



Minute

Minutes of a meeting of the Board of IPSA Thursday 11 September 2014

Present	Sir Ian Kennedy, Chair Sir Neil Butterfield Liz Padmore Anne Whitaker Tony Wright Marcial Boo, Chief Executive Nick Lee, Head of Board and Chief Executive Office	John Sills, Director of Policy and Communications Judith Toland, Director of Operations Policy Manager [items 1 – 6] Interim Head of Validation and MP Support [items 6 – 10] Head of Policy and Strategy [items 1 – 6] FOI Officer [items 1 – 3]
Apologies	Mark Anderson, Head of Communications Peter Davis, Compliance Officer	
Status	As approved for publication at the meeting of the Board on 15 October 2014.	
Publication	For publication no later than 26 November 2014. <u>Sections 2.3, 2.4, 7 and 8 not for publication.</u>	

1. Welcome

1.1. The Chair welcomed the Board to the meeting.

1.2. The Chair noted that apologies had been received from the Head of Communications, whose wife was due to give birth to their first child.

Declarations of interests

1.3. There were no new declarations of interest.

2. Minutes of previous meetings and matters arising

IPSA/140911/2 – Action list

2.1. The Head of Board and Chief Executive Office reported that the minutes of a number of previous meetings were now overdue. He reported, in particular, that:

- those minutes would be presented for approval at the next meeting of the Board; and
- henceforth, minutes of meetings of the Board would be circulated for comment within a week of the meeting taking place.

Action list and matters arising

2.2. The Board agreed to note the action list.

2.3. There were no other matters arising.

3. Review of Compliance Officer's procedures: Signoff of Consultation

IPSA/140911/3 + annex A – Consultation on the procedures and guidance for the Compliance Officer for the IPSA

3.1. The Head of Policy and Strategy introduced a draft consultation on proposed changes to the procedures and guidance for the Compliance Officer. He reported, in particular, that:

- the Compliance Officer's procedures were a matter for the Board to establish, subject to consultation;
- the consultation set out proposed changes to the Compliance Officer's procedures which would not change the level of transparency about his investigations, although they would change the time at which certain data were published;

- the changes proposed, which were relatively minor, were unlikely to attract significant attention; and
- subject to the outcome of the public consultation, the proposed changes would take effect from 1 January 2015.

3.2. The Board noted that only in the most exceptional circumstances would the Compliance Officer exercise his discretion not to publish a statement of findings or closure report at the end of an investigation.

3.3. The Board agreed:

- to make clear in the consultation document that the proposed change in the timing of when the fact of an investigation would be published was intended to improve the effectiveness of the investigatory process and not in any way to diminish transparency; and
- to explain in the consultation document that the removal of the provision for public hearings during investigations reflected the limited utility of this provision.

3.4. The Board agreed, subject to the changes discussed, to approve for publication the consultation paper on changes to the procedures and guidance for the Compliance Officer.

Head of Policy to arrange for the publication of the consultation on changes to the procedures and guidance for the Compliance Officer.

4. Committee on Standards: Draft written evidence

IPSA/140911/4 + annexes A and B – Written evidence to the Standards Review sub-committee inquiry into the standards system in the House of Commons

4.1. The Head of Policy and Strategy introduced a paper setting out IPSA's draft written evidence to the Committee on Standards' review of the system for regulating standards in the House of Commons. He reported, in particular, that IPSA's written evidence was intended to provide factual background to the oral evidence that it would provide to the Committee in October.

4.2. The Board agreed that:

- it was important to flag in IPSA's written and oral evidence the important unresolved issues relating to the regulation of standards, not least the risk of confusion between the different mechanisms currently in place and recent public criticism of the existing standards framework within the House of Commons;

- the written evidence should make clear that IPSA would, if asked by Parliament, be willing to consider taking on additional responsibilities; and
- in oral evidence, IPSA's witnesses should be willing to engage in a discussion of possible future approaches to the regulation of standards.

Head of Policy to arrange for the submission of IPSA's evidence to the Committee on Standards inquiry into standards systems in the House of Commons.

5. MPs' pension scheme: Signoff

IPSA/140911/5 + annex A – New MPs' pension scheme

5.1. The Head of Policy and Strategy introduced a paper setting out the new MPs' pension scheme, including a proposal that IPSA take responsibility for the existing Additional Voluntary Contribution (AVC) scheme. He reported, in particular, that:

- the draft pension scheme, which reflected the position agreed at the earlier meeting of the Board, included changes to the scheme which either had already been agreed with the Cabinet Office and/or the trustees of the Parliamentary Contributory Pension Fund (PCPF), or which did not require their agreement (for example, those components relating to accrual rates);
- the preparation of the draft pension scheme had taken longer than expected because of the time taken to finalise the new Civil Service pension scheme;
- while no provision had been made for the existing AVC scheme under the Constitutional Reform and Governance Act (CRAG), all interested parties agreed that it would be desirable to continue to offer this scheme to MPs – not least given that it entailed no contribution from the taxpayer and that it made sense for IPSA to take responsibility for it alongside the main MPs' pension scheme; and
- in the event that additional protections were required following legislation to enable members of the scheme to transfer out, a consultation might be required later in the financial year on further changes to the MPs' pension scheme. The introduction of such protections would not be possible without consultation, but it was not yet clear whether such changes would be necessary.

Additional Voluntary Contributions (AVC) scheme

5.2. The Board noted that:

- the AVC scheme, to which 18 MPs were currently contributing, was held separately from the main PCPF scheme available to MPs and was invested by an insurer in the same manner as any other defined-contribution pension scheme; and
- there would be no operational impact of IPSA's taking responsibility for this scheme, not least because any administration would continue to be undertaken by the House of Commons Pension Unit.

5.3. The Board agreed to seek the explicit agreement of the Cabinet Office and PCPF, in writing, to the proposal that IPSA take responsibility for the AVC scheme before making a new AVC scheme under CRAG.

Head of Policy to arrange for the written agreement of the Cabinet Office and PCPF to the proposal that IPSA take responsibility for the AVC pension scheme for MPs.

MPs' pension scheme

5.4. The Board agreed to make the new MPs' pension scheme.

6. Review of the *MPs' Scheme of Business Costs and Expenses*

IPSA/140911/6 + annex A – Review of the Scheme for 2015-16: Initial discussion

6.1. The Policy Manager introduced a paper setting out the emerging issues for possible inclusion in the forthcoming review of the *MPs' Scheme of Business Costs and Expenses*. She reported, in particular, that:

- the Board would be asked to make a final decision on the scope of the review at its meeting on 15 October;
- while the Board had previously agreed that it would take a light-touch approach to the forthcoming review of the Scheme, there were a number of issues that needed to be addressed in the review – the last before the General Election – in addition to those changes which were necessary as a result of IPSA's recent review of MPs' pay and pensions; and
- when substantive proposals on policy were presented at the meeting of the Board on 15 October, they would also include an assessment of the resources, if any, needed to implement those proposals and the likely operational impact they would have.

6.2. The Board noted that:

- while IPSA was not under an obligation to consult before changing the level of MPs' budgets, it would be right to do so if they were significant or likely to affect how MPs carried out their parliamentary functions; and
- work was already under way and time had been set aside for the Board to begin to consider IPSA's future approach to MPs' accommodation ahead of the General Election.

6.3. The Board agreed:

- not to carry out a review of the Scheme on a similar scale to previous years, and instead to carry out (as previously agreed) a review and consultation focussed on changes that were necessary ahead of the General Election and bearing in mind IPSA's other commitments;
- to consider, as part of its review of IPSA's strategy, whether it would be more appropriate to review the Scheme less frequently from 2015-16 onwards; and
- to consider at its meeting in October what scope, if any, there would be for substantive policy work on MPs' accommodation to take place ahead of the General Election.

Marcial Boo and John Sills to consider the scope for policy work with respect of MPs' accommodation to be carried out ahead of the General Election.

John Sills to consider which policy changes might be included as a matter of necessity in the forthcoming review of the Scheme and report back to the Board at its meeting in October 2014.

9. Annual survey of MPs

IPSA/140911/7 + annex A – MP and staff survey 2014

9.1. The Chief Executive introduced a paper with the results of the recent survey of MPs and their staff. He reported, in particular, that:

- while the results showed a steadily improving impression of IPSA and its performance, these could nevertheless be improved further. There had been a wide range of views – positive and negative – expressed by respondents;
- in particular, the data suggested that there was dissatisfaction with IPSA's responsiveness to enquiries and the online expenses system; and

- work was under way to develop an action plan to respond to the survey's findings, which would be circulated to the Board once finalised.

9.2. The Board noted that four-fifths of respondents said that IPSA's service was average or better, and that this was by no means poor for a regulatory body such as IPSA.

9.3. The Board agreed that it would be helpful, ahead of the next annual survey of MPs, to consider the survey's scope and the form the questions took.

10. Chief Executive's report

IPSA/140911/8 + annexes A and B – Chief Executive's report

10.1. The Chief Executive introduced his monthly report to the Board. He noted, in particular, that:

- there had been a recent renewal of media interest in the question of MPs' pay, following his interview in the *Sunday Telegraph*. He would continue, as currently, to keep the Board informed of emerging media coverage and, where appropriate, seek their views before undertaking new initiatives;
- with respect to the budget for IPSA's own operations, work to forecast and monitor the financial position more accurately suggested a slightly higher-than-anticipated underspend by the end of the year. An underspend was also forecast with respect of all other subheads within IPSA's estimate; and
- IPSA's payroll team was temporarily short-staffed as a result of a number of departures of staff. Work was already well under way to make good this shortfall and ensure the continuity of IPSA's payroll services to MPs and their staff.

Head of Internal Audit

10.2. The Board noted that:

- the Head of Internal Audit and Assurance was currently also acting as Interim Head of Validation and MP Support; and
- steps had been taken to ensure conflicts of interest would not arise from this interim arrangement.

Publication of MPs' claims

10.3. The Director of Policy and Communications reported that:

- IPSA had published earlier that day annualised data about MPs' expenditure in 2013-14; and
- there had been a slight delay in the timing of publication because of a technical problem which had since been rectified.

10.4. The Board noted that:

- some media outlets had claimed that the total amount of MPs' costs as administered by IPSA exceeded for the first time those of the system administered by the House of Commons. This claim was inaccurate; and
- those making such claims failed to compare the amounts in question in real terms, on a like-for-like basis and reflecting inflation since IPSA's system was introduced.

Nick Lee to send Neil Butterfield a copy of recent decision notices.

Neil Butterfield / John Sills to discuss possible conflicts of interests relating to his status as a Qualified Person for the purposes of the Freedom of Information Act.

11. Board's forward agenda 2014-15

IPSA/140911/9 + annexes A – C – Board's forward agenda 2014-15

11.1. The Head of Board and Chief Executive Office introduced a paper setting out the Board's forward agenda for the remainder of the financial year.

11.2. The Board agreed to note the forward agenda.

Nick Lee to confirm the timing of the meetings of the Board on 8 October.

Nick Lee to reschedule the meetings of the Board currently scheduled for May 2015.

12. Any other business

12.1. There was no other business.

Meeting closed.