

Minutes of a meeting of IPSA's Board

Wednesday 23 March 2016

Present: Sir Ian Kennedy, Chairman
Sir Robert Owen
Liz Padmore
Rt. Hon John Thurso
Anne Whitaker

In attendance: Marcial Boo, Chief Executive
John Sills, Director of Regulation
Linda Everet, Acting Director of Operations
Naomi Stauber, Head of Board and Chief Executive Office
Head of Communications
Leader of Change Programme (Item 3)
Head of Finance (Item 4)
Programme Manager (Item 5)
Head of Policy (Item 7)
Publications Manager (Item 9)

Apologies: None

Status: Submitted for approval at the meeting of the Board on 28 April 2016.

Publication: Paragraph 3.1 to be redacted prior to publication.

1. Welcome and Declarations of Interest

- 1.1 The Chairman opened the meeting and welcomed those attending.
- 1.2 The Chairman noted that there were no apologies.
- 1.3 The Chairman invited the Board and members of staff to declare any interests not previously recorded. Lord Thurso declared that he had been appointed as the new chairman of VisitScotland.

2. Minutes of previous meetings and matters arising

Minutes

- 2.1 The Minutes of the meeting of the Board held on 24 February 2016 were approved.

Actions arising from the previous meeting

- 2.2 The Board noted the actions that had been completed since the last meeting.

3. Chief Executive's Report

- 3.1 The Chief Executive introduced a paper setting out the organisation's activities since he last reported to the Board in February.
- 3.2 The Chairman welcomed IPSA's new Leader of the Change Programme to the meeting. The Board received the Leader of Change Programme's initial assessment of the IPSA 2017 improvement programme and noted that, in her opinion, core functionality is deliverable by April 2017, but against tight timescales. The Board also received an update on the Change Leader's activity to date including the issuing of tender documents to bring in a team of consultants to support the procurement and implementation of IPSA's IT changes and provide additional capacity in the Change team over the coming months.
- 3.3 The Board reviewed IPSA's performance in February 2016 and noted the addition of a new indicator on the number of CHAPS payments made each month. IPSA's Head of Finance explained that the figure is primarily reflective of the rental payments and salary advances made during the period. The Board emphasised the importance of ensuring that an agreed policy is in place to set out the circumstances in which salary advances are permitted.
- 3.4 The Board noted IPSA's performance in February 2016, and the list of the Chief Executive's and Chairman's meetings with MPs and officials since the last report, including those that the Chief Executive had undertaken since the publication of the agenda.

ACTION: Head of Finance to confirm IPSA's policy on the circumstances in which it will pay salary advances using CHAPS payments.

4. Financial Position and Management Accounts for February 2016

- 4.1 IPSA's Head of Finance introduced the report which provided an update on IPSA's financial position as at the end of February 2016. The Board reviewed the report and noted the following key messages under each subhead:

Subhead A

- 4.2 The year-to-date position at the end of February shows an under-spend across all categories of spending. IPSA is forecasting a slightly reduced underspend of £32.5 million at the year-end, as a result of prudent financial assumptions made as part of IPSA's General Election planning.

Subhead B

- 4.3 IPSA is currently projecting a year-end underspend of £160k, or 3 per cent. This is £130k lower than January's forecast underspend. This reduced forecast is primarily due to targeting some early spending on the IPSA 2017 improvement programme, and the recruitment of the new Directors, the Change Leader and a permanent Financial Accountant.

Subhead C

- 4.4 This budget of £1.5 million is projected to have a £209k underspend at year-end. IPSA has largely concluded all expenditure on the General Election, and will not retain this subhead in the 2016-17 financial year.

Subhead D

- 4.5 The forecast spend for this subhead is around £187k this year, arising from staff costs associated with the development of IPSA's plans for dealing with the publication of receipts. These costs include time spent reviewing and redacting receipts and contacting MPs and staff to ensure that the information on the receipt is accurate and appropriately redacted. This subhead will not be carried into 2016-17.
- 4.6 The Board noted IPSA's financial position and management accounts for February 2016.

5. Reporting on IPSA's Role in the General Election 2015

- 5.1 IPSA's Head of Communications introduced two reports that had been produced following the General Election last year. First, the annual survey of MPs and their staff, which included questions on their experience of IPSA's support to them before and after the General Election. And second, a study of the administrative lessons learned by IPSA, which has informed the design and implementation of the IPSA 2017 improvement programme and which will also help prepare IPSA for the next General Election scheduled for May 2020.
- 5.2 The Board noted that the format and length of the report on the annual survey of MPs and their staff was consistent with that which had been produced in previous years and completed the cycle for the surveys conducted in the last Parliament. However, for this Parliament, the Board agreed that a new research methodology should be used, in addition to an alternative and more succinct presentation style. The Board further noted that the report on the administrative lessons learned from the General Election is a comprehensive, factual and appropriate account of IPSA's activity, what went well, and what IPSA will do differently next time to both prepare for and deliver its part in the next election.
- 5.3 The Board agreed to publish both the report on the annual survey of MPs and their staff and the study of the administrative lessons learned from the General Election in April 2016.

ACTION: Head of Board and Chief Executive Office to add to the Board's programme of work an item on the research methodology for the next survey of MPs and their staff.

ACTION: Head of Communications to circulate the comments from the Annual Survey of MPs and their staff, for the Board's information, and a revised report for publication, for the Board's review and comment.

6. The Board's Engagement with MPs and MPs' Staff

- 6.1 IPSA's Head of Board and Chief Executive Office introduced the paper which identified a number of proposals for how the Board could increase its engagement with MPs and their staff, having regard to IPSA's corporate programme of work for the forthcoming year.
- 6.2 The Board agreed the following:
- (a) To increase its engagement with the Speaker's Committee for IPSA throughout the forthcoming consultation on the *MPs' Scheme of Business Costs and Expenses* (the Scheme) and, in particular, during the development of the IPSA 2017 improvement programme over the coming year.

- (b) To seek first-hand evidence from MPs who have an interest in a particular part of the Scheme, as part of the public consultation for the comprehensive review, by inviting a small number to meet the Board and contribute to a specific, time-controlled, part of its meeting.
- (c) To invite MPs from all parties to be briefed on the progression of the IPSA 2017 improvement programme, at the appropriate junctures.
- (d) To attend periodically training sessions and 'drop-in' sessions with IPSA's staff and MPs.
- (e) To undertake further shadowing of MPs in their constituencies, in particular, to learn about IPSA's current systems and how these could be improved.
- (f) To attend IPSA's regional open days with MPs' staff.
- (g) To attend a future meeting of the MPs' staff working group.

ACTION: Head of Board and Chief Executive Office to produce a schedule of engagement activities for the Board for the coming year.

7. Comprehensive Review of the Scheme – Additional Matters for Consultation

- 7.1 IPSA's Head of Policy introduced the report which set out a number of matters that the Board may wish to consult on as part of the comprehensive review of the *MPs' Scheme of Business Costs and Expenses* (the Scheme), in addition to the those areas that had previously been considered by the Board over the last six months. The remaining areas proposed by the Executive, where changes helpfully could be made after consultation, included contingency funding, lessons learned from the General Election, credit management and areas where rules could be simplified.
- 7.2 In the light of the information presented, the Board agreed to consult on the following:
- The simplification of the rules related to the areas of both travel and office costs.
 - Whether IPSA should create a rule stating that IPSA will not pay any costs beyond a two-month notice period for a rental property.
 - Whether IPSA should allow MPs to claim for hospitality costs.
 - The level of the London Area Living Payment and the additional payment for outer London MPs.
 - Rewording the rule on MPs claiming for more than one property.

- Amendments to the rules on travel during dissolution, to ensure that they are aligned with the guidance IPSA provides to MPs before the General Election and are easier to understand and enforce.
- A minor amendment to the general conditions surrounding election and campaign activity, subject to the wording proposed.
- A minor amendment to the general conditions to ensure that IPSA adequately covers the costs related to campaigning in a referendum.
- Reviewing the provision of the Winding-Up budget, and the Winding-Up obligations on MPs before they can receive a Loss of Office Payment.
- Possible changes to the Start-Up budget, including its timeframes and whether IPSA should merge it with the OCE budget.
- The continued provision of contingency funding.
- Amending the rules for claiming removal costs.
- Adding more flexibility in recovering monies owed.
- Amending the rules on measures for staying within the staffing budget limit.
- Whether to incorporate guidance into the rules, or provide it separately.

8. Draft Consultation on the Scheme of MPs' Business Costs and Expenses

- 8.1 IPSA's Director of Regulation introduced the first draft of the proposed consultation on the Scheme, covering those areas where the Board had taken decisions or given a steer previously.
- 8.2 The Board reviewed the document and provided comments, noting that the revised consultation paper will be completed and submitted to the Board for approval at its meeting on 28 April.

9. Questions for a Consultation on IPSA's Publication Policy

- 9.1 IPSA's Publications Manager introduced the report which sought approval from the Board to include questions on proposed revisions to IPSA's Publication Policy in the forthcoming public consultation.
- 9.2 The Board noted that IPSA has a fundamental commitment to transparency, which is not only a statutory requirement but is also one of its founding principles and is crucial to its effectiveness as a regulator. Currently, IPSA publishes all claims by MPs every two months, four to five months in arrears – a timetable which has been in place since

IPSA's first publication cycle in November 2010. Although IPSA does not actively publish the supporting evidence that MPs provide to support their claims, it does publish the information that MPs enter on the online expenses system when making a claim to provide the public with further information.

9.3 The Board further noted that, following the decision of the Court of Appeal last year, IPSA must now release redacted images of receipts if requested under the Freedom of Information Act 2000. Around 920 images of receipts were requested between April and December 2015.

9.4 The Board further noted that IPSA is embarking upon a wholesale improvement programme which will involve the redesign of IPSA's entire publication process. Notwithstanding the high level of transparency and detail that is already provided to the public in relation to the claims made by MPs and how taxpayers' money is spent, the Board agreed that it was an opportune time to re-examine IPSA's Publication Policy, and to include a revised policy in the forthcoming public consultation.

ACTION: IPSA's Publication Manager to send the Board the specific changes proposed to the Publication Policy for comment, so that these can be included in the draft consultation document submitted to the Board for consideration at its meeting on 28 April.

10. The Board's Programme of Work for 2016-17

10.1 The Board noted its programme of work for the new financial year.

11. Any other business

11.1 The Chairman enquired if there was any other business for report by the Board or the Executive. No business was raised.

Meeting closed.