would deem to be acceptable, and nor do MPs. This is therefore an unworkable test and the principle should be deleted, but its essence reflected in principle (e).

- Draft principle (e) should, in addition to the Nolan principles, refer to the spirit of the principles and the public's perception of whether MPs are acting in a way which adheres to the Seven Principles of Public Life.
- Draft principle (g) refers to the concept that MPs should neither gain financial advantage, nor be disadvantaged financially, by the rules on business costs and expenses. This principle could helpfully be reworded, in line with IPSA's aim for the next five years, to say that "IPSA will ensure that that MPs' use of taxpayers' money is well regulated and that MPs are resourced appropriately to carry out their parliamentary functions".

### Scope, Priorities and Timetable for the Review

3.3 Second, the Board considered the proposed priorities which will define the scope of the review in the current financial year. The Board noted, in particular, that:

- It will be important to ensure that all parts of the Scheme are considered in detail as part of the fundamental review, so that a comprehensive and holistic approach can then be taken to considering the Scheme as a whole. The Board will need to look carefully at how each part of the Scheme, and any changes it may wish to make, affect and interact with the others. The review should, therefore, include rather than exclude, as was proposed, a consideration of office costs expenditure.
- In order to achieve the delivery of this wide ranging and demanding piece of work, to the standard that both the Board and the Executive agreed was necessary, a premature deadline should not be placed upon the review. Although much of the work could be undertaken during this financial year, the Board saw no compelling reason to complete the review within this timeframe. The timetable for the review should therefore be rescheduled to reflect a longer timeframe for the delivery of the new Scheme.
- The Board agreed that the first stage in the process should be to review the respective budgets of the Scheme and the principles underpinning them, and to establish what type of regulatory model IPSA should employ, in the first instance. This work could realistically be completed by April 2016, with the timetable for the implementation of the new Scheme to be considered thereafter.
- The Board questioned whether IPSA had the right level and type of resources to complete the review fully, from the first fundamental principles underpinning the budgets of the Scheme, to the in-depth analysis of each part. IPSA could

helpfully utilise the expertise of an external and independent person to consider the Scheme with a fresh perspective.

3.4 The Board agreed:

- (1) To note the report, which provoked a helpful discussion of the approach to be taken to the scoping and timetabling of the review of the Scheme;
- (2) That the draft principles of the Scheme will be amended in the light of the Board's comments, and submitted for approval at the next meeting at which the fundamental review is considered;
- (2) That it will be necessary to consider the Scheme holistically, from first principles to the detailed analysis of each constituent part, and how they interact;
- (3) That a workshop on what a 'fundamental' review might involve should be scheduled for the coming months; and
- (4) That, in the light of that workshop, the Board will plan a programme of work for the future, with indicative timescales for completion.

**ACTION: Head of Board and Chief Executive Office, in consultation with the Executive and the Board, to schedule a workshop on the fundamental review over the coming months.**

**4. Compliance Officer's Report**

- 4.1 IPSA's Compliance Officer, Peter Davis, updated the Board on his activities and provided details of current investigations, reviews, assessments and cases closed since his previous report to the Board.
- 4.2 *[Not for publication]*
- 4.3 *[Not for publication]*
- 4.4 The Board noted the report.

**5. Chief Executive's Report**

- 5.1 The Chief Executive introduced a paper setting out the organisation's activities since he last reported to the Board in May. He noted, in particular, that:
  - IPSA's Head of IT and Data Security will be leaving the organisation in the coming week. The current Deputy Head of IT and Data Security had been appointed as the new Head of IT and Business Technology, and will be reporting to the Director of Operations and Change from 1 July. The Board expressed its

gratitude for the previous Head of IT's contribution to IPSA over the past five years and wished him well.

- Work on the General Election had continued exceptionally well. IPSA had given two of the 92 defeated MPs their resettlement payment and the Chief Executive anticipated the authorisation of many more at the end of July. The Board thanked the Director of Operations, and her team, for their hard work.
- At the beginning of June IPSA published its consultation on MPs' pay. Much of the media, and members of the public, responded with predictable opposition, although there were supportive leaders in the Times, Guardian and Financial Times. There had been little media coverage on the subject of MPs' pay during the week leading up to the Board meeting, although many regional broadcasters and newspapers had since been asking their local MPs whether they would accept any proposed increase to their salary. The Board will receive a substantive report on the consultation at its next meeting on 8 July.
- The Chief Executive will provide the Board with regular updates on the 'IPSA 2017' improvement programme. One strand of this programme will focus on records management, and will address the issues that have arisen as a result of the Court of Appeal's judgement in the case of making public the images of the receipts submitted by MPs. The team are in the process of exploring the benefits and drawbacks of various options, from active to reactive publication.
- The Board noted that, in accordance with the principles of the Data Protection Act regarding the processing of personal information, IPSA will redact items on a receipt or invoice which have not been claimed for by the MP. This is in line with IPSA's existing Publication Policy.
- Many of the measures contained in the new performance framework had been completed. The remaining measures will be populated with data in time for the next report to the Board on 22 July.
- The Board raised some queries relating to the figures contained in the management accounts for May 2015. The Chief Executive agreed to provide the Board with a detailed explanation prior to the next meeting.

5.2 The Board noted IPSA's financial position and management accounts for May 2015, IPSA's performance in May 2015, and the list of the Chief Executive's and Chairman's meetings with MPs and officials since the last report.

**ACTION: Chief Executive to provide the Board with an explanation of the figures contained in the management accounts for May 2015, as highlighted by the Board.**

6. **The Board's Programme of Work from July to September 2015**

6.1 The Board noted its programme of work scheduled for the coming months.

6.2 The Board asked the Head of Board and Chief Executive Office to liaise with the Head of Internal Audit in respect of the submission of the Audit and Risk Assurance Committee papers to the Board, and the timing of its meeting in September, at which it would need to consider the final Annual Report and Accounts.

**7. Any other business**

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

Meeting closed.