

**Minutes of the IPSA Board Meeting – 7 June 2010**

<b>Present:</b>	Scott Baker (Chair) Jackie Ballard Ken Olisa Isobel Sharp	Andrew McDonald (Chief Executive) John Sills (Policy Director) Louise Edwards (Policy Advisory) Lucy Pickering (Policy Advisor) Jamie Rubbi-Clarke (Policy Advisor)
<b>Apologies:</b>	Sir Ian Kennedy	Alan Lockwood (Interim Compliance Officer) Mark Anderson (Communications Manager) Martyn Taylor (Secretariat) Kiran Virdee (Secretariat)

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**1. Welcome**

- 1.1. The acting Chair welcomed Board Members to the IPSA Board meeting. He asked Board members whether in Sir Ian Kennedy's absence they were content for him to chair the meeting.

**2. Minutes and matters arising**

Paper: IPSA/180510/1

- 2.1. The Board requested some amendments to the minutes of the 18 May Board meeting.
- 2.2. The Board requested a slot at the next Board meeting of 15 June to discuss the security markings of Board papers and other matters on openness.

**3. Consultation paper on the proposed amendments to the Expenses Scheme**

Paper: IPSA/070610/2

- 3.1. Lucy Pickering presented a paper to the Board setting out a number of proposed amendments to the expenses scheme IPSA was proposing to consult on shortly. These were primarily minor amendments to rectify a small number of anomalies and unintended consequences that had come to light following the introduction of the scheme. The consultation paper would also include a proposition to make some technical amendments to the expenses scheme consequential to the recently enacted Constitutional Reform and Governance Act.

3.2. The Board agreed to consult on the proposed changes to:

- permit MPs owning second homes to claim associated expenditure, in order to avoid the perverse incentive of such MPs renting instead at greater cost to the public purse;
- amend an anomaly that prevented MPs eligible for, but (of their own volition) not in receipt of accommodation expenses to claim for journeys between the constituency and Westminster or a London area home. This would remove a perverse incentive for MPs minded not to claim accommodation expenses instead to do so;
- allow MPs to claim for air tickets of any class, providing it is no more expensive than economy class;
- permit one MP to claim where two or more travel in the same car, instead of, as currently stated, specifying that the claimant has to be the driver;
- allow MPs' staff to claim travel and subsistence in certain circumstances;
- clarify that when the House of Commons is sitting late (after 7.30pm) their claimable meal need not be purchased or eaten specifically on the parliamentary estate; and
- amend an anomaly so that IPSA would pay MPs' staff from the date they start working for an MP, rather than on the date on which IPSA approves the contract.

3.3. On the question of interns, the Board requested further legal advice on the employment status of interns. However, although the Board was clear that it wanted to enable MPs to continue to be able to take on interns, the Board was concerned that fair employment practices were observed in this area.

3.4. On the expenses of spouse and partner travel costs, the Board agreed to reconsider this question in the annual review of the scheme.

#### **4. Staffing and constituency office budgets**

Paper: IPSA/070610/6

4.1. John Sills presented a paper which set out two matters that had emerged as being of particular concern to MPs.

4.2. Firstly, many MPs had made strong representations and had provided evidence to show that they currently employed members of staff, some of whom they would either need to make redundant or whose pay would need to be cut substantially if MPs were to stay within the staffing budget set out in the expenses scheme. London and inner-city MPs had made particularly strong cases, focusing in particular on the quantity of case work such constituencies have.

4.3. The Board agreed that staffing was an area they would need to return to during the annual review of the scheme.

4.4. In the meantime, the Board agreed that IPSA would honour the salaries of staff members who were employed before 7 May 2010 for the rest of the financial

year, providing MPs made clear in claiming for the additional cost of such staff that their existing staffing costs (excluding non-contractual costs, such as discretionary bonuses) exceed those allowed under the Scheme; and that any excess claim on the contingency budget is solely as a result of the cost of existing staff exceeding the staffing cap. The Board further agreed that all MPs be permitted to make an application to the contingency budget during the year to meet higher staffing costs. For such applications to be approved, however, MPs would need to provide strong evidence of the unusually high needs of their constituency or parliamentary duties which meant that they could not carry out those duties effectively without a larger staffing budget.

- 4.5. Secondly, a significant number of MPs had contacted IPSA to advise that the cap on office rental was too low for the accommodation in their area they need to carry out their constituency duties. The Board considered a proposal to allow MPs who find themselves in such a position to make a claim under the contingency fund once they had certified that they had carried out a market assessment and that their excess constituency office rental costs represent value for money.
- 4.6. The Board requested that additional criteria were added, including criteria for IPSA validators to evaluate the evidence. The Board agreed that if such criteria were added - subject to approval by the Board by correspondence – MPs should be able to make such applications.

## **5. Consultation on IPSA's draft Publication Scheme**

Paper: IPSA/070610/3

- 5.1. The Board agreed to consult on:
  - publishing staff salaries within band ranges, except for the salaries of connected parties, whose precise salaries would be published;
  - publishing train tickets, redacting only the times of travel, adapting this approach only where there was a particular security threat;
  - publishing the first half of the post code of MPs' addresses;
  - publishing an annual total of all security costs, instead of the individual security costs of MPs;
  - publishing an annual total of all costs to aid MPs and their staff with disabilities, instead of the individual costs of disability payments made to MPs; and
  - publishing the relevant details of every concluded expense claim.
- 5.2. The Board agreed that claims should be published on a monthly basis and asked for monthly statistics to be published on rejected or mistaken claims made.
- 5.3. On the question of making raw data freely available to third parties, the Board agreed that this should eventually be done on a monthly basis at the same time as claims are published.

## **6. Consultation on the Compliance Officer**

Paper: IPSA/070610/4

- 6.1. Louise Edwards introduced a paper on the proposed consultation on the functions of the Compliance Officer. Alan Lockwood, the interim Compliance Officer, attended this part of the meeting.
- 6.2. The Board agreed to the publication of the consultation paper. It noted that it was important to keep the procedures involved in matters relating to the Compliance Officer as simple and straightforward as possible, but that some of this desire for simplicity was constrained by the statutory obligations set out in the Constitutional Reform and Governance Act 2010.
- 6.3. The Board further noted that it was important that the emphasis of the compliance regime should not be too punitive.
- 6.4. The Board agreed that it was important that the work of the Compliance Officer was not seen to be a case of “Member of Parliament versus IPSA” and that processes for mediation and arbitration should be considered.
- 6.5. On the question of permitting anonymous complaints, the Board agreed that it should consult on whether ordinarily anonymous complaints would not be accept unless the Compliance Officer took the view that the evidence presented required him or her to do so.
- 6.6. The Board agreed to consult on whether Compliance Officer hearings should be held in public. It noted that public hearings would impact on the costs of the office of the Compliance Officer.
- 6.7. The Board agreed that there should be clear timelines within which the Compliance Officer would seek to complete an investigation, with cases not ordinarily lasting longer than three months.
- 6.8. The Board and interim Compliance Officer agreed that the Compliance Officer would present three-monthly status reports as well as produce an annual report. The status report could include details of the number of cases passed on to other authorities – such as the Police - for further investigation.

## **7. Communications on the consultation papers**

Paper: IPSA/070610/5

- 7.1. The Board considered a short paper on what communications there would be on the consultation papers. The Board asked for a few further interested parties to be added to those who would be consulted, including Sir Robert Carnwath, the Senior President of Tribunals.

## **8. Chief Executive Report**

Presentation

- 8.1. Andrew McDonald gave a presentation to the Board, updating them on IPSA’s operations.

- 8.2. He noted that there were some significant operational pressures. This was in large part due to the surge of enquiries IPSA had received from MPs seeking certainty and reassurance on a wide range of matters. Many enquiries are very detailed and phone calls to the information line are often lengthy.
- 8.3. He further noted that the surge in enquiries was happening in tandem with other parts of the operation being switched on, such as the documentation scanning and validation processes.
- 8.4. A further complication had been that the management information on the level of enquiries had been deficient. This had now been rectified.
- 8.5. He noted that there was a clear asymmetry in power between MPs and IPSA staff. An overly cautious approach from staff in dealing with, in particular, telephone enquiries was, in turn, driving up demand on the email service.
- 8.6. He announced that he had made a number of operational changes. Kate Mathers had taken over as the interim Director of Operations and Ruth Sloan would be heading up the advisory service, under a brief of reforming the approach.
- 8.7. An enhanced service, including face to face surgeries and some direct payments to third parties, was being considered and a paper on this – and the costings thereof – would come to the Board.
- 8.8. The Board thanked Andrew McDonald for his presentation and noted that some of the experience was that of a classic change project where initially change would be strongly resisted by many affected parties. The Board noted that where IPSA needed to improve matters, it should state this clearly and openly, but that where false claims were being made by people in whose interest it is to undermine IPSA, such claims should be vigorously exposed.
- 8.9. The Board asked for a letter to be sent to all staff on behalf of the IPSA Board thanking them for their hard work and empathising with the difficult circumstances they were facing, and for an IPSA status report to be published alongside the consultation papers.

The meeting was closed.