

Minutes of a meeting of the IPSA Board

Wednesday 10th December 2014

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

In attendance: Marcial Boo, Chief Executive
John Sills, Director of Policy and Communications
Naomi Stauber, Head of Board and Chief Executive Office
Peter Davis, Compliance Officer
Tony Stower, Head of Policy and Strategy
Mark Anderson, Head of Communications

Apologies: Judith Toland, Director of Operations

Status: Approved for publication at the meeting of the Board on 21st January 2015

Publication: Sections 3.3, 5 and 9 not for publication.

1. Welcome and Declarations of Interest

- 1.1 The Chairman opened the meeting and welcomed those attending.
- 1.2 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 of held on 26th November 2014 were approved as a correct record, subject to the following amendment:

Paragraph 8.9 (Performance-Related Pay) shall be amended to reflect the fact that the proposed changes to the performance management system *involve various stages* and would not be introduced until **2016**, taking into account the work required ahead of the General Election.

Actions arising from the previous meeting

- 2.2 The Chairman noted that, as requested at the last meeting, the Director of Policy and Communications had provided the Board with information in respect of how the Parliamentary Contributory Pensions Fund (PCPF) is valued and what lies behind the increase in MPs' contributions from an initial calculation of 10.5% to 11.1% of payroll in the new Scheme, which will come into force in May 2015.
- 2.3 The Chairman noted the Board's thanks to the Director of Policy and Communications and the Head of Policy and Strategy for their work towards the new MPs' Pension Scheme being laid before the House of Commons on Monday 8 December. This will put in place the new arrangements for MPs and certain office holders in the new Parliament. He further noted that the written agreement of the Cabinet Office, the Treasury and Parliamentary Contributory Pension Fund to the proposal that IPSA take responsibility for the AVC pension scheme for MPs, had been obtained.
- 2.4 The Head of Board and Chief Executive Office noted that a number of outstanding actions had been completed since the publication of the agenda and updated the Board accordingly.

Compliance Officer's Memorandum

- 2.5 In response to a request from the Board at its last meeting, the Compliance Officer tabled an explanatory memorandum which addressed the following points:
 - the distinctions between the assessment and investigation stages of the Compliance Officer procedures; and

- the Compliance Officer's discretionary powers to investigate complaints regarding claims made a year or more previously.
- 2.6 The Board were informed that the formal assessment stage only exists in the current procedures and has been removed from the draft procedures currently before the Board. It was agreed that some form of prior consideration was always required before opening an investigation and that the CRAG Act 2010 reflected this, such that no formal provision was required.
- 2.7 The Board agreed that any reference to a time limit of "12 months" should be removed from the Compliance Officer's Procedures, given the discretion enjoyed by the Compliance Officer.

Tony Stower to ensure that reference to a time limit of 12 months is removed in the final revision of the Compliance Officer's Procedures

3. Compliance Officer – Resources 2015/16

- 3.1 IPSA's Compliance Officer introduced proposals for the resourcing of the Compliance Office and associated costs in the forthcoming financial year, to form part of IPSA's 2015/16 Estimate.

Staffing Costs

- 3.2 The Board were informed that the total projected expenditure on salary for 2014/15 (including on-costs) is £75,275.15, which equates to an overspend of £13,275.20 against the salary budget of £61,999.95. This overspend is due to the fact that travel and subsistence costs paid to the Compliance Officer were not factored into the Compliance Officer's Staffing budget at the beginning of the financial year.

- 3.3 [Not for Publication]

Legal costs

- 3.4 The Board noted that the Compliance Officer's budget for legal advice for 2014/15 is £47,500, of which £1,611.60 has been spent. A small number of further invoices are expected, but the projected underspend will be in the region of £40,000. In light of this underspend, the Compliance Officer proposed a budget reduction in 2015/16. The budget for legal advice and services in 2015/16 would therefore be £31,000, a reduction of £16,500. After further discussion, the Compliance Officer assured the Board that the proposed budget was appropriate. The Board agreed the proposed budget.
- 3.5 The Board further agreed:
- that the projected 2015/16 budget for the Compliance Office of £109,000 (£500 less than that of the current financial year) be noted; and

- that the projected saving in Subhead B of £11,760 over the current financial year, as a result of the expenses incurred by the Compliance Officer no longer being met from the general travel and subsistence budget, be noted.

4. Compliance Officer's Procedures – Final Approval

4.1 The Head of Policy and Strategy introduced the report which presented the final Compliance Officer's Procedures for the Board's review and approval, following the consideration of the findings of the consultation at the last meeting on 26 November 2014.

4.2 The Board noted the decision not to change the procedures such that the fact of an investigation would continue, as before, to be published when it had been opened. Secondly, the Board reiterated IPSA's consistent commitment to transparency in addressing matters raised in relation to MPs' Business Costs and Expenses.

Annex C: Guidance Notes for a General Election

4.3 The Board considered the content of Annex C of the procedures and discussed the merits of having guidance notes specifically for a General Election.

4.4 The Compliance Officer confirmed that the removal of the Annex, if the Board decided to do so, would not have an adverse impact upon his use of his discretion. The Board agreed to remove Annex C from the procedures.

Head of Policy and Strategy to remove Annex C: Guidance Notes for a General Election from the final procedures

Consultation Report: Publication

4.5 The Board noted that there is a balance to be struck between fairness and transparency and that, having considered the responses to the consultation, it was better to retain the requirement for the Compliance Officer to publish the fact of an investigation once it has been formally opened.

Consultation Report: Public Hearings

4.6 The Board agreed to remove from the Procedures reference to the Committee on Standards' recommendation for transcripts of private hearings to be published after the conclusion of an investigation, which IPSA would not be pursuing.

Head of Policy and Strategy to make changes to the wording of the consultation report, as agreed by the Board

4.7 **The Board agreed:** that the document be published, subject to the final amendments detailed above.

5. [Not for Publication]

6. Court of Appeal Receipts Case – Next Steps

6.1 The Director of Policy and Communications presented the Board with a conditional plan of activity to prepare for the Court of Appeal’s hearing on 23 March 2015, for review and approval.

6.2 The Board were also updated on a meeting which took place in September, between Sir Neil Butterfield and IPSA’s Counsel, Philip Coppel QC, to discuss the skeleton arguments for the hearing and how we might position ourselves to cope with any surge of requests for copies of receipts should IPSA’s appeal be rejected.

6.3 The Board reviewed the key events proposed, including, in February, a seminar with FOI experts and other interested parties, to discuss the issues raised by the case. The Board endorsed the idea of the seminar and further agreed that engagement with the IPSA-MPs Liaison Group could usefully provide input from those who will be most directly affected by an adverse finding and would serve as an effective use of the forum.

6.4 **The Board agreed:** that the outline plan for the Board’s involvement in the run-up to the Court of Appeal’s hearing, including the proposals for an experts’ seminar and engagement with the IPSA-MP liaison group, be endorsed.

7. IPSA’s Strategy

7.1 The Chief Executive introduced the report which explained the development of IPSA’s draft Strategy and presented the Strategy for the Board’s review and comment. He noted that, since the Board’s last discussion in October, the Executive had held further internal meetings to discuss IPSA’s future strategy. These included, on 11 November, a half-day workshop where all of IPSA’s staff had the opportunity to debate IPSA’s draft aim and consider how we would achieve our aspirations. The workshop was productive and engaged staff in thinking about our future as an organisation.

7.2 The Board noted the following key points in relation to the Strategy:

- The length of the document was endorsed. The Board agreed that both staff and other interested parties are more likely to read a short, concise document.
- The clear, plain English and the tone of the document were endorsed.
- The Board endorsed the proposed changes to IPSA’s aim, but had some queries regarding the associated section which set-out “How we will achieve our aim”. The

Chief Executive invited the Board to contact him directly to discuss any further comments and suggestions for improvement, outside the Board meeting.

- 7.3 The Board agreed:** that the first draft of IPSA's Strategy for 2015-20 be endorsed, subject to the amendments to be discussed with the Chief Executive, prior to the consideration of the revised draft at a future Board meeting.

8. Board's Programme of Work 2014/15

- 8.1 The Head of Board and Chief Executive Office presented the Board's programme of work for the remainder of the financial year. The Board welcomed the paper.
- 8.2 The Board had a number of comments relating to both the scheduling of future Board meetings and the proposed programme of work and agreed that they be taken forward by the Head of Board and Chief Executive Office.

Naomi Stauber to amend the Board's schedule and programme of work, in light of the Board's requests and comments

9. Any other business

- 9.1 [Not for Publication]

Meeting closed.