

Minutes of a meeting of IPSA's Board

Thursday 30 June 2016

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

In attendance: Marcial Boo, Chief Executive
John Sills, Director of Regulation
Naomi Stauber, Chief of Staff to the Chief Executive and Board
Leader of Change Programme
Head of Finance (Items 5 and 6)
Head of HR (Item 7)
Head of Policy (Item 9)
Investigations Officer (Item 4)

Also present: Ranil Jayawardena MP (Item 9)
Jackie Doyle-Price MP (Item 9)
Professor Sarah Childs (Item 9)

Apologies: Linda Everet, Acting Director of Operations
Peter Davis, Compliance Officer

Status: Submitted for approval at the meeting of the Board on 22 September 2016.

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 the Acting Director of Operations and IPSA's Compliance Officer.
- 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 meeting of the Board held on 18 May 2016 were approved, subject to a minor amendment.

Actions arising from the previous meeting

- 2.2 The Board noted the actions that had been completed since the last meeting and, in particular, those arising from the discussion of the IPSA 2017 improvement programme.

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 May. He noted, in particular, the activity that had taken place to streamline the process for funding security measures for MPs following the tragic murder of Jo Cox MP. IPSA's Chairman wrote to all MPs on 22 June to provide assurance that IPSA is aware both of MPs' concerns that improved security measures are needed and that the current approach to processing applications for security funding could be improved. To that end, IPSA reviewed its process as matter of priority, working in partnership with the police and the House of Commons security service.
- 3.2 The Chief Executive provided a comprehensive update on the progress that had been made on the IPSA 2017 improvement programme - specifically, the procurement of an Enterprise Resource Planning (ERP) system to be implemented from April 2017. The Board noted that the programme is hitting its milestones and is both under budget and on track to deliver its objectives within the timeframe set.

- 3.3 The Board further noted that IPSA had been working with the House of Commons over the past year with a view to identifying and addressing the areas of overlap in our support to MPs. It had been confirmed that employers' liability insurance, which MPs currently pay for out of their budget from IPSA, will from now on be paid for by the House of Commons.
- 3.4 The Board requested that a meeting by telephone conference be arranged for July, so that it could consider IPSA's organisational performance report and the management accounts for June, in particular.
- 3.5 The Board noted IPSA's performance in May 2016, and the list of the Chief Executive's and Chairman's meetings with MPs and officials since the last report.

ACTION: That IPSA's Chief of Staff arrange for telephone conference between the Board and the Chief Executive on 28 July.

4. Update from IPSA's Compliance Officer

- 4.1 In the absence of IPSA's Compliance Officer, IPSA's Investigations Officer provided the Board with an update on current cases, including the conclusion of the investigation into mileage claims made by Jim Shannon MP.
- 4.2 The Board noted the report.

5. Financial Position and Management Accounts for May 2016

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

Subhead A

- 5.2 The in-month and year to date positions are broadly in line with predictions, with slight underspends across all areas. An underspend on MPs' staff salaries showed the largest in-month movement due to a reduction in the numbers of staff employed by MPs during the period. The spend on MPs' security has also not been as high as originally forecast during the first two months of the financial year, which has contributed to the reported underspend.

Subhead B

- 5.3 Expenditure against Subhead B is reporting a slight overspend, in part due to the costs of agency staff associated with IPSA 2017 improvement programme that were higher than forecast for this particular period of the year. However, all costs within the subhead remain within IPSA's overall profiles and no year-end overspends are projected.

5.4 The Board noted IPSA's financial position and management accounts for May 2016.

6. Scheme of Delegation

6.1 IPSA's Head of Finance introduced the report which presented IPSA's first Scheme of Delegation for the Board's review and approval. He noted that the Scheme of Delegation is a key governance document that every organisation should have in place as standard good practice. It sets out the powers reserved to the Board and those delegated to the Chief Executive and other specific posts within the organisation.

6.2 A Scheme of Delegation is required so that IPSA can carry out its functions effectively – ensuring that senior staff have the necessary authority to make decisions and be accountable for them. They also need to be confident that they understand the scope of their authority, and be clear on where they cannot take action. The Scheme presented to the Board formalised current arrangements and consolidated them within one document.

6.2 The Board reviewed the report and noted, in particular, that:

- The document does not explicitly detail the powers reserved to the Board. It would therefore be helpful to append the Board's full standing orders to make that separation of functions clear.
- The document details that any contract that entails expenditure of over £150k must be reported to the Board. Whilst the Board agreed with the expenditure limit proposed it also noted that the longevity of the contract should also be a factor in determining whether the Board's agreement to the contract is sought. The document should be amended to reflect this.
- IPSA's Executive structure will change over the coming months when two new Directors join the organisation – a Director of MP Support Services and a Director of Corporate Services. This will in turn require amendments to the document presented to the Board.
- It was proposed that the ownership, review and management of the Scheme of Delegation be allocated to the Head of Finance and Payroll. However, the Board asked the Chief Executive to consider whether this function should sit instead with the Chief of Staff who is also the organisation's 'Board Secretary'.

6.3 The Board approved the Scheme of Delegation, subject to minor amendments, and asked that it be represented in due course, once the necessary amendments had been made to reflect the new Executive structure.

7. IPSA's People Strategy

7.1 IPSA's Head of HR presented the organisation's first 'People Strategy' to the Board. The Board reviewed the report and noted, in particular, that:

- IPSA's ambition is to be a world class regulator and an exemplary service provider. To achieve this IPSA will need to attract high performing professionals, who live by its values and have the necessary skills and expertise to deliver its services to the required standards. IPSA's People Strategy has therefore been developed to underpin and support the organisation's strategic aims and to ensure that it has the right type and calibre of workforce to deliver on its commitments over the next four years.
- The Board was supportive of the aspirational nature of the document and the objectives that it sets out to achieve. It is consistent with IPSA's vision and strategy and will successfully support its delivery. However, crucial to this will be a further detailed plan of action to ensure that those aspirations and overarching objectives are realised in this financial year and throughout the remainder of this Parliament.
- The People Strategy is closely aligned to IPSA's organisational values: fairness, accountability, openness, independence and honesty. IPSA expects its staff to work collaboratively and espouse these values, and take pride in IPSA's work for the public interest as part of a high-performing organisation. It is good practice for every organisation to take stock and review its values from time to time and, after six years of operation, IPSA's values should too be reviewed as part of the wider development of its overarching strategy and vision. The Board will do so in the autumn.
- The Board noted that this was the last meeting at which IPSA's Head of HR would be in attendance, and recorded its thanks for her excellent contribution to the organisation.

7.2 The Board agreed the People Plan for this parliament.

ACTION: IPSA's Chief of Staff to organise a strategy and vision away day for the Board in the autumn.

8. IPSA's Organisational Policies

8.1 IPSA's Chief Executive introduced the paper which reported on a review of IPSA's organisational policies to provide assurance to the Board that the organisation is adhering to high standards of corporate governance. The Board was asked to review the list of organisational policies currently in operation; suggest any further policies that may be necessary in addition to those already in place; and identify any specific policies it may wish to review in more detail.

8.2 The Board reviewed the report and asked the Chief Executive to ensure that all those policies that should be in place as a statutory requirement are in operation and up-to-date. It further suggested that a number of the HR-related policies could be grouped together in one extended policy or handbook for staff.

8.3 The Board noted the report.

9. Gathering of Evidence on Family Issues for the Review of the Scheme

9.1 IPSA's Head of Policy introduced the item and noted that on 11 May, IPSA launched a consultation document as part of its comprehensive review of the *MPs' Scheme of Business Costs and Expenses* (the Scheme). The consultation covers several key themes, including the way that IPSA provides financial support to MPs with families.

9.2 The Board noted that financial support is provided to MPs' families in two main ways: by funding the travel of their dependants between their constituency and London (and, in certain circumstances, their spouses and partners when exercising their caring responsibilities); and by allowing MPs who are eligible for a rental accommodation budget an uplift of £2,425 a year for each dependant who is routinely resident with them. IPSA also allows MPs to employ one connected party (usually a close family member) with IPSA funding.

9.3 The Board had previously agreed that it would seek first-hand evidence from MPs who have an interest in a particular part of the comprehensive review and invited MPs from all parties to attend its meeting to do so. At its first such evidence gathering session, the Board welcomed Jackie Doyle-Price MP and Ranil Jayawardena MP, who were in attendance to provide the Board with evidence on IPSA's policies relating to family matters such as connected parties and dependants. Professor Sarah Childs from the University of Bristol was also in attendance to inform the Board of the findings of the project that she had undertaken from July 2015 to February 2016 to explore how the House of Commons might become more representative and effective.

9.4 The Board invited contributions from all those present and noted, in particular, that:

- The work of an MP is in many ways a unique role, with variable hours and numerous different ways of undertaking the duties involved. The employment of a connected party can be good value for money for taxpayer on the basis that they will typically, due to their close connection to the MP, provide extremely dedicated and flexible support to assist them in carrying out their parliamentary functions and serving their constituents. As such, connected parties are valued highly by MPs.
- It was suggested that rather than reassessing the principle of whether IPSA should in future continue to allow the practice of employing connected parties, it should instead seek to implement further safeguards to ensure that any abuse of the practice does not take place.

- IPSA's Director of Regulation noted that, whilst the policy of allowing the employment of connected parties is contentious, IPSA had found no evidence of abuse. Furthermore, IPSA would not wish to inadvertently discriminate against staff members who are connected parties by, for example, seeking to regulate recruitment and selection or through performance management.
- The current uplift to the rented accommodation budget available to MPs with dependants is considered by some to be insufficient and, it is claimed, forces MPs to supplement it with their own funds in order to afford an extra bedroom in London for the dependant. In this respect, some MPs consider it the case that IPSA's policies negatively affect families.
- IPSA has a dual statutory function – to regulate MPs' use of public funds and to assure the public that it is spent appropriately, and to support MPs to carry out their parliamentary duties. But there is a question about whether it is IPSA's role to assist MPs with their family arrangements and, if so, how far reaching that role should be. Some do consider it IPSA's duty to support MPs' families, which should not be narrowly defined as involving a child.
- It was suggested that MPs should be given more flexibility and discretion to spend their budgets in the way that best suits them and their particular circumstances and, through publication and transparency, allow the public to judge whether their use of public funds is reasonable.

9.6 The Board thanked the attendees to their time and noted their contributions to the discussion.

10. IPSA's Annual Report and Accounts for 2015-16

10.1 The Board reviewed the annual report and accounts for 2015-16. Upon the recommendation of the Audit and Risk Assurance Committee, the Board approved the report and accounts for publication and authorised the Chief Executive to sign them in his capacity as the organisation's Accounting Officer.

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

12.1 The Board noted its programme of work for the financial year, and agreed to hold its next meeting on 28 July.

13. Any other business

- 13.1 The Chairman enquired if there was any other business for report by the Board or the Executive.
- 13.2 The Board noted that it was John Thurso's last meeting, as he was leaving IPSA's Board to enter the House of Lords as a hereditary peer. It noted its thanks to Lord Thurso for his invaluable contribution to the Board since joining in January.

Meeting closed.