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Minute

Minutes of a meeting of the Board Wednesday 15 October 2014

Present	Sir Ian Kennedy, Chair Sir Neil Butterfield Liz Padmore Anne Whitaker Tony Wright Marcial Boo, Chief Executive Peter Davis, Compliance Officer [item 5] Nick Lee, Head of Board and Chief Executive Office	John Sills, Director of Policy and Communications Judith Toland, Director of Operations Head of Communications [items 5 - 7] Policy Manager [item 6] HR Advisor [items 1 – 3] Head of HR [items 1 – 3] Senior Management Accountant [item 4] Head of Policy and Strategy [item 6]
Apologies	None.	
Status	As approved at the meeting of the Board on 26 November 2014.	
Publication	For publication by no later than 10 December 2014. <u>Sections 3 and 5 not for publication.</u>	

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1. Welcome

1.1. The Chair welcomed the Board to the meeting.

Declarations of interests

1.2. There were no new declarations of interests.

2. Minutes of previous meetings, action list and matters arising

IPSA/141015/1A – Minutes of a meeting of the Board of IPSA, 11 September 2014;

IPSA/141015/1B – Minutes of a meeting of the Board of IPSA, 15 May 2014;

IPSA/141015/1C – Minutes of a meeting of the Board of IPSA, 23 July 2014;

IPSA/141015/2 – Action list

Minutes of a meeting of the Board, 11 September 2014

2.1. The Board approved for publication the minutes of a meeting of the Board on 11 September 2014.

Nick Lee to arrange for the publication of the minutes of a meeting of the Board of 11 September 2014.

Minutes of a meeting of the Board, 15 May 2014

2.2. The Chair noted that the minutes of the meeting of the Board of 15 May 2014 had been tabled and he would approve them on behalf of the Board, having taken account of any comments received, the following week.

Nick Lee to arrange for the approval and publication of the minutes of a meeting of the Board of 15 May 2014.

Minutes of a meeting of the Board, 23 July 2014

2.3. The Chair noted that the minutes of the meeting of the Board of 23 July 2014 had been tabled and he would approve them on behalf of the Board, having taken account of any comments received, the following week.

Nick Lee to arrange for the approval and publication of the minutes of a meeting of the Board of 23 July 2014.

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Action list

2.4. The Director of Policy and Communications reported that:

- legal advice had been obtained with respect to the scope of Sir Neil Butterfield's role as the Qualified Person for IPSA under the Freedom of Information Act (FOIA), with particular reference to the handling of possible conflicts of interests; and
- that advice provided reassurance that the processes currently in place were robust, and that Sir Neil had the option – if he was concerned that a conflict might arise – of seeking advice from IPSA's lawyers to confirm his decision regarding the application of s. 36 of FOIA.

2.5. The Board noted that:

- following the meeting of the Board on 11 September, the Head of Policy and Strategy would seek the written agreement of the Cabinet Office and Parliamentary Contributory Pension Fund to the proposal that IPSA take responsibility for the additional voluntary contribution pension scheme for MPs; and
- proposals for the further development of the arrangements for liaison between the Board and MPs would be considered at the meeting of the Board on 26 November.

Matters arising

2.6. There were no other matters arising.

3. *Official Sensitive: Not for Publication*

4. Supplementary Estimate 2014-15

4.1. The Senior Management Accountant introduced a presentation setting out the factors needing consideration in deciding whether or not to seek a Supplementary Estimate for 2014-15. She noted, in particular, that:

- she did not anticipate any income or expenditure to arise that would be outside IPSA's ambit, nor was IPSA likely to exceed any of its control totals before the end of the financial year;
- for this reason, it was unlikely that a Supplementary Estimate would be necessary; and

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- the Board would be asked to make a formal decision whether or not to seek a Supplementary Estimate on 26 November.

4.2. The Board agreed to note the report of the Senior Management Accountant.

5. *Official Sensitive: Not for Publication*

6. Review of the Scheme, 2015-16: Budgets and further discussion

IPSA/141015/3 + annex A – Review of the MPs' Scheme of Business Costs and Expenses for 2015-16

6.1. The Policy Manager introduced a paper setting out the issues proposed for inclusion in the forthcoming review of the *MPs' Scheme of Business Costs and Expenses*, the results of which would take effect on 1 April 2015. She noted, in particular, that the approach to the consultation set out in the paper reflected the Board's agreement at its meeting on 11 September to conduct a relatively small-scale consultation, focussing on those changes which were necessary ahead of the General Election.

Pensions for MPs' staff

6.2. The Board noted that:

- although MPs (as the employers of their staff) were responsible for ensuring compliance with the automatic enrolment provisions of the Pensions Act, IPSA on their behalf was putting in place arrangements to ensure that MPs' staff could be enrolled in an appropriate pension scheme ahead of their staging date in 2016;
- beginning preparatory work early, as IPSA was doing, was beneficial both to MPs and to their staff. Nevertheless, changes would not be implemented earlier than strictly necessary unless IPSA was confident it could ensure a smooth transition to the new arrangements; and
- the fact that IPSA was carrying out the work preparatory to these changes did not change the fact that it was the responsibility of individual MPs to ensure that they complied with the law with respect to the pensions available to their staff.

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Advance loans for MPs

6.3. The Board noted that:

- MPs elected or returned at the General Election in May 2015 would be eligible to receive an advance loan of up to £4,000 to help with cashflow, to be repaid in fully by 31 March 2016;
- IPSA had recently extended the uses for which the payment card could be put and now offered a range of direct payment facilities, meaning that there was less need for help with cashflow than previously. It was by no means clear that MPs would need such an advance in the future;
- if the forthcoming consultation on the Scheme did not include a question relating to the continued provision of advance loans for MPs, MPs elected after May 2015 would not be eligible for such advances; and
- it would be open to IPSA at any time in the future to consult on reintroducing the facility of MPs to receive such an advance, if the need arose.

6.4. The Board agreed not to consult on extending the provisions for advance loans for MPs beyond May 2015.

6.5. The Board approved the scope of the consultation on the *MPs' Scheme of Business Costs and Expenses* and to a process whereby the consultation paper would be approved by correspondence in early November.

Policy Manager to circulate draft consultation on the *MPs' Scheme and Business Costs and Expenses* for comment.

7. Chief Executive's report

IPSA/141015/5 + annexes A – D – Chief Executive's report

7.1. The Chief Executive introduced a report setting out his work over the preceding month. He reported, in particular, that:

- there was now more headroom than previously forecast within subhead B of IPSA's Estimate (relating to cost of IPSA's own operations). Within subhead A, relating to MPs' pay, pensions, costs and expenses, improved modelling would mean that a more accurate forecast of expenditure would be available in November;
- absences in the Payroll team during the previous month had increased the number of errors (to 16) in the payroll in September. New staff were in post: the team was now back at full strength and more resilient as a consequence;

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- work was under way to develop new key performance indicators (KPIs) focussed on outcomes rather than outputs. These would be considered at the meeting of the Board on 26 November 2014; and
- following the appointment of the Head of Internal Audit as the Head of Operations, the Audit and Risk Assurance Committee would have an opportunity in November to consider how the responsibility for internal audit should henceforth be managed.

7.2. The Board noted that significant resources were being invested in training and development, both to ensure that IPSA was well-placed to deliver its responsibilities during and following the General Election and to communicate clearly and effectively with MPs and their staff.

Committee on Standards

7.3. The Director of Policy and Communications reported that, along with the Compliance Officer, he had attended a meeting of the House of Commons Committee on Standards on [xx] to discuss the consultation on the procedures of the Compliance Officer.

7.4. The Board agreed to note the report of the Chief Executive.

8. Any other business

Digital Board papers

8.1. The Head of Board and Chief Executive Office reported that a service had been identified for the secure delivery of Board papers to tablet devices. He noted, in particular, that:

- this service was likely to improve the timeliness of the distribution of papers, reduce costs and make it easier to access them;
- if they chose to use the service, Board members would be expected to use their own tablet devices (such as iPads); and
- he would continue to ensure hard copies of Board papers were circulated as required to those who wished to receive them.

Head of Board and Chief Executive Office

8.2. The Chief Executive reported that work was under way to appoint a new Head of Board and Chief Executive Office (who was also secretary to the Board), to replace the incumbent (who would be leaving IPSA the following month).

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8.3. There was no other business.

Meeting closed