

Minutes of the IPSA Board Meeting – Tuesday 21 June 2011: 3.00pm – 6.00pm

Present: Sir Ian Kennedy (Chair)
Sir Scott Baker
Isobel Sharp
Jackie Ballard
Ken Olisa [*until item 10*]

Scott Woolveridge (Acting Chief Executive) [*not item 3*]
Bob Evans (Director of Finance) [*not item 3*]
John Sills (Director of Policy) [*not item 3*]
Belinda Brown (Head of Performance and Governance) [*not item 3*]
Martyn Taylor (Head of Governance) [*not item 3*]
Victoria Elliott (Change Manager) [*not item 3*]

Louise Edwards (Policy Manager) [*item 6*]
Luke March (Compliance Officer) [*item 3*]
Mark Anderson (Communications Manager) [*item 9*]

Nick Lee (Board and Chief Executive Office)
Kiran Virdee (Board and Chief Executive Office)

Apologies: Andrew McDonald (Chief Executive)
Anne Power (Director of Communications)

1. Welcome

1.1. The Chair welcomed the Board, members of the Executive and Compliance Officer.

2. Minutes and matters arising

Papers: IPSA/210611/1A- 1B: Minutes; Ongoing Actions

2.1. The minutes of the 17 May Board meeting were approved for publication. There were no further matters arising

National Audit Office

2.2. The Head of Governance reported that the first draft of the NAO's value for money audit would be available on 22 June, and subject to subsequent discussion with the NAO. It was noted that the balance of the report and the

manner in which the facts would be presented would be important to the reception of the report.

Speaker's Committee for the IPSA

- 2.3. The Chair reported on his recent appearance, alongside the acting Chief Executive and Director of Finance, before the Speaker's Committee for the IPSA. While no new issues were raised at that meeting, he noted that the Speaker's Committee had expressed concern as regards IPSA's lack of focus on cost effectiveness and corporate governance, and that some members had concerns about the approach of the Compliance Officer to investigations. He expressed his concern that no decision had yet been taken on the Estimate, even after a third hearing.
- 2.4. The Board expressed concern that IPSA's Vote on Account would expire at the end of July.

Committee on Members' Allowances

- 2.5. The Board noted that there had been no further news on the composition or timescale for the working of the Committee on Members' Allowances.

3. Compliance Officer and Governance

Papers: IPSA/210611/2 – Compliance Officer Governance and cooperation arrangements; IPSA-210611/3 – Joint statement with respect to the Parliamentary Commissioner for Standards; and IPSA/210611/14 – Compliance Office Quarterly Report + Annex A

- 3.1. The Chair asked the Executive to step out for item 3, reflecting the Compliance Officer's independent status.
- 3.2. The Chair noted that the Compliance Officer would be submitting an interim review of his resourcing requirements, along with a protocol for working with IPSA, to the July Board, and would be submitting a longer-term bid for resources towards the end of the calendar year.
- 3.3. The Compliance Officer noted the improved co-operation between IPSA and his office.
- 3.4. The Board expressed concern that the Compliance Officer should not attend too many internal IPSA meetings as an observer because he needed to safeguard his independence.
- 3.5. The Board agreed that the Compliance Officer should not attend contingency panel meetings, but should routinely receive a copy of the notes of the outcome of the contingency panel and other similar meetings.
- 3.6. The Board agreed that the Compliance Officer's work should be based on the principle of proportionality, carrying out investigations based on complaints or cases referred to him and that he should seek, where possible, to take a practical and pragmatic approach to resolving complaints. The Board noted that the legislation stated that the Compliance Officer "may" conduct an investigation.

- 3.7. The Board agreed that any course of action regarding any decisions wrongly made by IPSA as regards a claim should be to find against IPSA, not the MP who may have been subject to that wrong decision.
- 3.8. The Board agreed that there was no need for the Compliance Officer ordinarily to have access to data held by IPSA about MPs and their claims, and that if any data was needed for a particular purpose, it should be requested and provided timeously.
- 3.9. The Board agreed that more work should be done to establish the scope and nature of the Compliance Officer's powers under the legislation.
- 3.10. The Board agreed that it was important for IPSA's Executive and staff to understand the investigations process and, particularly, the criteria under which a claim or complaint should be referred to the Compliance Officer

Joint Statement with respect to the Parliamentary Commissioner for Standards

- 3.11. The Compliance Officer reported that he continued to seek to secure a Joint Statement with respect to the Director of Public Prosecutions and Metropolitan Police, but that despite his efforts he had as yet been unable to make progress on these.
- 3.12. The Board approved the proposed Joint Statement between IPSA and the Compliance Officer as regards the Parliamentary Commissioner for Standards.

Compliance Officer's key targets

- 3.13. The Board asked that the key targets be considered further and presented again at the July Board meeting. The Board also asked that these be developed to reflect the need for proportionality.

Compliance Officer's resources

- 3.14. The Board asked that the Compliance Officer consider his existing financial commitments (including the separate Compliance website) and whether the cost of these could be reduced in order to reduce overheads.

4. Corporate Objectives and Key Performance Indicators

Paper: IPSA/210611/4+ Annex A-B – Strategic Objectives and KPIs

- 4.1. The Chair noted that the draft strategic plan had been tabled for comment by circulation, and for signoff at the July Board meeting. A more detailed corporate plan would be developed to underpin this once it had been agreed and brought to the July meeting.
- 4.2. The Board noted the difficulty inherent in formulating such a plan given the uncertainties regarding IPSA's current operating environment.
- 4.3. The Board agreed that the KPI requiring a Plain English Crystal Mark for the IPSA website should be retained.

5. National Assembly for Wales

Paper: IPSA/210611/06 – Note on visit to Welsh Assembly

- 5.1. The Chair welcomed the report from the Acting Chief Executive on his visit to the Welsh Assembly along with Jackie Ballard and the Director of Finance.
- 5.2. The Board noted the Welsh Assembly's different approach to the management, employment and professional development of Members' staff and to the submission of data about claims.

6. MPs' staffing: Report on the proposed review

Paper: IPSA/210611/07 – Staffing Review – Proposed Plan

- 6.1. The Policy Manager introduced a paper on the structure of the forthcoming review of MPs' staffing, based on the earlier Board discussion of staffing issues. She noted that, once the proposed approach had been agreed by the Board, the priority would be to start gathering data.
- 6.2. The Chair noted that the intention of this work was to strengthen the evidence as regards MPs' staffing needs.
- 6.3. The Board agreed that:
 - IPSA should take care to avoid any perception by the public that the *MPs' Expenses Scheme* can provide access to public funds for party-political activities;
 - any review should also encompass the employment status of MPs' staff;
 - that, in carrying out its review, IPSA should make clear that it was not seeking to determine what an MP's role was or how they should fulfil it; and
 - fundamental changes (if any) should not be rushed.
- 6.4. The Board asked the Policy Manager to consult with the Committee on Standards in Public Life in respect of their ongoing review of party funding.

7. Publication of IPSA Board papers

Paper: IPSA/210611/8 + Annex A – Publication IPSA Board papers

- 7.1. The Head of Governance noted that the Board had asked for a protocol on the routine publication of papers, and that this would have a cost which was not included within the existing Estimate.
- 7.2. The Board agreed that Board papers from the start of the current financial year onwards should be released six months in arrears, and the Chair's attention should be drawn to any such papers which might be a cause for concern if published.

8. Service improvements programme

Papers: IPSA/210611/9 – Service Improvements Programme - Update

8.1. The Change Manager introduced her paper on IPSA's service improvements programme, which had been requested by the Board at an earlier meeting. She noted, in particular, the indicative costs of the various projects and the trade-off between speed and risk in relation the pace with which change is implemented.

8.2. The Board agreed that:

- any proposed changes to the current approach to validation would be subject to further consideration by the Board.
- face-to-face surgeries seemed to represent poor value for money, but that it was important that the IPSA Board and Executive spent time talking to MPs and hearing about any concerns they may have.
- IPSA should encourage MPs and their staff to use IPSA's website to resolve queries where possible.
- the service improvement programme should both help reduce costs to IPSA but also reduce the burden on MPs and thus doubly serve the public interest.

9. Communications Plan

Papers: IPSA/210611/10 + Annex A – Communications Plan

9.1. The Communications Manager introduced a paper looking at the organisation's strategy through to the end of the year. He noted that the focus of this was on IPSA's role as a regulator, on a discussion of MPs' pay and pensions and on continuing to improve public confidence in the way in which MPs were paid expenses. The Board welcomed the plan.

9.2. The Board agreed that IPSA should not attend party conferences and that its engagement as part of the work on MPs' pay and pensions should be diverse. It further agreed that any engagement by members of the Board in this process should be planned well in advance.

10. Finance report

Papers: IPSA/210611/11 + Annex A – Finance Report

10.1. The Director of Finance introduced a report on IPSA's financial performance. He noted that:

- claims from 2010/11 were still being made, leading to management accruals of £1.2m for the period 4 May to 20 June;
- expenditure in 2011/12 on MPs' claims was running higher than expected; and
- current rates of spend (which were not a good indicator) suggested that this year's underspend on MPs' expenses would be half that in 2010/11.

10.2. The acting Chief Executive noted that, once the 90-day claim window had passed, IPSA would be turning down claims for 2010/11 and this would probably cause frustration among some MPs.

11. Chief Executive's report

IPSA/210611/12 – Chief Executive's Report; IPSA/170511/13 + annexes A – H – Board update

11.1. The acting Chief Executive reported on continued work to maintain IPSA's performance:

- Since January, IPSA had been receiving, validating and processing around 15,000 claims per month.
- Between 1 April and 11 May, IPSA validated 97.29% of reimbursable claims within twelve working days, the majority of which were processed within eight working days.
- Taking all claims into account (including payment card claims which do not require reimbursements to be made to MPs), IPSA were validating over 90% within twelve working days.
- In May, IPSA received around 680 calls a week from MPs and answered 48% of these within 20 seconds. This reflected higher than normal call volumes around the end of the financial year.
- IPSA continued to receive around 370 emails a week, more than 89% of which were handled within five working days.
- The accuracy of claims submitted by MPs was high, with just 0.27% of claims designated as not paid in May.
- IPSA had to date published details of over 106,000 items of expenditure. In doing so it had made 8 errors. After four rounds of publication, its accuracy rate stood at 99.99%.

Payment cards

11.2. The acting Chief Executive reported that, if MPs did not repay the amounts owed on payment cards which had not been reconciled, these costs could be offset against claims or, failing that, taken from their salaries. Neither of these measures had yet been needed.

Service performance

11.3. The acting Chief Executive noted that as individual staff members took their summer holidays, service levels would fall accordingly; this emphasised the fact that there was no spare capacity within the Information or Validation teams.

Contingency payments

11.4. The Board agreed that contingency panel decisions in one year should not be seen as an automatic entitlement in subsequent years, and agreed that data

about contingency panel claims should be used to inform the review of MPs' staffing needs.

12. Any other business

None.

Meeting closed