

Minutes of the IPSA Board Meeting – Tuesday, 22 March 2010: 2.30 – 5.30pm

Present: Sir Ian Kennedy (Chair) Scott Woolveridge (Acting Chief Executive)
Sir Scott Baker Bob Evans (Director of Finance)
Jackie Ballard John Sills (Director of Policy)
Ken Olisa Anne Power (Director of Communications)
Isobel Sharp Victoria Elliot (Change and Project Manager)
 Tony Lord (Head of Policy) (item 3)
 Louise Edwards (Policy) (item 3)
Apologies: Andrew McDonald Lucy Pickering (Policy) (item 3)
 Martyn Taylor (Secretariat)
 Nick Lee (Private Secretary to Chief Executive)
 Kiran Virdee (Secretariat)

1. Welcome

1.1. The Chair welcomed the Board members and members of the executive. Scott Woolveridge was present as acting Chief Executive in Andrew McDonald's absence.

2. Minutes and matters arising

Paper: IPSA/220311/1-1A: Minutes; Ongoing Actions

2.1. The minutes of the 22 February 2011 Board meeting were approved for publication, subject to minor amendments.

2.2. Under matters arising, it was reported that the payment cards of four MPs had been switched off following their failure to act on repeated requests that they reconcile their payment card statements. These MPs would shortly be sent letters requesting that they repay money to IPSA if they are not able to reconcile their statements.

3. Review of the MPs' Expenses Scheme

Paper: IPSA/220311/2-3; annexes A – B

- 3.1. John Sills introduced a paper which set out the few remaining areas identified by the review of the rules governing MPs' expenses where agreement was yet to be reached. The Board was asked to reach agreement on these areas and approve the revised MPs' Expenses Scheme.

A. MPs' staffing budgets

- 3.2. The Board discussed a number of options for MPs' staffing budgets. The Board agreed that this was a particularly difficult area in which to come to a settled view on the grounds that IPSA does not yet have sufficient and sufficiently robust evidence about MPs' staffing requirements with which a sustainable decision can be made.
- 3.3. Board members did, however, agree that in light of the rise in National Insurance Contributions due to come into effect in April, the need to enable MPs to allow for an element of career progression within their office, and to account for certain other costs, a modest uplift was appropriate. The Board was, however, strongly of the view that this uplift should not be used by MPs to give their staff pay rises, but that MPs should be mindful of the two year public sector pay freeze.
- 3.4. The Board further agreed that MPs' staffing should be the subject of a thematic review of policy in order to establish a far clearer picture of MPs' staffing requirements, the way in which offices are staffed, and the nature of MPs' casework and the impact it has on the way in which MPs staff their offices. The outcome of this work would serve to help IPSA make sustainable decisions on staffing.
- 3.5. The Board accepted that the decision on staffing budgets would mean that IPSA would continue to consider contingency applications for staffing budgets.

B. Outer London Area Living Allowance

- 3.6. The Board considered and agreed a proposal to provide a moderate uplift to the London Area Living Allowance for those MPs who fall within IPSA's London Area but outside the Greater London area, on the grounds that their travel costs are greater than the value of the London Area Living Payment but, unlike MPs outside the London Area whose travel to Westminster is paid for from public funds, they are liable for all travel costs and would, without the uplift, clearly be disadvantaged when compared with their MP colleagues.
- 3.7. The Board discussed whether this uplift could be justified in the current economic climate. They agreed that it would be unfair to disadvantage a small number of MPs who, under the old system, were entitled to central London accommodation but were not under IPSA's rules, given their proximity to London, but who nevertheless had no option but to work in two locations – their constituency and Westminster – and therefore had unavoidable travel costs over and above those of MPs living either within the Greater London area, whose travel costs were in effect met by the provision of the London Area Living Payment, or whose constituencies were outside the London area.

- 3.8. The Board agreed that the 24 MPs whose constituencies are outside Greater London but within the London Area (the 'outer London Area' MPs) face demonstrably higher commuting costs than those within Greater London and that an Outer London Area Living Payment should be created to recognise these higher costs.

C. Accommodation

- 3.9. The Board agreed a proposal to retain the current cap on residential accommodation, but, within that cap, to replace the two budget limits, on rent and costs respectively, with one merged budget. For London residential accommodation this would mean that the overall cap of £19,900 would remain in place, but that the distinct rental budget, currently capped at £17,400, would be removed. Any higher rent, over £17,400, would reduce the amount available for associated expenses such as utility bills. One reason for doing this was because certain landlords include the costs of some utility bills in their rent.

D. Regional banding

- 3.10. The Board considered an analysis of the claims for residential accommodation against the various rental caps within the regional bands and agreed that the sums provided in each band were sufficient. The Board therefore agreed that there should be no change.

E. The 4/3^{rds} rule

- 3.11. The Board agreed at the meeting of 22 February that the 4/3^{rds} rule, whereby MPs sharing accommodation were each limited to claiming up to 2/3^{rds} of the rental cap, should be removed in the interests of simplicity.
- 3.12. The Board considered whether the 4/3^{rds} rule should remain in place for married or cohabiting MP couples, and agreed that it should not as there would be no clear way of policing such a rule and it seemed unnecessarily intrusive.

F. Use of agents

- 3.13. The Board considered whether MPs should be able to delegate the task of submitting expense claims to an agent. The Board agreed that MPs should be able to do so but were clear that in doing so MPs could not in any way relinquish responsibility for the claims submitted to IPSA. MPs, therefore, who delegate the task of submitting expenses to IPSA to an agent would themselves remain wholly responsible – and be held responsible – for any claims submitted.

4. Service delivery improvements

Paper: IPSA/220311/4

- 4.1. Victoria Elliott introduced a paper inviting the Board to agree to a number of proposals aimed at improving IPSA's service.
- 4.2. The Board agreed that IPSA should progress with work on extending the use of the payment card, enabling MPs to use these for wider categories of expense than they can at present. The Board also agreed that IPSA should look into

extending direct payments to a number of areas such as council tax and business rates.

- 4.3. The Board also agreed that IPSA should seek to simplify the way in which MPs submit their mileage claims, providing that the current level of transparency was not diminished.
- 4.4. The Board noted a proposal on providing regular advice surgeries and agreed it was worth exploring further before making any commitments. The Board was, particularly mindful of the potential resource and consequent financial implications of a service of this nature.

5. Communications

Paper: IPSA/220311/5

- 5.1. Anne Power advised the Board of the plans to inform MPs and the media of the changes to the rules and to the changes in service.

6. IPSA's estimate for 2011-12

Paper: IPSA/220311/6

- 6.1. Bob Evans presented IPSA's estimate for 2011-12 and set out the timetable and process for having the estimate approved by the Speaker's Committee on ISPA.
- 6.2. The Board discussed the relative merits of basing estimates on budget maxima or on projected outturns and agreed that to base it on maxima was sensible and presented fewest risks, and on this basis approved the estimate.

7. Publication of "not paid" claims

Paper: IPSA/220311/7

- 7.1. Martyn Taylor introduced a paper recommending that IPSA amend its current publication policy so that minor administrative errors resulting in claims being turned down for reimbursement are addressed and not marked simply as "not paid".
- 7.2. The Board agreed that it was unfair that minor administrative errors, such as the incorrect or incomplete submission of evidence, should be published where those errors had subsequently been rectified. The Board agreed that MPs had no incentive to submit insufficient evidence as they would not be reimbursed until IPSA received the correct evidence. In addition, the Board agreed that in other walks of life an administrative error of this nature would not result in public exposure of the error.
- 7.3. For these reasons, the Board agreed that the reason for publishing details of MPs' expense claims was not to present to the wider world a series of minor administrative errors, subsequently rectified, and agreed that the policy should be amended so that such claims, where there is a clearly matching reimbursed claim, should be exempt from publication. However, the Board requested that the policy be kept under review.

8. IPSA Openness

Paper: IPSA/220311/8

- 8.1. At the Board meeting of 22 February, the Board agreed to defer this agenda item to the current meeting, with the exception of the decision to publish fuller minutes and the agreement that where individual Board members strongly disagree with a decision their dissent be recorded.
- 8.2. The Board again discussed recording dissenting views and confirmed their previous agreement that this should occur only when Board members felt particularly strongly about a decision.
- 8.3. The Board discussed whether actively to publish papers tabled at Board meetings according to a set schedule and agreed that a schedule of six to nine months after a Board meeting should be considered for the release of most papers. The Board agreed that there would be certain papers and certain categories of information that would likely be exempt from such a schedule. The Board asked for some further work to be carried out to establish the right timeline for release.
- 8.4. The Board also agreed that IPSA should publish a regular update on its activities, which would include the information IPSA currently publishes monthly on performance against targets.

9. Employees' pay award

Paper: IPSA/220311/9

- 9.1. The Board considered and agreed a recommendation that, in line with the wider public sector pay freeze, the pay of IPSA's employees be frozen for the financial year 2011-12 with the exception of employees earning under £21,000 who would be awarded a £250 pay award.

10. Any other business

- 10.1. There was no other business.

The meeting was closed.