



Minute

Minutes of a meeting of the Board of IPSA Thursday 27 March 2013

Present	Sir Ian Kennedy, Chair Sir Neil Butterfield Liz Padmore Anne Whitaker Tony Wright Andrew McDonald, Chief Executive Peter Davis, Compliance Officer [item 7] Nick Lee, Head of Board and Chief Executive Office	Mark Anderson, Head of Communications Belinda Brown, Head of Performance and Change Philip Lloyd, Director of Finance and Corporate Services Philip Mabe, acting Director of Finance and Corporate Services John Sills, Director of Policy and Communications Louise Edwards [item 5]
Apologies	Alex Jary, Head of Validation and MP Support	
Status	As approved at the meeting of the Board of 22 May 2013.	
Publication	Final for publication.	

1. Welcome

1.1. The Chair welcomed the Board to the meeting.

1.2. There were no new declarations of interests.

Board away day, 14/15 April 2013

1.3. The Chief Executive noted that work was under way to schedule an away day on 14 and 15 April 2013 so as to consider in detail IPSA's work on MPs' pay and pensions.

2. Minutes of previous meetings, action list and matters arising

IPSA/130227/2 – Action list

Minutes of the meetings of the Board of 18 March 2013 and 21 March 2013

2.1. The Head of Board and Chief Executive Office reported that:

- owing to other commitments, it had not been possible to prepare minutes of the meetings of the Board of 18 March and 21 March 2013 for consideration and approval by the Board;
- drafts of these minutes would be circulated subsequently for comment and brought to the meeting of the Board on 22 April 2013 for approval.

Nick Lee to make arrangements for approval of the minutes of the meetings of the Board of 18 March 2013 and 21 March 2013 at the meeting of the Board on 22 April 2013.

Action list and matters arising

2.2. The Board noted that, while one member of the Board had completed a programme of work shadowing with an MP, in other cases this had not yet been possible.

Nick Lee to make arrangements for Board to carry out work shadowing of MPs.

3. Monitoring and reporting of key performance indicators

IPSA/130327/5 – Reporting and monitoring of KPIs

3.1. The Head of Performance and Assurance introduced a paper setting out proposals for revisions to IPSA's key performance indicators (KPIs) for inclusion in the 2013-17 corporate plan. She reported, in particular, that:

- the proposed reduction in the number of KPIs would allow for more focussed and frequent consideration of IPSA's performance in those areas which most directly related to its core objectives;
- an opportunity would be provided for more fundamental consideration of IPSA's key performance indicators (KPIs) at the proposed discussion of IPSA's strategy in autumn 2013;
- regular reporting of those KPIs which were of external interest (for instance, relating to IPSA's operational performance) would continue as previously; and
- other metrics relating to IPSA's performance would continue to be reported monthly to the senior leadership team (SLT) and, as necessary, to the Board.

3.2. The Board noted that there were a number of underlying questions, relating to the measurement of IPSA's performance and possible unintended consequences of the current KPIs, which would require further consideration as part of the Board's proposed discussion of IPSA's strategy.

3.3. The Board agreed:

- that the number of key performance indicators should be reduced to eight, with amendments to the corporate plan reflecting this;
- to approve the alternative approach to the monitoring of business metrics no longer measured as KPIs; and
- to carry out a fundamental review of IPSA's KPIs in autumn 2013.

Nick Lee / Belinda Brown to make arrangements for review of IPSA's strategy in autumn 2013.

4. Corporate plan 2013 – 2017 and Estimate 2013/14

IPSA/130327/4 – Corporate plan 2013–17; IPSA/130327/5 – Estimate 2013/14

Corporate plan 2013 - 2017

4.1. The Head of Performance and Assurance introduced a paper setting out the draft corporate plan for 2013–17. She reported, in particular, that:

- the vision statement had been revised following the discussion at the meeting of the Board on 18 March 2013;
- the plans set out in the document would be subject to any necessary changes to IPSA's business model and processes arising from the forthcoming hearing at the Information Tribunal.

4.2. The Board agreed to approve the draft corporate plan for circulation to the Speaker's Committee for the IPSA, subject to revisions, for now, to the original vision statement.

Belinda Brown to revise the vision statement and to make arrangements to share the draft corporate plan with the Speaker's Committee for the IPSA.

Belinda Brown to make arrangements for the vision statement to be reconsidered at the Board's strategy session in autumn 2013.

Estimate 2013/14

4.3. The acting Director of Finance and Corporate Services introduced a paper setting out the most recent draft of IPSA's draft Estimate for 2013/14. He reported, in particular, that:

- those amendments requested at the meeting of the Board of 27 February 2013 had now been incorporated into the Estimate; and
- once approved by the Board, the Estimate would be provided to the Speaker's Committee for the IPSA as a basis for discussion.

4.4. The Board noted that the IT budget within the Estimate had been set so as to meet all current anticipated costs but not to cover the cost of any significant or unanticipated changes to IPSA's systems.

4.5. The Board agreed to approve the draft Estimate 2013/14 for discussion with the Speaker's Committee for the IPSA.

Philip Mabe to finalise draft Estimate 2013/14 and make arrangements for it to be shared with the Speaker's Committee for the IPSA.

5. Review of MPs' residential and office accommodation: Terms of reference

IPSA/130327/6 + annexes A – C – Review of MPs' accommodation

5.1. The Director of Policy and Communications introduced a paper setting out draft terms of reference for the proposed review of the rules governing MPs' residential and office accommodation. He reported, in particular, that:

- the terms would provide a basis for IPSA to begin the first phase of work on the review, without committing IPSA to any particular approach or position; and
- in the light of current levels of resourcing, it was likely that initial proposals for consultation would not be put to the Board until as late as December 2013, with a consultation launched in February 2014.

5.2. The Board noted that:

- any proposed changes emerging from a review need not be implemented immediately if (for example) it would be more appropriate to make changes following the next general election; and
- any significant issues arising during the initial, evidence-gathering and analysis phase of the work could – if necessary – be considered alongside IPSA's work on MPs' pay and pensions.

5.3. The Board agreed that:

- the scope and timing of the review need not preclude more fundamental changes to the model under which MPs' costs and expenses were remunerated. Further discussion was needed so as to consider the merits of alternative approaches; and
- the review of MPs' accommodation should also seek to address risks arising from particular models of meeting these costs, as well as possible unintended consequences arising from the current and alternative approaches.

5.4. The Board agreed:

- to approve the draft terms of reference for the review of MPs' accommodation, subject to amendments to the timetable (reflecting resourcing changes); and
- that the work should take place in two phases – the first relating to residential accommodation and the second relating to MPs' office accommodation, including

(but not limited to) the risks that arose when such accommodation was rented from political parties.

5.5. The Board agreed to record its thanks to Louise Edwards for her significant contribution to IPSA's policy work.

6. Report of the Compliance Officer

IPSA/130327/7 – Report by the Compliance Officer

6.1. The Compliance Officer introduced a report setting out his work over the preceding month. He reported, in particular, that – on 14 March 2013 – he had attended a public hearing of the first-tier tribunal to defend his decision not to overturn an earlier decision by IPSA not to pay a claim for travel relating to a journey made by Jim McGovern in 2011. He did not expect the tribunal to issue a ruling until after Easter 2013.

6.2. The Board agreed to note the report of the Compliance Officer.

7. Finance report

IPSA/130327/8 – Finance Report

7.1. The acting Director of Finance and Corporate Services introduced a paper setting out IPSA's management accounts to 28 February 2013. He reported, in particular, that:

- he anticipated an underspend of some £19.9m against a forecast of £168.5m with respect to MPs' business costs and expenses;
- he anticipated an underspend of some £195,000 against budget with respect to the cost of IPSA's administration; and
- a significant proportion of those payment card transactions that had not previously been reconciled had now been dealt with, leaving only a small balance outstanding.

7.2. The Board agreed to note the report of the acting Director of Finance and Corporate Services.

8. Chief Executive's report

IPSA/130327/9 + annexes A and B – Chief Executive's report; IPSA/130327/10 + annexes A – E – Board Information Update

8.1. The Chief Executive introduced a report setting out IPSA's work over the previous month and reported, in particular, that:

- management of quality would become a key theme of the Executive's work over the coming year, with a particular focus on the definition of processes, change control of those processes and their active management by nominated individuals;
- Karl McCartney MP had responded to his letter of 26 March, prompting some media coverage. Subsequently, the Chair had written to Mr McCartney;
- alongside the Director of Policy and Communications, he had given evidence at a public meeting of the Administration Committee on 25 March;
- alongside the Head of Performance and Assurance, he had met the lay members of the Speaker's Committee for the IPSA in order to discuss IPSA's forthcoming work and its approach to the corporate plan. This had been a constructive and helpful meeting and work was in hand to arrange a meeting between the lay members of the Speaker's Committee and members of IPSA's Board; and
- with respect to the transitional mortgage interest subsidy, he now expected the one outstanding case to be resolved through the courts, IPSA having failed in its efforts to recover the money in question without recourse to such action.

Nick Lee to arrange for a meeting between the lay members of the Speaker's Committee for the IPSA and members of the Board.

9. Handling of applications for uplifts to staffing budgets

9.1. The Director of Policy and Communications introduced a paper setting out concerns that had arisen following recent applications for uplifts to 2013/14 staffing budgets under IPSA's contingency arrangements. He reported, in particular, that:

- the contingency panel provided a mechanism to meet the exceptional needs of those MPs who could not fulfil their parliamentary functions without access to additional funding.
- since the contingency panel had been established, it had approved uplifts equivalent to almost £½m over three years. Reports on uplifts considered by the

panel, and any particular issues that arose as a consequence, were provided monthly to the Board;

- while the volume of applications for uplifts to MPs' staffing budgets had fallen significantly after budgets were increased from 1 April 2012, the contingency panel had, more recently, received a number of applications for large uplifts to MPs' staffing budgets; and
- at the same time, some MPs had expressed concern that, if their staffing budget was already fully committed, they would be unable in such circumstances to pay a 1% uplift to their staff. Others had suggested – incorrectly – that IPSA had decided that MPs' staff were not entitled to such an increase in pay in 2013/14, even if money was available in an MP's budget to do so.

9.2. The Board agreed that:

- MPs unable to offer their staff a 1% pay rise in 2013/14 as a result of their staffing budget already being fully committed should be offered the facility of an uplift to that budget under IPSA's contingency arrangements;
- notwithstanding this provision, the process for contingency should continue to operate on a case-by-case basis, taking account of the requirement that any payment should be exceptional and unavoidably incurred in the performance of an MP's parliamentary functions;
- care should be taken so that any contingency uplifts allowed with respect to the staffing budget should not create long-term commitments that could only be met through contingency; and
- it would be important that contingency uplifts remained exceptional and did not become a commonplace mechanism to address situations where MPs had simply failed properly to manage their budgets.

John Sills to make arrangements to communicate the agreed approach where MPs might wish to offer a 1% pay rise for a member or members of staff in circumstances where their budget would not otherwise accommodate such increases in expenditure.

Nick Lee to make arrangements for the Board to consider and reaffirm the principles under which the contingency panel operates.

10. Any other business

10.1. There was no other business.

Meeting closed.