



Minute

Minutes of a meeting of the Board of IPSA Tuesday 15 November 2011, 2.30pm

Present	Sir Ian Kennedy (Chair) Jackie Ballard Isobel Sharp Andrew McDonald, Chief Executive Bob Evans, Director of Finance <i>[items 1 – 9]</i> Anne Power, Director of Communications <i>[items 1 – 4,</i> <i>7]</i> John Sills, Director of Policy <i>[items</i> <i>1 – 6]</i> Scott Woolveridge, Director of Operations <i>[item 9]</i>	Mark Anderson, Communications Manager <i>[item 7]</i> Louise Edwards, Policy Manager <i>[items 1 – 4]</i> Lucy Pickering, Assistant Policy Manager <i>[items 1 – 4]</i> Nick Lee, Head of Board and Chief Executive Office Kiran Virdee, Assistant Private Secretary
Apologies	Sir Scott Baker Ken Olisa	
Status	Approved for publication	

1. Welcome

- 1.1. The Chair welcomed the Board to the meeting and reported that apologies had been received from Sir Scott Baker and Ken Olisa. Sir Scott had provided comments on certain items, which were considered during the meeting.
- 1.2. The Chair noted that, in addition to the September management accounts to be taken at item 7, an additional paper had been prepared which included the figures for the October management accounts.

2. Minutes and matters arising

Papers: IPSA/141111/1A and 1B: Minutes; Ongoing Actions

- 2.1. The minutes of the 18 October 2011 Board meeting were approved for publication, subject to a minor correction.

Kiran Virdee to arrange for publication of the revised minutes of the 18 October Board meeting.

Matters arising

- 2.2. There were no matters arising.

Compliance Officer

- 2.3. The Chair reported that interviews for the post of Compliance Officer had been carried out and that the preferred candidate had accepted the post. He noted that work was under way to agree arrangements for a handover from the current interim Compliance Officer and to ensure appropriate liaison between IPSA and the new Compliance Officer thereafter.

3. Pay and pensions

Papers: IPSA/141111/2: Pay and pensions

- 3.1. The Head of Policy introduced a paper providing a progress report on IPSA's work on MPs' pay and pensions since his report at the meeting of the Board on 20 September. The paper also considered whether IPSA should increase MPs' contribution rates as of April 2012.

Pay and pensions: Progress report

- 3.2. The Board noted that:

- IPSA officials had met both the Government Actuary and the Senior Salaries Review Body since the last meeting;
- a further paper, addressing issues of stakeholder engagement, would be presented at the meeting of the Board on 14 December; and
- the Prime Minister had signalled that he was content with IPSA's proposed nomination of the Director of Finance and Corporate Services to the board of trustees of the Parliamentary Contributory Pension Fund.

Changes to MPs' contribution rates

3.3. The Chair reported that the arguments in favour and against an uplift in contributions were balanced and that there remained some uncertainty as to whether IPSA had the power to make such a change without making a whole new scheme.

3.4. The Board noted that:

- the House of Commons had passed a resolution stating that IPSA should increase MPs' contribution rates from April 2012, supported by both the government and the opposition; and
- the legal position relating to changing the scheme was not clear.

3.5. The Board agreed that the arguments in favour of and against a change were finely balanced and that, if it decided not to proceed because of legal impediments, these impediments needed to be well articulated. It agreed that further legal and other relevant advice should be sought in advance of its reaching a final decision.

3.6. The Board agreed that a paper should be circulated for consideration at the meeting of the Board on 14 December so that the Board could take a decision on whether to increase contribution rates in April 2012 as an interim measure or keep them as currently.

Tony Lord to draw up a further paper setting out the legal considerations relevant to IPSA making changes to contribution rates as an interim measure, for consideration at the meeting of the Board on 14 December 2011.

4. Annual review of the scheme of MPs' expenses and costs

Papers: IPSA/181011/3: Revised Consultation Document for the 2011-2012 Annual Review of the MPs' Scheme of Expenses and Costs

4.1. The Director of Policy introduced a revised draft consultation document, following the discussion at the meeting of the Board on 18 October and the feedback that Board members had already provided. He noted, in particular, that:

- the foreword had been added;
- the discussion of the distinction between party-political and parliamentary issues had been made more prominent in the consultation document;
- new questions on mortgage interest and flat-rate allowances had been included; and

- further work had been done to develop the section of the document on MPs' staffing.

4.2. The Board agreed that:

- an increase in staffing budgets, if agreed as a consequence of the consultation, should be linked to greater limitations on the scope of contingency applications, in particular with regard to casework;
- IPSA's publication scheme should provide for transparency as to the number of offices (including offices at home) that an MP and their staff have registered;
- the distinction between claims for items such as websites and claims for newsletters remained valid, given the proactive (rather than passive) nature of the latter and the potential for them to be used for campaigning purposes; and that
- the consultation document should bring together, in an additional annex, the potential cost implications of any changes even if these costs represented the full extent of the potential expenditure rather than the likely outturn.

4.3. The Board agreed that the draft consultation document should be published subject to the amendments and revisions discussed and agreed.

John Sills to make arrangements for the publication of the consultation on the annual review of the Scheme, subject to the amendments and revisions discussed and agreed by the Board.

4.4. The Board also noted that work was under way to recover costs arising from the recent recall of Parliament from the House of Commons' insurer.

Scott Woolveridge to provide a further update on progress in recovering costs arising from the recall of Parliament.

5. IPSA's strategy

Papers: IPSA/141111/4: IPSA strategy

- 5.1. The Head of Performance and Change introduced a paper setting out IPSA's revised strategy following the discussion at the workshop on 20 October 2011.
- 5.2. The Board approved the note of the workshop on 20 October 2011 as an accurate record.
- 5.3. The Board approved the revised strategy document, subject to a minor amendment.

Belinda Brown to finalise the IPSA Strategy for use in drawing up IPSA's Estimate for 2012/13 and the corporate plan.

- 5.4. The Board approved the statement of IPSA's vision and values, subject to one further amendment.

Belinda Brown to finalise the statement of IPSA's vision and values.

Mortgage interest

- 5.5. The Board noted that there was a question addressing the issue of claims for mortgage interest in the draft consultation document and that polling would also be carried out on this issue.
- 5.6. The Board agreed that a further paper on this issue should be considered at the meeting of the Board on 14 December.

John Sills to provide a paper on the question of mortgage interest for consideration at the meeting of the Board on 14 December.

Outsourcing

- 5.7. The Board agreed that IPSA should consider the question of outsourcing, even though there were a number of potential difficulties with such an approach.
- 5.8. The Board agreed that the question of outsourcing should be addressed as part of the paper on sustainability due for consideration at the meeting of the Board on 14 December.

Bob Evans to provide a paper on the question of outsourcing for consideration at the meeting of the Board on 14 December.

Co-location

- 5.9. The Board agreed that, before giving any consideration to its possible co-location with any other body, it should give priority to the current work to reduce the cost of its existing accommodation.
- 5.10. The Board noted that any proposed co-location would not constitute a merger and would not affect IPSA's independent, statutory identity.

6. Compliance Officer's report

Papers: IPSA/141111/9: Compliance Officer's report to IPSA's Board

- 6.1. The Compliance Officer introduced his report, providing details of his current workload, an analysis of his current resourcing needs and a consideration of whether the "reason to believe" threshold within his guidance should be specifically documented. He reported that:
- the current resourcing of his office remained appropriate and proportionate; and
 - an attempt to exhaustively to define the 'reason to believe' threshold might prove to be overly prescriptive and was, in any case, unnecessary.
- 6.2. The Compliance Officer further reported that an MP had expressed concern to him that IPSA did not meet the cost of printed newsletters.
- 6.3. The Board noted that the Committee and Standards and Privileges had expressed concern that the current procedures relating to the Compliance Officer did not make provision for IPSA to make *ex gratia* payments in the case of the maladministration by IPSA of complaints, and agreed that further work should be carried out to establish the scope of any such provision.

Martyn Taylor to consider when and how *ex gratia* payments should be made in the event of egregious maladministration by the Compliance Office in respect of an investigation.

Louise Edwards to consider when and how *ex gratia* payments should be made in the event of egregious maladministration by IPSA in respect of a claim or payment.

- 6.4. The Chair noted that the Compliance Officer formally notified both him and the Chief Executive when an investigation was opened and whether it proceeded to a substantive stage. The Compliance Officer reported that he had no objections to such notifications being shared with the Board as a whole.

Nick Lee to make arrangements for the Board to receive a regular report on opened, closed and ongoing compliance investigations.

7. Committee on Members' Expenses

7.1. The Board noted that there was still uncertainty as to the date of publication and content of the report of the Committee on Members' Expenses.

8. Finance report and supplementary estimate

Papers: IPSA/141111/5 and 6: IPSA operational spend, forecast outturn and the need for a supplementary estimate

Forecast outturn and the need for a supplementary estimate

8.1. The Director of Finance and Corporate Services introduced a paper analysing expenditure under the *MPs' Expenses Scheme* through to the end of September 2011 and setting out the arguments in favour and against seeking a supplementary estimate. He reported that:

- the rate of spend under subhead A was beyond IPSA's control since it was dependent on the rate at which MPs submitted legitimate claims for payment to IPSA;
- the Board did not need to reach a final decision on the question of a supplementary estimate until its meeting in December; and
- it was important that the Board considered both the financial and political implications of the decision.

8.2. The Board noted that the current variance between forecast expenditure and the budgeted expenditure was extremely small and agreed that it would be important for IPSA to adopt a prudent position in terms of financial management.

8.3. The Board agreed that there was not yet sufficient evidence to reach a decision and that it should reconsider the issue on the basis of further data at its meeting on 14 December.

Bob Evans to provide a further report on whether IPSA needed to seek a supplementary estimate to the meeting of the Board on 14 December.

9. Chief Executive's report

Papers: IPSA/141111/7 and 8: Chief Executive's report; Board update

9.1. The Chief Executive introduced a report on IPSA's recent performance and noted the important work of the Assurance and Review team in modelling patterns of behaviour and identifying exceptions to the norm. He noted that if, as a result of this work, clear evidence of an improper claim emerged, this would routinely be referred to the Compliance Officer.

Nick Lee to provide advice on whether correspondence with individual MPs arising from the work of the Assurance and Review Team would be subject to disclosure under the Freedom of Information Act.

Validation performance

9.2. The Director of Operations noted a fall in IPSA's validation performance in the preceding fortnight, reflecting the coincidence of staff absence and an unexpected peak in the volume of claims. He noted that steps had been taken to improve this performance and that these steps were already delivering improvements.

Publication website improvements

9.3. The Director of Communications reported that a number of improvements to the publication website had been identified and agreed by the publication committee and the senior leadership team, and that these would be implemented over the coming months.

Disclosures under the Freedom of Information Act

9.4. The Board agreed that IPSA's disclosures under the Freedom of Information Act (FOIA) should be clear and appropriately informative, in keeping with IPSA's duties under the FOIA.

Belinda Brown to review the standard wording used in IPSA's FOIA responses.

Meeting closed.