

## Minutes of a meeting of IPSA's Board

Thursday 19 October 2015

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**Present:** Sir Ian Kennedy, Chairman  
Sir Neil Butterfield  
Liz Padmore  
Anne Whitaker  
Professor Tony Wright

**In attendance:** Marcial Boo, Chief Executive  
John Sills, Director of Regulation  
Judith Toland, Director of Operations and Change  
Naomi Stauber, Head of Board and Chief Executive Office  
Matthew Lumby, Head of Communications  
Alan Little, Head of Finance

**Apologies:** None

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**Status:** Submitted for approval at the meeting of the Board on 18 November 2015

**Publication:** For Publication.

## **1. Welcome and Declarations of Interest**

- 1.1 The Chairman opened the meeting and welcomed those attending.
- 1.2 The Chairman noted that no apologies had been received.
- 1.3 The Chairman invited Board and staff members to declare any interests not previously recorded. No interests were declared.

## **2. Minutes of previous meetings and matters arising**

### Minutes

- 2.1 The Minutes of the Board meeting held on 17 September were approved as a correct record.

### Actions arising from the previous meeting

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

## **3. IPSA's Financial Position and Management Accounts**

- 3.1 IPSA's Head of Finance introduced the report which provided a separate and substantive update on IPSA's financial position as at the end of September 2015. The Board reviewed the information and noted, in particular, that:

### Subhead A:

- The year to date position is showing an underspend for MPs' costs and expenses and an overspend against salaries, with a £2.6M overspend overall.
- IPSA is forecasting a £31M underspend at the year-end. At the time of setting the budgets for this financial year IPSA adopted a prudent approach and included provision for a turnover of 245 MPs at the General Election, which was at the higher end of the possible range. The lower actual turnover of 182 MPs means that IPSA is forecasting a year-end underspend.
- Whilst work on the General Election is nearing completion, IPSA is continuing to pay the final tranche of redundancy and resettlement payments for former MPs and their staff. These payments will fall away over the coming months. However, IPSA will see an increase in MPs' staffing costs as many new MPs have not yet fully resourced their offices.
- The full-year budget has not altered. However, it has been re-profiled so as to forecast the spend IPSA will incur by the end of the financial year. This more accurately reflects the month-on-month spend.

### Subhead B:

- IPSA is projecting a year-end underspend of £581k. £220k of this underspend relates to depreciation (a capped budget). IPSA is continuing to recharge elements of costs for pay and non-pay to the General Election project as a result of the longer than anticipated duration of the General Election work. The other recharge that is taking place is against the work relating to FOI and the potential publication of receipts. This work includes a review of IPSA's systems and record management processes.

### Sub-head C

- IPSA is currently projecting a £130k underspend at year-end. This will be utilised to provide additional resource to support the IPSA 2017 programme, where required.
- There has been continued re-profiling of the forecast costs associated with the General Election work that is expected to continue for longer than originally anticipated. This work includes roadshows and policy events, data cleansing and archiving of IPSA's records. The year-end forecast is for a £222k underspend against the General Election project.

### Sub-head D

- This budget has begun to incur costs following the decision of the Court of Appeal. Some initial scrutiny has been undertaken to estimate how much work will be required by IPSA staff in this area over the course of this year.

3.2 The Board noted IPSA's financial position as at the end of September 2015.

**ACTION: IPSA's Head of Finance to ensure that, in addition to the most recent reforecast budget, the Board is provided with the previous budget to use as a comparator, and a graph to illustrate and explain the phasing of the budget during the course of the full financial year.**

## **4. Chief Executive's Report**

4.1 The Chief Executive introduced a paper setting out the organisation's activities since he last reported to the Board in September. He noted, in particular, that:

- It had taken longer than anticipated to complete the work arising from the General Election, with a small number of MPs whose financial affairs have not been finalised since they departed Parliament.
- Whilst continuing to complete the work arising from the General Election in some quarters, the organisation is moving ahead with the new phase of improvement work as part of the IPSA 2017 programme. Work is progressing in all areas, with a

dual focus on both some 'quick win' improvements and the planning for the more fundamental changes IPSA needs to make to address long-standing issues.

- The Board congratulated the Executive on the results of the first quarterly staff survey on diversity and engagement. This will supplement the annual staff survey in December with more frequent data. The results were very encouraging: 92 per cent of staff responded positively about diversity at IPSA, compared to 74 per cent within the civil service; and 74 per cent of IPSA staff felt engaged in our work, compared to 59 per cent in the civil service.
- The Payroll team has conducted a thorough 'data cleanse' of the contracts of MPs' staff, from which they found a further 41 who are on IPSA contracts but who were not recorded as such on IPSA's systems. IPSA will shortly be writing to the remaining 311 members of MPs' staff who are recorded as not being on IPSA contracts to invite them to change their contracts if they wish.
- IPSA's Head of Finance is liaising with HMRC about its proposal to reclassify the tax applied to certain categories of MPs' business costs. He and IPSA's Director of Regulation will meet HMRC to discuss this and agree the implications for IPSA, including potentially the need to change some processes and charge MPs more tax if HMRC deem certain expenses taxable which IPSA considers to be business costs.

**ACTION: Chief Executive to provide the Board with more detailed information on the work being undertaken on the publication of receipts, as part of the IPSA 2017 improvement programme.**

- 4.2 The Board noted IPSA's performance in August 2015, 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.

## **5. IPSA's Future Accommodation Needs**

- 5.1 The Chief Executive introduced the paper which updated the Board on the further research that had been undertaken into the options for a potential move of IPSA's office accommodation. The Board noted, in particular, that:

- The lease on IPSA'S current accommodation in 30 Millbank expires in March 2019. In the light of a planning application to turn the building into residential accommodation, there is no option to extend the lease beyond this time. As such, IPSA must move office by 2019. It is not good value for money for IPSA to stay unchanged in its current space and the organisation therefore has two options: to immediately divide and sub-let the current office and then move in 2019; or move to new long-term accommodation now.
- There are good arguments in favour of moving office straight away. First, by 2019, a number of other public sector bodies will also be looking for alternative

accommodation in the same locations as IPSA. Second, by moving now, and securing a long-term lease, IPSA can create stability for 10+ years and make early plans for the next General Election. Third, depending upon the cost of the new office, IPSA could make immediate savings.

- There are also good arguments for staying in 30 Millbank and dividing the current space. First, IPSA has a demanding agenda of work ahead, with the IPSA 2017 improvement programme and the comprehensive review of the Scheme. It is unlikely that IPSA can continue to deliver the whole of its planned improvement programme to current timescales and move offices and IT systems without some slippage. Moving office would be a major short-term project that would need to be actively managed and involve all members of staff. Second, it may be the case that moving office will require IPSA to seek a Supplementary Estimate from SCIPSA. Third, suitable accommodation may not be found. Any new office space must be inexpensive, of decent quality, able to accommodate IPSA's long-term staff as well as the temporary increase for the General Election, and be accessible to Parliament. There are few properties that meet all these criteria.

5.2 The Board agreed that the Executive should continue to look for suitable alternative accommodation for IPSA staff between now and the Board meeting on 25 November. If no such accommodation appears, the Board endorsed, in principle, the decision to stay in 30 Millbank until 2018-19 and to sub-let part of IPSA's office space. However, if accommodation appears over the coming weeks that meets IPSA's criteria, a move should be considered and prepared for. The Executive will return to the Board with a decision in that eventuality.

## **6. The Board's Programme of Work from October 2015 to March 2016**

6.1 The Board reviewed and noted its programme of work for the remainder of the financial year

## **7. Any other business**

7.1 The Chairman enquired if there was any other business for report by the Board or the Executive. There was no further business to raise.

Meeting closed.