

Minutes of a meeting of the Board of IPSA

Tuesday 15 May 2012, 2.30pm

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| Present | Sir Ian Kennedy (chair) Jackie Ballard Sir Scott Baker Isobel Sharp [items 1 – 13] Andrew McDonald, Chief Executive Belinda Brown, Head of Performance and Change [items 1 – 6] Jo Bristow, Deputy Director of Operations [item 12] Victoria Elliott [items 1 – 4] Bob Evans, Director of Finance and Corporate Services [items 1 – 7] Anne Power, Director of Communications [items 1 – 7] John Sills, Director of Policy [items 7 – 8] Scott Woolveridge, Director of Operations [item 12] | Peter Davis, Compliance Officer [items 9, 12] Mark Anderson, Communications Manager [items 6 – 8] Louise Edwards, Policy Manager [items 7 – 8] Lucy Pickering, Assistant Policy Manager [items 7 – 8] Alex Jary, Claims and MP Support Manager [item 12] Tony Lord [items 7 – 8] Nick Lee, Head of Board and Chief Executive Office |
| Apologies | Ken Olisa | |
| Status | Revised draft following the meeting of the Board on 19 June 2012. | |
| Publication | Final draft for review. | |

1. Welcome

- 1.1. The Chair welcomed the Board to the meeting.
- 1.2. There were no new declarations of interests.

2. Minutes of previous meetings and matters arising

IPSA/150512/1A – Minutes of a meeting of the Board, 17 April 2012; IPSA/150412/1B – Minutes of a meeting of the Board, 30 April 2012; IPSA/150512/1C – Action list

- 2.1. The minutes of the meeting of the Board of 17 April 2012 were approved for publication, subject to a number of minor amendments.

Nick Lee to arrange for the publication of the minutes of the meeting of the Board of 17 April 2012.

- 2.2. The minutes of the meeting of the Board of 30 April 2012 were revised.
- 2.3. The Board agreed that the minutes of the meeting of the Board of 30 April 2012 should be published only when the correspondence to which they referred was also published.

Nick Lee to circulate revised draft minutes of the meeting of the Board of 30 April 2012 for approval.

Matters arising

- 2.4. The Board noted that the proposals for the revision of the key performance indicator (KPI) relating to public confidence would be considered by the Board in the autumn 2012, as part of the review of IPSA's strategy.
- 2.5. The Board noted that a brief, listing questions for discussion when the Board met with stakeholders to discuss MPs' pay and pensions, would be circulated.

Nick Lee to circulate a list of questions for discussion at meetings with stakeholders about MPs' pay and pensions.

3. Annual report and accounts: First draft

IPSA/150512/2 + annex A – Draft annual report and accounts, 2011/12

3.1. The Director of Finance and Corporate Services introduced a first draft of the Annual Report and Accounts (ARA), which was almost complete.

3.2. The Director of Finance and Corporate Services reported that:

- the ARA were now further advanced than they had been at the same time in previous years;
- the form of IPSA's accounts for 2011/12 was largely unchanged compared to previous years, with minor additions to reflect the government's reporting requirements; and
- the National Audit Office was aiming to provide a report on their audit work to the meeting of the Audit and Risk Committee on 19 June.

3.3. The Change Manager introduced the annual report and draft Chief Executive's report, setting out IPSA's performance of the preceding year and its priorities for the coming year.

3.4. The Board noted that:

- the ARA contained a new governance statement, setting out IPSA's governance arrangements and its approach to the management of risk;
- comparisons between IPSA's costs in 2010/11 and 2011/12 were difficult, not least because 2011/12 was IPSA's first full year of operation;
- steps were already being taken to improve take-up of direct payments by MPs; and
- a revised, final, draft of the ARA would be circulated to the Audit and Risk Committee in advance of its meeting on 19 June 2012.

4. IPSA Estimate in 2012/13

4.1. The Director of Finance and Corporate Services reported that:

- IPSA's outturn in 2011/12 was significantly lower than that previously forecast;
- an underspend against the Estimate of some £26m was now predicted, meaning that the difference between the 2011/12 outturn and draft 2012/13 Estimate had risen;

- this variance meant that the unallocated provision, drawn down in xx 2012, had not in the event been necessary, although this was not clear at the time at which the decision was made to draw it down;
- there were a number of technical and accounting reasons for this variance, but the main one was that the rate of claims in the last quarter of 2011/12 had been lower than had been forecast; and
- the variance also reflected the fact that MPs' national insurance contributions should have been calculated on a different basis to that of employees..

4.2. The Board noted that, while a draft of IPSA's Estimate had already been submitted to the Speaker's Committee for the IPSA, it was open to IPSA to submit a revised Estimate in the light of the data now available on MPs' expenditure.

4.3. The Board agreed to revise down IPSA's Estimate for 2012/13, to a net total of £176m, removing the existing unallocated provision.

Bob Evans to draw up, and arrange for the submission of, a revised Estimate for 2012/13.

Nick Lee to arrange for a presentation at a meeting of the Board in Q3 2012, setting out approaches to understanding MPs' patterns of expenditure.

5. Changes to key performance indicators

IPSA/150512/3 + annex A – Revised KPIs, 2012/13

5.1. The Head of Performance and Assurance presented a paper setting out two changes to IPSA's key performance indicators (KPIs).

5.2. The Board agreed that:

- to review a further report on proposed changes to KPIs at its meeting on 19 June 2012; and
- the KPIs in question, when presented in the corporate plan, would – for the time being – be presented as drafts.

Belinda Brown to provide a further proposal on changes to KPIs for 2012/13 at the meeting of the Board on 19 June 2012.

6. Speaker's Committee for the IPSA

6.1. The Chair reported that, while he had hoped by the time of the meeting to have received from the Speaker formal confirmation of the process to be pursued as regards appointments and reappointments to IPSA's Board, this had not yet been forthcoming, despite the fact that this had been last discussed by the Speaker's Committee for the IPSA almost a month previously.

6.2. The Board agreed that:

- it was important that any appointments made to IPSA's Board in the future make provision for the staggering of those appointments, and hence for succession planning;
- the Executive should use the position set out at the meeting as a basis for discussion at an official level so as to ensure – so far as was possible – that the appointments process was as fair, independent and proportionate as possible; and
- individual Board members would decide themselves at a later date whether to allow their names to go forward for reappointment, once the final process was known.

7. Review of the review of the *MPs' Scheme of Business Costs and Expenses*

IPSA/150512/4 – Review of the review

7.1. The Policy Manager introduced a paper setting out an assessment of the impact of and reactions to the latest edition of the *MPs' Scheme of Business Costs and Expenses*.

7.2. The Policy Manager reported that:

- the most significant change as far as MPs and their staff were concerned was the increase in the staffing budget. It was not possible yet to provide a definitive view on the extent to which MPs were making use of these increased provisions; and
- the doubling of redundancy entitlements for MPs' staff had led to some concerns for staff, employed before May 2010, who were not on IPSA model contracts.

7.3. The Board agreed to consider the impact of the latest edition of the Scheme in more detail as part of its next review of the *MPs' Scheme of Business Costs and Expenses* in autumn 2012.

8. MPs' pay and pensions: Report on progress

IPSA/150512/5 + annex A – MPs' pay and pensions: Progress report

8.1. The Head of Policy presented a report setting out the work undertaken since the last meeting of the Board with respect to MPs' pay and pensions.

8.2. The Head of Policy reported that:

- a seminar had been held jointly between IPSA, the Institute for Government and Oxford University on 8 May 2012, and this had proved a useful source of ideas and scholarly material;
- work was under way to appoint a panel of experts with relevant expertise; and
- a tender had been issued for reward consultants to provide an initial briefing and advice to the Board, as well as advice on pay and pensions throughout the consultation process.

Resettlement payments

8.3. The Board noted that:

- it had been suggested that IPSA should deal with the question of resettlement payments separately from the review of MPs' pay and pensions, so as to allow the political parties to manage the consequences of the forthcoming review of parliamentary constituencies by the Boundary Commission;
- it would be possible for the Board to put forward a firm view on how this might be handled in its consultation document on MPs' pay and pensions, due for publication in autumn 2012; and
- resettlement arrangements could include not just financial support but also outplacement advice and support to enable former MPs to enter more easily the job market.

8.4. The Board agreed not to bring forward work on resettlement payments, but to continue to consider it as part of its work on MPs' pay and pensions.

Engagement of the public

8.5. The Director of Communications reported that:

- IPSA's pay and pensions website had been launched the previous week, alongside a Twitter account;
- IPSA had already received around 1,700 responses to a public survey, and there had been a number of considered and constructive comments on its blog; and
- initial media work on MPs' pay and pensions would include appearances by the Chair, the Chief Executive and Board members on local, regional and national radio.

Meetings with stakeholders

8.6. The Head of the Board and Chief Executive Office reported that work was under way to use time that the Board had already set aside for meetings with stakeholders.

IPSA-MP liaison group

8.7. The Board agreed that it would be helpful to have an early discussion of the issues of MPs' pay and pensions with the IPSA-MP liaison group.

9. Compliance Officer: Policy during a general election

IPSA/150512/6 – Compliance Officer Election Policy

9.1. The Compliance Officer presented a draft policy for the conduct of inquiries during a general election.

9.2. The Board noted that the procedures of the Compliance Officer already enabled him to identify and quickly deal with groundless and politically-motivated complaints

9.3. The Board agreed that:

- during the period in the run-up to a general election, the Compliance Officer should exercise his judgement and use his discretion as to the handling of complaints; and
- the Compliance Officer's objective, in doing so, would be not to interfere with the election process.

10. Report of the Compliance Officer

IPSA/150512/9 – Report to IPSA Board by Compliance Officer

10.1. The Board noted the report of the Compliance Officer.

11. Board standing orders

IPSA/150512/7 + annexes A and B – Board standing orders

11.1. The Board agreed to adopt the draft standing orders, subject to:

- a change so as to set quorum for Board meetings at three people;
- a proposed addition, taking account of the need for some meetings to be held by means of teleconference; and
- a proposed addition, taking account of the Board's role in meeting stakeholders.

11.2. The Board agreed that the Chair should sign the revised standing orders off, on behalf of the Board, once these had been finalised.

Nick Lee to circulate revised standing orders for comment

12. Planning for a general election

IPSA/150512/8 + annex A – General election planning: Progress report

12.1. The Deputy Director of Operations presented a paper setting out IPSA's preparation for a general election, and the costs arising from such an eventuality.

12.2. The Board agreed:

- to note the report, which showed higher (but more accurate) costs than previous reports;
- to consider, in due course, what arrangements (if any) might be put in place so as to ensure that office equipment was appropriately disposed of by non-returning MPs following an election; and
- to discuss with the Speaker's Committee for the IPSA, in advance of the next expected general election, IPSA's plans and the costs arising from them.

Jo Bristow, Deputy Director of Operations

12.3. The Board noted that:

- it was the last meeting to be attended by the departing Deputy Director of Operations;
- she had joined IPSA at a very early stage, and had proved invaluable advice and assistance in ensuring a smooth transition for processes, people and data from the House;
- she had displayed remarkable qualities of resilience and determination throughout her time at IPSA; and
- she had more recently made significant steps in addressing the risk to IPSA's administration arising from a general election.

12.4. The Board agreed to record its thanks to the Deputy Director of Operations.

Scott Woolveridge, Director of Operations

12.5. The Board noted that:

- it was the last meeting of the Board to be attended by the departing Director of Operations;
- he had joined IPSA during a difficult period and quickly begun work to improve IPSA's administration;
- he had, in his time at IPSA, had a significant impact on the organisation and its performance, meaning that it had met all of its operational key performance indicator targets for 2011/12; and
- he had also deputised for the Chief Executive during a period of prolonged absence, dealing ably with a range of challenges and scrutiny.

12.6. The Board agreed to record its thanks to the Director of Operations.

13. Chief Executive's report

IPSA/150512/11 – Chief Executive's report; IPSA/150512/12 + annexes A – G – Board Information Update

13.1. The Chief Executive reported that:

- validation performance in April 2012 had been well below the target of 95% claims processed within ten working days; and
- validation performance for the rest of the year would now need to be at around 98% each month to ensure that IPSA hit this target.

Andrew McDonald to provide a further report on validation performance in April 2012.

Nick Lee to arrange for the Board to receive a further report on staffing contingency claims received with respect of the 2012/13 financial year.

14. Any other business

Freedom of Information request

14.1. The Board noted that a Freedom of Information request had been received for agendas of meetings held between IPSA officials and the Government.

14.2. The Board agreed:

- it should make available such documents unless there were compelling reasons (for instance, personal cases or sensitive matters) not to do so; and
- it was, nevertheless, important that if there were to be such general disclosure, those with whom IPSA was communicating should be aware of this fact in the future.

Meeting closed.