



Minute

Minutes of a meeting of the Board of IPSA Thursday 17 July 2012

Present	Sir Ian Kennedy (chair) Sir Scott Baker Jackie Ballard Isobel Sharp Andrew McDonald, Chief Executive Belinda Brown, Head of Performance and Assurance [items 1 – 3, 13 – 15] Bob Evans, Director of Finance Anne Power, Director of Communications [items 1 – 5] John Sills, Director of Policy [items 5 – 9]	Mark Anderson, Communications Manager [items 1 -5] Briony Carew, Assistant Policy Manager [items 5 – 8] Tony Lord, Head of Policy [items 5 - 9] Lucy Pickering, Acting Policy Manager [items 5 – 8] Peter Davis, Compliance Officer [items 8 – 10] Nick Lee, Head of Board and Chief Executive Office Andrew Singleton, Assistant Private Secretary
Apologies	Ken Olisa	
Status	Approved for publication by a meeting of the Board on 18 September 2012.	
Publication	For publication.	

1. Welcome

1.1. The Chair welcomed the Board to the meeting:

- apologies had been received from Ken Olisa, who was unable to attend due to a longstanding commitment;
- a number of papers had been tabled (including the Board's standing orders, the revised minutes of the meeting of the Board of 7 June 2012 and the revised minutes of the meeting of the Board of 30 April 2012) for the Board to sign off by correspondence.

1.2. There were no new declarations of interests.

2. Minutes of previous meetings and matters arising

IPSA/170712/1 – Minutes of a meeting of the Board, 19 June 2012; IPSA/170712/2 – Matters arising

Minutes of a meeting of the Board, 19 June 2012

2.1. The Board approved the minutes of the meeting of the Board of 19 June 2012 for publication.

Nick Lee to arrange for publication of the minutes of the meeting of the Board of 19 June 2012.

Matters arising

2.2. The Board noted that it had not yet been possible to schedule a meeting with Lord Hutton as part of its work on MPs' pay and pensions, but that a meeting would be scheduled in due course.

2.3. The Board agreed that, as part of its work on MPs' pay and pensions:

- it should write to those MPs who were also members of devolved legislatures and the remuneration boards of those legislatures in order to seek their views on the implications of any changes to MPs' pay and pensions; and
- it should ensure that it would be possible for MPs to provide their views in a non-attributable fashion, possibly through a confidential questionnaire.

2.4. There were no further matters arising.

3. Speaker's Committee for the IPSA: Report on progress

3.1. The Chair reported that:

- following an exchange of letters between him and the Speaker, he had been invited to join the selection panel for appointments to the Board of IPSA;
- he had that morning met the chair of the selection panel, Dame Denise Platt; and
- his current expectation was that names would be put forward to the Speaker by the selection panel in October or November 2012.

4. Review of the Board's forward agenda

IPSA/170712/3 – Board forward agenda

- 4.1. The Board agreed to provide comments on the forward agenda by correspondence, and to review in due course a revised forward agenda, subject to its confirming the timetable for its work on MPs' pay and pensions.
- 4.2. The Board noted that its commitment to review IPSA's strategy and corporate plan could not be scheduled for a later date if it were to revise it in time for the preparation of IPSA's Estimate for 2013/14.

Nick Lee to circulate revised Board forward agenda for comment by correspondence.

5. Review of MPs' pay and pensions: Timetable

5.1. The Director of Policy presented the options with respect to the review of MPs' pay and pensions. He noted, in particular, that:

- the option recommended to the Board following earlier correspondence and suggestions contemplated the launch of a green paper in October 2012, allowing the Board to consider a draft of that paper at its meetings in September and allowing eight weeks for consultation; and
- although the consultation period for this paper would be eight weeks, rather than the standard twelve, this was justifiable in the context of a green paper and – in any case – a further consultation (running for a full twelve weeks) would take place in spring 2013.

5.2. The Board noted that:

- any timetable would need to take account of its availability in August, and possible changes in the composition of the Board in January 2013. This might, however, entail the scheduling of additional meetings; and
- a first draft consultation document would be circulated, for comment, by the end of July 2012.

5.3. The Board agreed to adjust the timetable of its work on MPs' pay and pensions so that it launched a green paper in October 2012, considered responses to the consultation in December 2012 and approved a report setting out a framework for a further white paper, along with a set of agreed principles, in early January 2013.

John Sills to prepare and circulate a timetable setting out the Board's work with respect to pay and pensions.

6. MPs' pay and pensions: Outline consultation document

IPSA/170712/5 – Pay and pensions review: Outline consultation document

6.1. The Head of Policy introduced an outline consultation on MPs' pay and pensions. He noted, in particular, that:

- while most questions in the paper would be open, it would be necessary for closed, specific, questions to be asked with respect to changes to resettlement grants and to the previously-agreed 1% pay rise as part of the public-sector pay freeze

6.2. The Board noted that there appeared to be significant opposition among many MPs to variable pay (for example, reflecting length of service or constituency size or location), although flexibility around their pension arrangements might also be welcomed.

6.3. The Board agreed that:

- its work might encompass comparisons with other holders of elected office such as councillors or mayors, in addition to comparisons with other occupations and professions. In doing so, it would be important to take account of the time commitment entailed in being an MP;
- notwithstanding the need for such comparisons, questions about the amount of responsibility MPs exercised would be an important determinant of how much they should be paid;

- the consultation document should include a chapter setting out the potential cost of any changes to remuneration as a whole, and the implications these might have for the overall cost to the taxpayer of MPs' remuneration;
- the consultation document should include a chapter setting out the options for the phasing, implementation, timing and introduction of any changes to pay and pensions;
- it would be important to consider the suitability of any consultation document for different audiences, and provide different mechanisms for different stakeholders to respond; and
- it would be particularly important, in talking to MPs, for IPSA to provide a mechanism for confidential responses to be taken account of.

6.4. The Board agreed to record its thanks to the policy team for the high quality of its work on MPs' pay and pensions.

Tony Lord to circulate a note setting out the pay rates for Members of the European Parliament.

Tony Lord to circulate a first draft consultation on pay and pensions for comment.

9. Diverted journeys and first-tier tribunal

IPSA/170712/8 – First-tier tribunal; IPSA/170712/9 – Diverted journeys

First-tier tribunal

9.1. The Compliance Officer introduced a paper setting out the current position with respect to a case brought to the first-tier tribunal.

9.2. The Board noted that:

- the Compliance Officer agreed with IPSA's initial decision, independent of his own, not to pay the claim in question;
- it was for the Compliance Officer to determine how to deal with the case, which was brought against him and not against IPSA, but the Board was prepared to offer advice if this was sought;
- the claim which had given rise to the tribunal case was not allowable when it was made, and it had been right not to pay that claim.

Diverted journeys

9.3. The Director of Policy introduced a paper setting out the implications of the ongoing tribunal case. He noted that:

- while questions had arisen during exchanges with respect to the status of guidance to the *MPs' Scheme of Business Costs and Expenses*, further advice would be needed to confirm the approach previously taken in disaggregating the rules and guidance within the Scheme.

John Sills to seek further legal advice on the difference between rules and guidance.

9.4. The Board agreed that:

- the Executive should consider whether it would be possible to operationalise a policy whereby the cost of the second leg of diverted journeys undertaken as regards the first leg for party political purposes could be claimed, up to the limit of the cost of a normal journey between an MPs' constituency and Westminster, or vice versa;
- for diverted journeys and where IPSA met the cost of the second leg of journeys, these costs should only be met where such journeys had been pre-approved by IPSA, subject to a review of the administrative burden this might impose;
- in changing the guidance to allow such journeys, the Executive should consider and take account of any tax implications that might arise as a consequence; and
- a decision on how to announce such a change should be taken in the light of considerations around how it would be possible to operationalise the change in the guidance.

John Sills to make arrangements for the implementation of changes to the guidance with respect to diverted journeys.

10. Compliance Officer's report

IPSA/170712/10 – Report of the Compliance Officer

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

11. Finance Report

IPSA/170712/11 – Finance Report

11.1. The Board noted the Finance Report.

12. Accommodation offer

IPSA/170712/12 – Accommodation offer

12.1. The Board noted a report on the proposed subletting of IPSA's floorspace.

12.2. The Board agreed that arrangements should be put in place so as to provide reassurance to stakeholders about the security of sensitive data both during the period when IPSA's offices were due to be reconfigured but also afterwards, once the new arrangements had been put in place.

13. Changes to Key Performance Indicators

IPSA/170712/13 – Changes to Key Performance Indicators

13.1. The Head of Performance and Assurance introduced a paper proposing a revision of the key performance indicator for the processing of MPs' claims . She reported that:

- IPSA's KPIs for 2012/13 were still in draft;;
- a recent review of the key performance indicator for validation had concluded that the proposed revision would make the KPI more robust and more relevant to the experience of MPs; and
- this change would also mean IPSA publishing more detailed data on the distribution of processing times in relation to reimbursed claims.

13.2. The Board agreed:

- the validation KPI should be revised as proposed to reflect MPs' experience and average processing times; and

- the revised KPI and measures should be taut and objective.

Belinda Brown to circulate final revisions to the KPI relating to the processing of claims and include it in the Corporate Plan.

14. Chief Executive's report

IPSA/170712/14 – Chief Executive's report; IPSA/170712/14 – Board Update: monthly report

14.1. The Chief Executive reported that a paper showing IPSA's operational performance in June 2012 had been tabled, and showed, in particular, a significantly stronger performance in validation.

14.2. The Head of Performance and Assurance reported that:

- IPSA had conducted its first annual survey of MPs since that of the National Audit Office the previous year;
- initial results suggested that MPs were more satisfied than they had been in previous years, particularly with respect to IPSA's guidance and advice;
- initial results also suggested that MPs were now spending less time using the online expenses system; and
- MPs continued to press for the more rapid processing of claims.

14.3. The Board agreed to record its thanks to the MP Support and Validation teams for their hard work in achieving the current strong operational performance.

15. Any other business

Communications

15.1. The Board noted that:

- some members of the public continued to feel that there was misuse of MPs' business costs and expenses, despite the progress that had been made over the previous two years; and
- while progress had already been made, addressing this misperception would take time.

- 15.2. The Board agreed that it would be important, over the coming months, for IPSA's communications to continue to be centred on its work on pay and pensions, although further work would also need to be done to continue to address misperceptions about MPs' business costs and expenses.

Meeting closed.