

Minutes of the IPSA Board Meeting – 13 July 2010

Present:	Sir Ian Kennedy (Chair)	Andrew McDonald (Chief Executive)
	Scott Baker	John Sills (Director of Policy)
	Jackie Ballard	Tony Lord (Head of Policy)
	Ken Olisa	Alan Lockwood (interim Compliance Officer)
	Isobel Sharp	– agenda item 3 only
		Louise Edwards (Senior Policy Advisor)
		Lucy Pickering (Policy Advisor)
		Victoria Seal (Chartered Surveyor)
		Martyn Taylor (Secretariat)
		Kiran Virdee (Secretariat)

1. Welcome

1.1. The Chair welcomed Board Members to the IPSA Board meeting.

2. Minutes and matters arising

Paper: Minute

2.1. The Board approved the minutes for publication of the 15 June board meetings subject to some minor amendments.

3. Response to consultation on the Compliance Officer

Paper: IPSA/130710/1

3.1. The Board considered a paper on the responses received to the consultation on the procedures of the Compliance Officer. It considered the recommendations in the paper following the consultation and made the following decisions:

- that the office of the Compliance Officer should fall into the “politically restricted” category as defined in Cabinet Office guidance;
- that there should ordinarily be a limitation period of 12 months for complaints to the Compliance Officer;
- that anonymous complaints will not ordinarily be investigated, subject to use of discretion by the Compliance Officer;

- that vexatious complaints will not ordinarily be investigated;
 - that preliminary investigations of the Compliance Officer will be held in private and that any hearings for final adjudication on the complaint will be held in public;
 - that a Member of Parliament who faces an investigation by the Compliance Officer may be accompanied when attending hearings;
 - that the discretion should lie with the Compliance Officer to charge interest or costs, including in cases where any fault may partly lie with IPSA;
 - that in relation to applicable interest rates on any outstanding penalties or repayments, the Compliance Officer will pay due attention to the range of existing interest rates, such as, for example, the judicial rate; and
 - that when calculating costs, the Compliance Officer should attribute a cost to the different core elements of the investigation proportionate to the estimated costs of those elements.
- 3.2. The Board agreed that IPSA should ask for the provisions relating to the Compliance Officer of the Constitutional Reform and Governance Act to be commenced on Monday 26 July.
- 3.3. The Board commended Louise Edwards for the high quality and rigour of her work in this area.

4. Response to consultation on the Expenses Scheme

Paper: IPSA/130710/2

- 4.1. The Board considered a paper on the responses received to the consultation on the Expenses Scheme. The Board noted that the majority of responses were supportive of the proposals.
- 4.2. The Board considered the recommendations in the paper following the consultation and made the following decisions:
- that the technical amendments to the scheme following the passing into law of the Constitutional Renewal and Governance Act be made;
 - that on the question of interns, MPs should be permitted to claim for the incidental expenses of interns from the capped staffing budget, and provided clear arrangements are in place between interns and MPs; consequently, that IPSA would offer MPs and interns a model agreement;
 - that non-London Area MPs who own homes in both London and in or around their constituencies but do not claim a mortgage interest subsidy be permitted to claim associated expenses (such as utility bills) on one of their properties;

- that, subject to further clarification in the wording, MPs be permitted to claim reimbursement for costs incurred in relation to air travel up to the value of a economy class ticket or equivalent for travel booked, as long as the ticket is cheaper than an economy ticket at the time of booking;
- that when MPs travel together by private vehicle, only one can submit a claim for the costs incurred, and that this need not be the driver of the vehicle;
- that MPs be permitted to claim for hotels and subsistence for their staff if they are required to work away from home for training or to attend a meeting or other work related purposes;
- that MPs do not need to purchase or consume meals on the Parliamentary Estate in order to make a subsistence claim on evenings when the House of Commons is sitting after 7.30pm;
- that all MPs who are eligible for accommodation expenses can claim for Travel and Subsistence, including those MPs who do not make any claims for accommodation;
- that MPs' staff should be paid from the date they start working for an MP, rather than from the point at which IPSA approves the member of staff's employment – but that the time period between a member of staff commencing work and the MP notifying IPSA be limited; and
- that a new rule should be added to the Scheme which will give IPSA the ability to provide MPs with the necessary financial assistance to allow them to carry out their parliamentary duties effectively.

5. Mortgage interest subsidy

Paper: IPSA/130710/4 & 5

- 5.1. The Board considered two papers on the subject of mortgage interest subsidies.
- 5.2. The first paper considered the interplay between the capital gain IPSA will reclaim from MPs claiming a mortgage interest subsidy at the end of the transitional period and any capital gains tax an MP may face at some point in the future. The Board requested a further paper to be taken at the meeting of 20 July.
- 5.3. The second paper considered whether IPSA should pay the early repayment charges MPs might incur should they choose to sell their properties or opt out of their mortgages before the transitional period ends in August 2012; and whether MPs who would experience hardship if they were to pay IPSA the notional gain over the transitional period within three months of August 2012 should be offered alternative repayment terms.
- 5.4. The Board decided that IPSA would not pay the costs of early repayment charges. The Board emphasised the fact that IPSA is not requiring MPs to sell their properties and that transitional arrangements are in place for the next two years.

5.5. The Board further agreed that if MPs were to experience genuine hardship, alternative repayment terms should be offered, but that it would be clear that any such terms would result in the amount to be repaid being converted into an interest-free loan, carrying a consequent tax liability, and that this would need to be made explicit in any guidance.

6. Response to consultation on the Publication Scheme

Paper: IPSA/130710/6-7

6.1. The Board considered the responses to the consultation on the publication scheme. Taking as the leading principles the advice of the Information Commissioner and the question of what is in the public interest in each case, the Board agreed the following:

- that the salaries of MPs' staff, whether belonging to connected parties or not, be published in salary bands with a bandwidth of £5,000;
- that connected parties should be named and identified as being connected parties;
- that the time of travel by MPs on public transport should not be published;
- that if an MP could point to a general or particular threat to their security and safety, IPSA would consider this in conjunction with House of Commons security;
- that the first half of MPs' postcodes should be published
- that the costs of additional security measures for MPs funded by IPSA be aggregated and published as a single figure annually; and
- that the costs of disability measures for MPs funded by IPSA be aggregated and published as a single figure annually.

6.2. The Board considered whether it should aim to begin publishing details of MPs' expenses before Parliament goes into recess at the end of July. The Board agreed that ensuring accuracy should be the overriding principle and on this basis decided not to proceed with haste, but to publish after the recess.

7. Chief Executive's Report

Paper: IPSA/130710/9

7.1. The Board congratulated Andrew McDonald on the report of the Office of Government Commerce Gateway Review. The Board considered the Chief Executive's report, as follows:

- the Speaker's Committee on IPSA had today approved IPSA's estimate, but encouraged IPSA to make savings in subsequent years;
- major improvements had been made over the past two weeks in the scanning and validation operations;

- a new call-handling system had been put in place in the past week;
 - improvements were continuing to be made to the email handling processes in order to reduce the number of outstanding replies; but
 - there remained consistent demand for service on both the phone lines and the emails.
- 7.2. The Board requested that in future any significant visits made and meetings held between Board meetings by the Chairman and the Chief Executive be appended to the Chief Executive's Report.

8. Any other business

- 8.1. The Board requested a paper on policy issues that have arisen since the rules came into force, focussing in particular on the parameters and use of the contingency fund.
- 8.2. The Board requested a paper for the 20 July meeting on IPSA's answering Parliamentary Questions.

The meeting was closed.