



Minute

Minutes of a meeting of the Board of IPSA Tuesday 11 December 2012

Present	Sir Ian Kennedy, Chair Jackie Ballard Sir Scott Baker Ken Olisa Isobel Sharp Andrew McDonald, Chief Executive Peter Davis, Compliance Officer [items 5 and 6] Nick Lee, Head of Board and Chief Executive Office	Mark Anderson, Head of Communications [items 1 – 7] Belinda Brown, Head of Performance and Assurance [items 1 – 7] Philip Mabe, Acting Director of Finance and Corporate Services [items 1 – 7] John Sills, Director of Policy [items 1 – 7]
Apologies	None.	
Status	Final for publication	
Publication	As approved for publication at the meeting of the Board on 8 January 2013.	

1. Welcome

- 1.1. The Chair welcomed the Board to the meeting.
- 1.2. The Board noted that work was under way to identify a time for incoming and outgoing Board members to meet.

Nick Lee to arrange for a further, formal meeting between the incoming and outgoing members of the Board.

2. Minutes of previous meeting and action list

IPSA/111212/1 – Minutes of a meeting of the Board, 20 November 2012;
IPSA/111212/2 – Action list

Minutes of a meeting of the Board, 20 November 2012

- 2.1. The Board agreed to approve the minutes of the meeting of the Board of 20 November 2012 subject to a number of amendments.

Nick Lee to circulate revised draft of the minutes of the meeting of the Board of 20 November 2012 for signoff.

Action list and matters arising

- 2.2. The Board noted that:
 - it would considering a paper on possible changes to MPs' pension contributions in 2013/14 at the meeting of the Board on 19 December 2012; and
 - arrangements had been made for the Board to consider IPSA's reward strategy in the first part of 2013.

Nick Lee to confirm IPSA-MP liaison group meeting early in 2013.

3. Supplementary Estimate

- 3.1. The Acting Director of Finance and Corporate Services reported that:

- following the discussion at the meeting of the Board on 20 November 2012, further work had been undertaken to clarify costs arising from recent developments relating to requested made under the Freedom of Information Act (FOI) and to

prepare a supplementary estimate for approval by the Board at its meeting on 19 December 2012;

- the supplementary estimate, which would, as previously agreed, include the new subhead D to reflect these additional and unavoidable costs relating to FOI;
- the supplementary estimate would need to be submitted before Christmas so that it could be considered by the Treasury in advance of a meeting of the Speaker's Committee for the IPSA (SCIPSA) in January 2013; and
- he expected IPSA to be overspent against subhead B (IPSA's operations) as a consequence of in-year FOI costs and he anticipated IPSA's incurring additional costs of just under £300,000 as a consequence of the work relating to Freedom of Information.

3.2. The Board noted that there was some uncertainty as to when an appeal against the Information Commissioner's decision notice would be heard, and so provision for the costs arising from this needed to be made both in 2012/13 and 2013/14.

3.3. The Board approved the proposed approach to IPSA's supplementary estimate, subject to some minor restructuring.

4. Corporate plan and Estimate 2013/14

IPSA/111212/3 + annex A – IPSA Corporate Plan, 2013 – 2017

4.1. The Head of Performance and Assurance reported that:

- the corporate plan had been revised in draft in the light of the comments made by the Board at its workshop on 22 October 2012; and
- the revised draft focussed on three themes – pay and pensions, accuracy in the administration of the *MPs' Scheme of Business Costs and Expenses* and planning, particularly for the general election of 2015.

4.2. The Board noted that:

- work was under way to review IPSA's obligations as regards pensions auto-enrolment, alongside work to consider more fully the proper boundary between IPSA's administration and that of the House of Commons; and
- meetings with the lay members of the Speaker's Committee for the IPSA (SCIPSA) would be set up in the new year and arrangements would be made to discuss with

them both IPSA's approach to the corporate plan and the particular costs driving IPSA's need to seeking a supplementary estimate in 2012/13.

4.3. The Board agreed that:

- it would be important, in the corporate plan, to articulate the significance of the impact of a general election on IPSA's operations;
- although wholesale changes to constituency boundaries remained a theoretical possibility, they now seemed unlikely, and the plan should be revised to take account of this;
- while IPSA had heretofore reviewed the *MPs' Scheme of Costs and Expenses* annually, it was statutorily required only to do so regularly: the corporate plan should provide scope for future changes to the frequency of such reviews;
- the draft corporate plan should emphasise engagement with the public as a key component of IPSA's work; and
- those elements of the corporate plan which arose from recommendations made by the Public Accounts Committee or National Audit Office and progress in meeting them should be indicated within the text.

Nick Lee to circulate the presentation setting out the findings of the 2012 staff survey.

Estimate 2013/14

4.4. The Acting Director of Finance and Corporate Services reported that:

- as previously reported, if IPSA were to be required to publish receipts relating to MPs' claims, costs in the 2013/14 estimate would be significantly higher;
- the 2013/14 estimate would be structured so that IPSA's baseline costs (taking account of IPSA's commitments as regards cost savings) would sit alongside bids relating to work on pay and pensions, a review of MPs' accommodation and planning for a general election; and
- further work was needed on the numbers underpinning this work, but the structure was unlikely now to change.

4.5. The Board noted that:

- the final approval of the 2013/14 estimate would ultimately be a matter for the new Board;
- the new subhead D, taking account of Freedom of Information-related costs, would make the estimate significantly higher than it would otherwise have been;
- because costs cannot be transferred between years, some costs shown in the 2013/14 estimate were also shown in the 2012/12 supplementary estimate. In any event, they would be spent in one year or the other, but not in both; and
- the costs proposed were provisional and depended on the progress of the appeal against the ICO's decision and the outcome of the scoping work relating to the publication of receipts.

4.6. The Board agreed that:

- it would be important to make clear those costs that arose from additional FOI-related work;
- detail would be needed within the supporting documentation so as to explain how these costs had arisen; and
- the estimate would need to take account of different scenarios arising from the appeal to the information tribunal.

4.7. The Board agreed to approve the structure of and approach to the 2013/14 estimate.

John Sills to provide a brief summary of the costs underpinning the work on the pay and pensions review in 2013/14.

5. Risk register

IPSA/111212/4 – Risk register

5.1. The Risk Coordinator reported that:

- the process for risk management and the risk register itself had both been revised following the meeting of the Audit and Risk Committee on 18 September 2012; and
- a new risk register, with improved scoring, would be prepared and circulated in early January 2013, taking into account any further comments from Board members.

5.2. The Board noted that:

- a recent survey of IPSA's staff had shown lower scores in a number of important areas; and
- these would be addressed by the Executive through an action plan to be circulated to the Board in the first part of 2013.

6. Compliance Officer's report

IPSA/111212/5 – Compliance Officer's report

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

7. Chief Executive's report

IPSA/111212/6 – Chief Executive's report

Financial controls

7.1. The Chief Executive reported that:

- following an incident relating to a mispayment of pension contributions earlier in the year, a programme of improvements to financial controls had been developed, with some elements already implemented and others on track to be implemented before the end of the financial year;
- IPSA's internal auditors had indicated subsequently that, were these issues not to be addressed, IPSA would receive a red rating for that area of its audit for 2012/13; and
- all the necessary work to address this had been identified and was planned for completion before the end of the financial year, so as to reduce the risk of this possibility.

Publication of data

7.2. The Board noted that:

- a number of claims had not been released as part of IPSA's routine cycle of publication when they should have been as a consequence of an error relating to the direct payment of some claims for train tickets;

- the value and volumes of the claims in question was relatively low, even though they related to a period of around a year; and
- both the specific issue and the process issue which led to its arising had been resolved.

Overspent budgets

7.3. The Board noted that:

- an issue had been identified whereby some MPs had spent beyond their budget limits in previous financial years;
- work was under way to contact those concerned and to make any necessary adjustments; and
- IPSA had powers to recover money that had been overpaid, if repayment was not forthcoming.

7.4. The Board agreed that it would be important for IPSA to move quickly in cases of overpayment to address any issues that this raised.

Alex Jary and Jane Hoskins to provide a report on cases where budget limits had been exceeded.

8. Any other business

Parliamentary Contributory Pension Fund

8.1. The Board approved a proposal that the Director of Policy should be appointed as a trustee of the Parliamentary Contributory Pension Fund (PCPF).

Nick Lee to make arrangements for the Chair to write to the Minister for the Civil Service to seek his agreement to IPSA's nomination to the PCPF trustees.

Publication of Board papers

8.2. The Board noted that:

- planned work to publish papers of Board meetings had been necessarily postponed because of resource pressures;

- this would now be revised early in 2013 as part of a review of the Board's approach to transparency; and
- IPSA continued to publish minutes of Board meetings regularly, in line with its publication policy.

8.3. The Board agreed that it would be important that the Board considered its approach to transparency early in 2013, and that questions around the publication of Board papers should form part of that discussion.

Nick Lee to arrange for an early Board-level discussion of transparency in 2013.

9. Board lessons learned

Transparency

9.1. The Board agreed that:

- active transparency was important and that this should inform IPSA's way of working, where possible, with respect to IPSA itself, those whose costs and expenses it administered, and the public; and
- in support of this principle, it was important that key data about both IPSA and about MPs' claims were readily accessible.

9.2. The Board agreed that the new Board might wish to consider, in particular, the current level of transparency and any changes to that approach.

Relationships with interested parties and the media

9.3. The Board agreed that it was important that IPSA's public profile was one where it, as far as was possible, set the agenda (for example, through its approach to transparency and in its dealing with the media) rather than being seen as defensive.

9.4. The Board agreed that the new Board might wish to consider, in particular:

- what the proper balance was between IPSA's engagement with the public as a whole, against its engagement with MPs and others in Whitehall and Westminster;
- IPSA's approach to working with the press and media, and – in particular - how a greater understanding of the issues IPSA dealt with might be developed among journalists; and
- how early, constructive, engagement with Parliament and the Speaker's Committee for the IPSA might create more effective relationships with those institutions.

Cost effectiveness and value for money

9.5. The Board agreed that:

- it was important that, in making judgements about cost effectiveness and value for money, evidence in the form of relevant data or benchmarks were provided so as to enable informed judgements to be reached;
- when new rules or provision were considered, the potential cost of implementation needed to be a key factor; and
- a key challenge for any Board lay in defining value in the context of value for money – for instance, the extent to which public confidence in a transparent, expenses-based system should be valued against a system based on flat-rate allowances; and
- it was important that, in coming to decisions, private as well as public sector experience needed to be taken account of.

Decision-making processes and ways of working

9.6. The Board agreed that:

- the Board's approach to decision-making had, to a certain degree, been defined by the context in which it had been established; it would be important for the new Board to consider how that context had changed and, consequently, how it wished to approach questions of governance and decision-making;
- sufficient time needed to be allowed to consider consultations before final decisions were made, providing scope for additional iterations if required;
- it was important for the Board's focus to be on overarching and strategic questions and to avoid a cycle of meetings that, through its frequency, might create excessive involvement in operational matters; and
- its approach to policy-making – listening to the strength rather than the volume of arguments made – had given the resulting decisions greater strength and made them easier to defend, even when they were controversial.

9.7. The Board agreed that the new Board might wish to consider, in particular:

- the relationship and between and respective roles of the Chief Executive (and the Executive) and the Board, and the scope for Chair's actions between meetings;
- whether less time should be spent in meetings and more time engaging with interested parties; and
- how individual Board members or subgroups of the Board might be delegated to work on particular issues, rather than their being considered in plenary session.

IPSA's approach to costs and expenses

9.8. The Board agreed that:

- while there were a range of views on how MPs' costs and expenses should be dealt with, the current approach needed to be seen in its proper context (the need to restore public confidence following the scandal of the previous Parliament) and it was possible that IPSA's approach might be adjusted subsequently, as circumstances changed;
- in considering the approach to costs and expenses, it was important to balance a number of factors, including the expectation of transparency, the need for public confidence, cost and administrative simplicity; and
- it would be important to ensure that the public and the media understood the purpose of business costs and expenses – which were not special privileges but, rather, designed to meet the cost of an MP's work.