



Minute

Minutes of a meeting of the Board of IPSA Wednesday 14 December 2011, 3.00pm

Present	Sir Ian Kennedy (chair) Jackie Ballard Sir Scott Baker Ken Olisa Isobel Sharp Andrew McDonald, Chief Executive Belinda Brown, Head of Performance and Change [items 9 – 14] Bob Evans, Director of Finance [items 6 – 14] Anne Power, Director of Communications [items 1 – 8] John Sills, Director of Policy [items 1 – 8] Scott Woolveridge, Director of Operations [items 13 – 14]	Peter Davis, Compliance Officer [items 4 – 5] Martyn Taylor, Interim Compliance Officer [items 4 – 5] Nick Lee, Head of Board and Chief Executive Office Mark Anderson, Communications Manager [items 1 – 7] Louise Edwards, Policy Manager Karen Hennessy, HR Manager [items 4 – 8] Tony Lord, Head of Policy [items 4 – 8]
Apologies	Jo Blake, Deputy Director of Operations	
Status	Approved for publication.	

1. Welcome

1.1. The Chair welcomed the Board to the meeting and noted that both he and Sir Scott Baker were now unable to attend the scheduled meeting on 20 March 2012.

1.2. The Board agreed to reschedule the 20 March 2012 meeting of the Board.

Nick Lee to reschedule the 20 March 2012 meeting of the Board.

1.3. The Chair reported that Peter Davis, the new Compliance Officer, had started work.

2. Minutes

IPSA/141211/1A: Minutes of a meeting of the Board of IPSA, 15 November 2011

IPSA/141211/1B: Action list – Board meetings

2.1. The Board approved the minutes of the meeting of 15 November 2011, with one minor correction, and approved them for publication.

Matters arising

2.2. The Chief Executive reported that, following the discussion at the Board meeting on 15 November 2011, a review of the standard wording used in IPSA's Freedom of Information Act disclosures would be carried out by March 2012.

Belinda Brown to review the standard wording used regarding Freedom of Information Act disclosures by March 2012.

3. Committee on Members' Expenses

3.1. The Chair reported that the Committee on Members' Expenses had published its report on Monday 12 December 2011 and that the House of Commons would be debating a motion on the report on Thursday 15 December 2011. He noted that time had been set aside at the meeting briefly to consider the report and that the Board would have a full opportunity to consider its recommendations in the context of the report on the consultation on the *MPs' Scheme of Costs and Expenses* to be considered by the Board at its meeting on 17 January 2012.

Nick Lee to schedule time for the consideration of the CME's recommendations at the meeting of the Board on 17 January 2012.

4. Interim Compliance Officer's report to the Board

IPSA/141211/2: Compliance Officer's report to IPSA's Board

4.1. The Chair welcomed the new Compliance Officer, Peter Davis. The interim Compliance Officer introduced his report and noted, in particular, the revised annex containing details of ongoing investigations.

4.2. The Board noted the concern expressed by the interim Compliance Officer regarding the data available on dates of travel and the fact that complaints may be raised as a

consequence of misunderstanding the data stored within the online expenses system. The interim Compliance Officer noted that:

- the actual travel date, if not recorded on the expenses system, was usually available in the underlying evidence; and
- the increased use of the payment card and online booking through thetrainline.com meant that the data on IPSA systems was increasingly accurate.

Bob Evans and Scott Woolveridge to make an assessment of the risks arising from confusion between transaction and travel dates and of methods to remove anomalies which could give rise to unnecessary complaints in advance of the meeting of the Board on 17 January 2012.

4.3. The Board agreed that the Compliance Officer should consider and draw up key performance indicators for consideration by the Board.

Peter Davis to discuss key performance indicators for the Compliance Office with the Chair in advance of the meeting of the Board on 17 January 2012.

4.4. The Board noted the efforts made by and achievements of Martyn Taylor as interim Compliance Officer, and recorded its thanks.

5. Compliance Officer's procedures – consultation outcome

IPSA/141211/6: Compliance Officer's procedures – consultation outcome

5.1. The Policy Manager introduced a draft report on the recent consultation on the Compliance Officer's procedures. In particular, the Policy Manager reported that:

- the principal aim of the consultation had been to streamline and clarify the Compliance Officer's procedures, making them easier to understand; and
- there were two key areas where a decision by the Board was needed – first, on the timing of when details of investigations should be published and, second, whether hearings should be held in public or in private.

Hearings

5.2. The Board noted that:

- hearings could only be held at an MP's request, and not otherwise;
- hearings came at the end of an investigatory process during which the Compliance Officer may have met the MP concerned and would have corresponded on any disputed issues; and

- hearings allowed MPs to challenge IPSA's earlier decisions having exhausted other options.

5.3. The Board agreed that:

- there should be a presumption that hearings would be held in public;
- the Compliance Officer should retain the option to exercise discretion and hold hearings in private in exceptional circumstances; and
- the Board should have an opportunity to review the process with respect to hearings once the existing procedures had been put into practice for a reasonable time.

Timing of publication of investigations

5.4. The Board agreed that the Compliance Officer should publish the name of an MP, and the general category of the complaint raised, at the start of an investigation, enhancing the transparency of the investigations process.

6. Pay and pensions: Timetabling and contribution rate changes

IPSA/141211/4: MPs' pensions

Changes to contribution rates

6.1. The Director of Policy introduced a paper setting out the arguments for and against uprating MPs' pension contributions from April 2012. He reported that:

- since the meeting of the Board on 15 November 2011, it had been established that it was legally possible to increase the level of MPs' contributions without causing key provisions of the existing scheme to fall away (provided the Government introduced the necessary subsidiary legislation); and
- any increase in contributions in April 2012 would require an extremely short consultation and would have an impact on the timescale of the work planned for 2012/13.

6.2. The Board noted:

- the recent motion of the House of Commons calling for an increase in contribution in April 2012;
- the Government's proposed increases in pension contributions in other public service schemes from April 2012; and

- the case for MPs being seen to be treated in the same way as others in the public sector.

6.3. The Board also noted, however:

- that an interim measure could have an adverse impact on IPSA's plans for work on pay and pensions in 2012/13;

6.4. The Board agreed that a final decision on whether to consult on raising the level of MPs' contributions from April 2012 should be made before Christmas in the light of further advice from the Executive as to the factors needing to be considered, the timescale for considering them and the resources required for doing so.

Timetable of work on pay and pensions

6.5. The Board noted:

- the need to maintain the current momentum of its work on pay and pensions;
- the strategic importance of focussing public debate forwards onto the question of pay and pensions, rather than business costs and expenses; and
- the importance of having an agreed settlement for MPs before the election that was currently expected to take place in 2015.

6.6. The Board agreed:

- that, subject to the implications of the decision whether or not to consult on an interim change in contribution rates, the process, including consultation, should start in Spring 2012 and should aim to conclude no later than March 2013; and
- engagement with the public and other stakeholders would be central to the process of consultation.

7. Engagement with the public

IPSA/141211/3: Engagement with the public

7.1. The Director of Communications introduced a paper setting out the proposed approach to public engagement arising from the planned work on pay and pensions.

7.2. The Board welcomed the paper and agreed:

- as part of this work, the importance of identifying key target audiences and having understood measures of success; and

- the importance of using the opportunity of the work on pay and pensions to address preconceptions about MPs' business costs and expenses; and
- the timescale be adjusted in the light of paragraph 6.6.

8. Mortgage interest subsidy

IPSA/141211/5: Mortgage interest subsidy

8.1. The Director of Policy introduced a paper setting out IPSA's current position on the transitional mortgage interest subsidy. He noted that, since his paper had been circulated, the Committee on Members' Expenses had reported but that they had said very little on the question of mortgage interest.

8.2. The Board agreed that IPSA should continue with its current position, subject to any issues arising as part of the ongoing consultation on the *MPs' Scheme of Costs and Expenses*. The Board further agreed that a paper considering how the impact of the ending of the subsidy might be managed should be considered by the Board at its meeting on 17 January 2012.

Louise Edwards to provide a paper considering how the ending of the mortgage interest subsidy period might be managed for consideration by the Board at its meeting on 17 January 2012.

9. Supplementary estimate for 2011/12 and November management accounts

IPSA/141211/7: Forecast outturn, November management accounts and need for a supplementary estimate

9.1. The Director of Finance and Corporate Services introduced a paper considering whether the Chief Executive, as Accounting Officer, should seek a supplementary estimate for the remainder of 2011/12.

9.2. The Chair noted that the final decision as to whether to seek a supplementary estimate was one for the Chief Executive. The Board's role was to offer advice in the light of its assessment of the risks involved in not seeking a supplementary estimate.

9.3. The Director of Finance and Corporate Services noted:

- expenditure in November 2011 had been in line with expectations;
- expenditure on MPs' staff's pay and pensions had risen more than expected, although not dramatically;

- there were extremely low margins for comfort on current expenditure on MPs' expenses, staff's pay and pensions, and IPSA had no control over the rate of expenditure in these areas;
- any unexpected eventualities (for example, a recall of Parliament, or adverse weather conditions) before the end of the financial year could lead to an overspend on the current budget;
- a decision was needed, so that IPSA could notify the Speaker's Committee of its decision by 20 December 2011; and, therefore,
- a prudent approach would be to draw down the supplementary estimate for the remainder of the financial year.

9.4. The Board agreed that it should advise that the Chief Executive, as Accounting Officer, should inform the Speaker of his intention to seek to draw down the additional portion of IPSA's estimate for 2011/12.

Andrew McDonald to decide on the question of a supplementary estimate in the light of the Board's advice and communicate this to the Speaker by 20 December 2012.

10. IT environment workshop, 28 October 2011

IPSA/141211/8: IT environment workshop, 28 October 2011

10.1. The Director of Finance and Corporate Services introduced a report setting out the issues raised, and actions agreed, at the recent IT environment workshop.

10.2. The Board noted the report on the IT environment workshop.

Bob Evans to circulate a note on ongoing the IT programme.

11. Chief Executive's report

IPSA/141211/9: Chief Executive's report and operational performance report;

IPSA/141211/10: Board Update – monthly report

11.1. The Chief Executive introduced a report on IPSA's activities and performance in November 2011.

11.2. The Chief Executive reported that:

- two of IPSA's headline KPIs were below target; validation, having missed its target for two months in a row, had a red status, and correspondence, having missed its target for the first month but within the tolerated margin, had an amber status;
- he was confident that IPSA would achieve its targets for validation for the year as a whole, not least given the introduction of streamlined validation; and
- the target for correspondence remained challenging, and work would continue to achieve this.

Scott Woolveridge to report back to Board at its meeting on 17 January 2012 on progress against IPSA's key performance indicators in validation and correspondence.

Sickness absence

11.3. The Board noted that there had been a number of unexpected absences within IPSA and this had had a particular adverse impact on delivery within the publication team.

11.4. The Chief Executive noted:

- management processes were in place to deal with sickness absence fairly;
- recent months had seen a good performance in this area against the public-sector average; and
- IPSA had been subject to a number of unavoidable long-term absences, which had had a disproportionate impact on it as a small organisation.

Nick Lee to circulate data on staff absence rates.

Staff feedback

11.5. The Board noted the positive feedback from IPSA's staff about the organisation's management as part of the recent staff survey.

Board diary

11.6. The Board noted that it offered stakeholders a number of meetings in December on the consultation on possible revisions to the *MPs' Scheme of Costs and Expenses* but none of these had been taken up.

Contingency panel report

11.7. The Board agreed that the contingency panel report at the end of the financial year should provide a breakdown, by value, of the types of budget where contingency expenditure had been allocated.

Louise Edwards to provide a breakdown of contingency panel uplifts in the contingency panel's report to the Board in April 2012.

12. Resourcing and sustainability

IPSA/141211/11: Resourcing and sustainability

12.1. The Head of Performance and Change introduced a paper:

- setting out proposals for IPSA's resourcing through the lifetime of the current Parliament;
- how savings would be achieved in this context; and
- the business assumptions underpinning this model.

12.2. The Head of Performance and Change noted, in particular that:

- accommodation savings would form a major portion of the existing savings targets; and
- work was already under way to identify possible tenants, and a sales agent had been engaged to this end.

12.3. The Board agreed that IT expenditure should continue to be monitored closely given the tight budgetary constraints under which IPSA needed to operate.

12.4. The Board noted that a general election would have a significant impact on steady-state expenditure, that an additional estimate would need to be sought in such an eventuality and that a paper on general election planning – including cost implications – would be considered at the meeting of the Board on 17 January 2012.

12.5. The Board agreed the approach set out in the paper and noted that a report on progress would henceforth be provided quarterly as part of the Chief Executive's report.

Scott Woolveridge to bring forward a paper on the costs arising from a general election for consideration at the meeting of the Board on 14 February 2012.

13. Outsourcing

IPSA/141211/12: Outsourcing

13.1. The Director of Finance and Corporate Services introduced a paper considering opportunities for outsourcing IPSA's administration. He noted that there appeared to be no scope, at this stage, for cost savings and that the context in which IPSA was currently operating made the prospect of outsourcing unattractive.

13.2. The Board agreed that:

- outsourcing was not worth pursuing at this stage, on the grounds that it was potentially costly and not practical given the relatively immature nature of IPSA's operations;
- the Executive should continue to monitor developments which might give rise to future opportunities for outsourcing;
- if, in due course, approximate figures for the cost of outsourced administration could be produced, these would allow an informed comparison with IPSA's current costs;
- IPSA should carry out another fundamental review of opportunities for outsourcing at the end of the current Parliament.

14. Board appraisal

IPSA/141211/13: IPSA Board effective evaluation, 29 November 2011 – report

14.1. The Board agreed to carry this item over for discussion at its meeting on 17 January 2012.

Meeting closed.