

## Minutes of a meeting of IPSA's Board

Thursday 18 November 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 Regulation  
Judith Toland, Director of Operations and Change  
Naomi Stauber, Head of Board and Chief Executive Office  
Matthew Lumby, Head of Communications  
Head of Finance (Item 4)  
Head of Policy (Item 5)  
Policy Officer (Item 5)  
Peter Davis, Compliance Officer (Item 6)

**Apologies:** None

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**Status:** Submitted for approval at the meeting of the Board on 16 December 2015

**Publication:** Paragraph 6.1 is not for publication.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 no apologies had been received.
- 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 Board meeting held on 19 October were tabled. The Board was asked to review the minutes and raise any matters with the Head of Board and Chief Executive Office within one week of the Board meeting.

### Actions arising from the previous meeting

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

## **3. Update on IPSA 2017**

- 3.1 IPSA's Director of Operations and Change introduced the report which provided the Board with an update on the progress of the IPSA 2017 improvement programme. The Board reviewed the information and noted, in particular, that:
  - Work on the programme is beginning to pick up pace in what the Director termed the 'conceptualisation phase'. This phase involves the development of the overarching business and operational model, together with the mapping of the high level processes. The detailed completion of this initial piece of work is essential to the successful development of the overall programme.
  - The particular seven workstreams are progressing well. All have now had initial workshops and planning sessions which have been focussed, in part, on identifying the 'quick wins' that can be achieved in the short-term to improve how we work immediately, within our current budget and resources. Some workstreams are inevitably progressing more quickly than others – primarily due to both the nature of the work involved and the current demands within the respective area.
  - The Board agreed that it will be essential to 'future proof' any new systems and processes that IPSA chooses to implement, to ensure that the improvements achieved by the IPSA 2017 programme are lasting and can be adapted to the long-term operation of the organisation.

- The Board agreed that its role is to ensure that the timescales of the programme overall are being met, and that appropriate progress is being made to meet the interim milestones. As such, the Board must be informed of the potential barriers to achieving these objectives and what action is being taken by the Executive to mitigate the risks identified. The engagement of the Board is therefore essential. There is already an engagement plan in place which is aimed at providing a range of opportunities for everyone to contribute, including staff workshops and a regular ‘Town Hall’ series. This will provide the Board, in particular, with an opportunity to engage with the wider team and those leading the workstreams.
- The Board noted that the target completion date for the entire IPSA 2017 improvement programme is 1 April 2017. The full detailed work programme and costings will be presented to the Board at its next meeting in December, to be incorporated into IPSA’s Estimate for 2016-17.

#### **4. IPSA’s Financial Position and Management Accounts**

- 4.1 IPSA’s Head of Finance introduced the report which provided an update on IPSA’s financial position as at the end of October 2015. It also included a number of high-level graphs which illustrated the spending against IPSA’s budget year-to-date and the forecast spending through to the year-end.
- 4.2 The Board reviewed the information and noted that, whilst the graphs presented as part of the report were helpful, it also required the previous budget to compare to the latest reforecast budget, to illustrate spending this year month-by-month compared to the last financial year, and indeed compared to previous years so that the Board can see patterns over the years. The Board further requested that the substantive report on IPSA’s financial position and management accounts be supplemented with a monthly balance sheet for Subhead B.
- 4.3 The Board reviewed the information contained in the report and noted, in particular, that:

##### Sub-head A

- The year-to-date position is showing an underspend for MPs’ costs and expenses and an overspend against salaries, with a £2.9m underspend overall. This is an increase of £290k on last month’s position. IPSA is continuing to forecast a £31m underspend at the year-end, due in part to the contingency included as part of the 2015-16 budget calculations. The reported salary costs now include the majority of the resettlement and redundancy costs associated with the General Election.

##### Sub-head B

- IPSA is currently projecting a year-end underspend of £599k. This is a slight increase on September's forecast year-end position. IPSA is still forecasting that £220k of this underspend relates to depreciation, which is a capped budget. The year-to-date position continues to show an underspend of £208k against staff costs, and this reflects the fact that more hours are forecasted to be recharged to the General Election and FOI budgets than were profiled for the year-to-date when the original budget was set.

#### Sub-head C

- The General Election accounts for £1.487m of this budget. IPSA is reporting a year to date underspend of £207k, which is down £30k on September's figure. There has been continued re-profiling of the forecast, with costs associated with work on the General Election expected to continue over a longer period than originally forecast. This work includes roadshows and policy events, data cleansing and archiving of records.
- 4.4 The Board noted that IPSA's Head of Finance was in the process of producing a phased budget to reflect previous years' activity throughout the financial year. This has not previously been undertaken at IPSA and the organisation's budget-holders have been engaged accordingly in the exercise.
- 4.5 The Board noted IPSA's financial position across all subheads, as at the end of October 2015.

**ACTION: IPSA's Head of Finance to provide the Board with the previous budget to compare to the latest reforecast budget, to illustrate how spending this year month-by-month compared to the last financial year, and compared to previous years, so that the Board can see patterns over the years.**

**ACTION: IPSA's Head of Finance to ensure that future reports on IPSA's financial position and management accounts be supplemented with a monthly balance sheet for Subhead B.**

#### **5. Comprehensive Review of the Scheme: Accommodation**

- 5.1 IPSA's Director of Regulation introduced the report which covered, as part of the Board's comprehensive review of the Scheme of MPs' Business Costs and Expenses ("the Scheme"), another of the key themes – "Business vs Personal Costs". A number of other themes – support for MPs' families (including connected parties), parliamentary vs party political costs, and MPs' staffing expenditure - had already been examined at the Board's workshop on 22 October.
- 5.2 The Director emphasised that, although IPSA only funds costs which are in support of an MP's parliamentary functions, there are a number of examples of spending which

are still considered by the public – and in some cases by HMRC – as constituting a personal benefit to the MP. The principal area of spending which is still viewed equivocally as involving some personal benefit is the funding of the accommodation costs of MPs from outside the London Area. This is particularly the case given that many MPs rent a property in London, retaining it throughout the year when parliament only sits for circa 230 days of the year. Accordingly, the main focus of the Board’s discussion was the matter of accommodation.

- 5.3 The Board noted that accommodation is a high risk and sensitive area of the Scheme. If IPSA is to consider changes, it must be on the basis of the relevant information and accurate data to ensure that there are substantive grounds to make such changes. The Board requested, in particular, to receive data on the travel patterns of MPs, to ascertain how many days they typically spend in London.
- 5.4 The Board noted that there are a number of options for change, including but not limited to: retaining the current arrangements but with lower budgets, to reflect time spent at Westminster; the provision of serviced accommodation; IPSA purchasing property or leasing it from a supplier; or even an annual residential allowance, paid into MPs’ salaries. However, it is essential to determine, in the first instance, whether any of the potential options for change to IPSA’s policy on accommodation will result in substantial savings for the taxpayer and improve value for money. Such determination should be completed before IPSA considers commissioning any type of feasibility study on the alternatives to the current arrangements for MPs’ accommodation. When considering these potential options for change, the Board noted the importance of having regard to the fundamental principles of the Scheme – such as not unfairly advantaging or disadvantaging MPs’ by virtue of their role, compared to the public which they serve.
- 5.5 Apart from accommodation, the Board noted that there are other items of expenditure which could be regarded as having some personal benefit, although they are also necessary for the performance of MPs’ parliamentary functions. These include IT equipment (including equipment retained after an MP leaves office), use of telephones and season tickets for public transport. The Board will consider all of these other areas in January, with the additional information that had been requested, to enable to Board to make a fully informed decision based upon comprehensive and accurate data.
- 5.6 The Board
- Noted the latest evidence on MPs’ spending on accommodation, as detailed in the report.
  - Agreed that, prior to the consideration of an external feasibility study on alternative approaches to MPs’ accommodation, further information and data was required (as detailed above), including the projected savings that each potential alternative option might yield.

**ACTION: IPSA's Director of Regulation to return to the Board in January to discuss the matter of MPs' accommodation, with the additional information and data requested by the Board.**

## **6. Compliance Officer's Report**

- 6.1 IPSA's Compliance Officer introduced the report which provided an update on his activities and the details of current investigations, reviews, assessments and cases closed since his previous report to the Board.
- 6.2 The Board noted the information contained in the report, and the verbal update provided by the Compliance Officer.

## **7. Chief Executive's Report**

- 7.1 The Chief Executive introduced a paper setting out the organisation's activities since he last reported to the Board in October. He noted, in particular, that the Policy team was working on documents that, subject to the Board's agreement, IPSA will publish in December and the New Year, including an assurance report on the General Election and a possible review of IPSA's first five years of operation. These would prepare the way for our public consultation on the Scheme in May 2016.
- 7.2 The Board noted IPSA's performance in September 2015, and the list of the Chief Executive's and Chairman's meetings with MPs and officials since the last report, including those that the Chief Executive had undertaken since the publication of the agenda.

## **8. The Board's Programme of Work from November 2015 to March 2016**

- 8.1 The Board reviewed and noted its programme of work for the remainder of the financial year.

## **9. Any other business**

- 9.1 The Chairman enquired if there was any other business for report by the Board or the Executive.

### Membership of the Speaker's Committee for the IPSA ("SCIPSA")

- 9.2 The Chairman noted that the new membership of the SCIPSA had been announced, and that Charles Walker MP will continue to answer parliamentary questions in the House of Commons on behalf of IPSA.

### House of Lords Reform Bill

- 9.3 The Chairman noted that the House had debated Sir Edward Leigh MP's Ten Minute Rule Bill which, amongst other reforms, proposed to give IPSA the authority to regulate the House of Lords. The Bill passed its initial reading on 17 November and will have its second reading on 4 December.

Independent Commission on Freedom for Information

- 9.4 The Chairman noted that he and IPSA's Director of Regulation had met Lord Burns, the Chairman of a newly formed Independent Commission which had been established to review the Freedom of Information Act 2000. The Chairman reported that he informed Lord Burns of his general impressions of the Act, specifically the way in which IPSA had been responding to the Court of Appeal's decision in case of *The Independent Parliamentary Standards Authority v The Information Commissioner and Ben Leapman*. The Chairman explained that the Act as a whole did not impose significant burdens on IPSA, but that the redaction of information in light of the Court of Appeal case was in itself burdensome. He noted that, in his opinion, redaction should be included as one of the activities that can be counted in assessing whether a request exceeds the cost limit, particularly where, for example, the Data Protection Act 1998 required it.

Meeting closed.