

Minutes of a meeting of IPSA's Board

Wednesday 22 February 2017

Present: Ruth Evans, Chairman
Sir Robert Owen
Liz Padmore
Anne Whitaker
Rt. Hon Jenny Willott

In attendance: Marcial Boo, Chief Executive
Naomi Stauber, Chief of Staff
John Sills, Director of Regulation
Alastair Bridges, Director of Corporate Services
Vicky Fox, Director of MP Support Services
Head of Communications
Policy Officer (Items 3, 4, 5, 6, 7 and 8)

Apologies: Head of Policy and Assurance

Status: Submitted for approval at the meeting of the Board on 29 March 2017.

Publication: Approved for publication.

1. Welcome and Declarations of Interest

- 1.1 The Chairman opened the meeting and welcomed those attending.
- 1.2 Apologies were received from IPSA's Head of Policy and Assurance.
- 1.3 The Chairman invited the Board and members of staff to declare any interests not previously recorded. No new interests were declared.

2. Minutes of previous meetings and matters arising

Minutes

- 2.1 The Minutes of the meetings of the Board held on 25 January and 2 February were reviewed. A number of detailed drafting suggestions were made. IPSA's Chief of Staff agreed to make the necessary amendments and to recirculate the minutes to the Board's information and approval thereafter.

Actions arising from the previous meeting

- 2.2 The Board noted the actions that had been completed since the last meeting and noted, in particular, the following action that had not been captured:

ACTION: That IPSA's Director of Regulation provides the Board with a selection of example case studies that show how different MPs will be affected by the policies of the new *Scheme of MPs' Business Costs and Expenses*.

3. IPSA's Scheme of MPs' Business Costs and Expenses for 2017-18

- 3.1 IPSA's Director of Regulation presented the new *Scheme of MPs' Business Costs and Expenses for 2017-18* ("the Scheme") for the Board's final review and approval. The Board carefully considered the content of the Scheme and discussed, in particular, some final matters arising from its previous decision to cease to fund any new connected parties from the next General Election.
- 3.2 The Board considered whether or not IPSA should continue to provide funding for an MP's staff member if they become a connected party during their employment by an MP. After careful consideration, it concluded that IPSA should not provide funding for a staff member who becomes a spouse, civil partner or cohabiting partner of the MP who employs them. It will be the respective MP's responsibility to notify IPSA if that circumstance arises to enable the funding for that connected party to be stopped within two years, which the Board considered to be a reasonable timeframe.

3.4 Subject to some minor amendments, the Board approved the document as the final version of the *Scheme of MPs' Business Costs and Expenses* for 2017-18, for publication in March and implementation from 1 April 2017.

4. Equalities Impact Assessment

4.1 IPSA's Director of Regulation presented the Equalities Impact Assessment for the new Scheme. The Equality Act 2010 requires public authorities to comply with the public sector equality duty when they make policies and decisions about how to provide their services. As a public sector organisation, IPSA should in the exercise of its functions:

- eliminate unlawful discrimination;
- advance equality of opportunity between people who share a protected characteristic and those who don't; and
- foster or encourage good relations between people who share a protected characteristic and those who don't.

4.2 IPSA's intention is that its rules should be neutral, neither promoting diversity in Parliament (which is outside its statutory remit) nor impeding any individual from seeking office as an MP. As such, in ensuring that MPs are supported to carry out their parliamentary functions, and although not required by the Act, IPSA also considers it helpful to:

- a. review whether MPs with families are able to exercise their parliamentary functions to the same extent as those without, and
- b. ensure the Scheme is fair to MPs and staff irrespective of their personal financial status.

4.3 The document provided the Board with an Equality Impact Assessment of the changes that IPSA will implement in the new edition of the Scheme, and an assessment of the likely impact of the proposed changes to the Scheme against each protected characteristic.

4.4 The Board reviewed the document and suggested that the Director of Regulation make a number of changes prior to its finalisation and publication.

ACTION: That IPSA's Director of Regulation amend the Equalities Impact Assessment for the new Scheme in line with the Board's comments, prior to recirculating it to the Board for approval.

5. Consultation Report on the Review of the Scheme of MPs' Business Costs and Expenses for 2017-18

- 5.1 IPSA's Director of Regulation presented the consultation report to new *Scheme of MPs' Business Costs and Expenses for 2017-18* for the Board's final review and approval. The Board carefully considered the content of the consultation report and, subject to some minor amendments, approved the document as the final version for publication in March.

6. IPSA's Publication Policy

- 6.1 IPSA's Director of Regulation presented IPSA's new Publication Policy for the Board's final review and approval. The Board carefully considered the content of the Publication Policy and, subject to some minor amendments, approved the document as the final version for publication in March and implementation from 1 April 2017.

7. Communications Strategy for the Launch of the Scheme of MPs' Business Costs and Expenses for 2017-18

- 7.1 IPSA's Head of Communications introduced the report which set out a suggested approach to IPSA's communications for the launch of the new Scheme on 16 March 2017. The Board noted that, when publishing its decision on the new Scheme, there are a number of key messages that it could helpfully communicate to the public and interested parties, to explain its intention and approach. These include:

- IPSA conducted a thorough, evidence-based, comprehensive review of its Scheme, drawing on seven years of IPSA's and MPs' experience, to ensure that it is regulating MPs' expenditure effectively and proportionately.
- IPSA has simplified its rules and principles to make the Scheme easier to understand and comply with.
- IPSA has made changes that recognise the distinctive demands on MPs and their family lives, including to simplify travel arrangements and to support MPs who have dependants.
- IPSA recognises the importance of having accommodation near Parliament for MPs who represent constituencies outside London, and have linked their accommodation budget to actual rents in Lambeth and Westminster.
- All decisions have been taken with MPs' security in mind, whether relating to their accommodation near to Parliament or their travel late at night. We have worked closely with the police and security authorities.

- IPSA is working with MPs and the House of Commons to promote best employment practice. IPSA has therefore decided not to pay for new connected parties after the next General Election and have provided MPs with guidance on issues such as redundancy and annual leave that they can use with their staff. IPSA has also implemented the recommendations of an independent review into rates of pay for MPs' staff.
- IPSA has a new publication policy that continues to ensure transparency to the public about MPs' expenditure while safeguarding MPs' security and any personal information. IPSA will continue to publish images of receipts only upon request not as a matter of routine.
- IPSA does not expect to make further changes to the rules for the remainder of the Parliament, unless to take account of the outcome of work by the Boundary Commissions.

7.2 The Board noted the report and agreed the approach to communications and the engagement of interested parties and the public prior to, during and after the launch of the new *Scheme of MPs' Business Costs and Expenses*.

8. MPs' Pay for 2017-18

8.1 IPSA's Director of Regulation introduced the report which set out the proposed increase in MPs' pay for 2017-18, for agreement by the Board. The Board noted that in July 2015, following various consultations dating back to 2013, IPSA increased MPs' pay by 10 per cent to £74,000 backdated to May 2015. As part of that decision, IPSA said that it would link future changes to the October figure of the ONS' AWE-KAC9 index of average weekly earnings in the public sector. The ONS published the revised index for October 2016 on 15 February 2017 - 1.4 per cent.

8.2 The Board agreed that, in line with the revised ONS figure for October 2016, MPs' pay will increase by 1.4 per cent, raising their salaries from £74,962 to £76,011 from 1 April 2017.

9. IPSA's Estimate for 2017-18

9.1 IPSA's Director of Corporate Services introduced IPSA's Estimate and Explanatory Memorandum for 2017-18, for the Board's review and approval for submission to the Speaker's Committee for the IPSA.

9.2 The Board reviewed the documentation in detail and noted, in particular, that a one-off uplift of £1,000 to each MP's Office Costs budget had provisionally been included in the draft Estimate to enable MPs to fund access to broadband in their constituency offices and IPSA-funded accommodation, in the event that the House of Commons chooses not to continue to fund this cost in the next financial year. If the

House of Commons does continue to find this cost then the one-off sum will be amended. This is dependent upon a forthcoming decision of the Members' Estimate Committee.

- 9.3 The Board approved IPSA's Estimate and Explanatory Memorandum for 2017-18, subject to some minor amendments.

10. IPSA's Corporate Plan for 2017-18

- 10.1 IPSA's Chief of Staff introduced IPSA's draft corporate plan for 2017-18. A first draft of the plan for 2017-18 was produced for the Board's initial review and comment at its meeting on 15 December 2016. At that meeting the Board confirmed that it was content with the broad structure and draft narrative of the plan, and made the suggestion that one of IPSA's priorities for the next year should be to provide assurance to the public by drawing on the existing good practices of MPs to produce guidance to both assist and encourage them to spend public money well and to demonstrate value for money in their own expenditure. The plan was then developed in the light of the Board's views and presented at its meeting for approval.
- 10.2 The Board reviewed the plan in detail and, subject to some drafting suggestions, approved IPSA's corporate plan for 2017-18 for submission to SCIPSA, for its information alongside IPSA's Estimate.

11. Chief Executive's Report and IPSA 2017 Highlight Report

- 11.1 The Chief Executive introduced a paper setting out the organisation's activities since he last reported to the Board in January. He noted, in particular, that this is an important time for the organisation. The new Scheme is almost finalised and is due to be launched in March, and the design phase of the IPSA 2017 improvement programme is nearing completion, with the 'build phase' for the new system commencing next month. In addition, IPSA is finalising its Estimate and corporate plan for the next financial year, for submission to SCIPSA in preparation for the formal hearing on 22 March.
- 11.2 The Chief Executive also noted that the key risks for the month included the continued need to recruit account managers to the MP Support team, to ensure that IPSA has the capacity to manage existing operational business and prepare for the considerable amount of engagement work with MPs on the new IT system in a few months' time.
- 11.3 The Board reviewed the organisational performance report for January and noted that IPSA's performance was broadly consistent with that of December 2016. IPSA performed at or above target in most areas. The performance measures for the payroll functions were particularly good. However, another data breach was

recorded for the sixth month running. In the light of the continued recurrence of the issue, Board members offered to meet with IPSA's staff to explore what actions could be implemented to mitigate the risk of this type of error.

ACTION: Anne Whitaker to meet with IPSA's staff to address the issue of recurring data breaches.

- 11.4 The Board noted IPSA's performance in January 2017, the progress that had been made on the IPSA 2017 improvement programme and the list of the Chief Executive's and Chairman's meetings with MPs and officials since the last report.

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

- 12.1 The Board reviewed and noted its programme of work for the remainder of the 2016-17 financial year.

13. Any other business

- 13.1 The Chairman asked if there was any other business for report by the Board or the Executive. No further business was raised.

Meeting closed.