



Minute

Minutes of a meeting of the Board of IPSA Wednesday 29 January 2014

Present	<p>Sir Ian Kennedy, Chair</p> <p>Sir Neil Butterfield</p> <p>Liz Padmore</p> <p>Anne Whitaker</p> <p>Tony Wright</p> <p>Andrew McDonald, Chief Executive</p> <p>Mark Anderson, Head of Communications [items 1 – 8]</p> <p>Belinda Brown, Director of People, Performance and Pay</p> <p>Victoria Elliott, Change Manager [items 1 – 2]</p> <p>Philip Lloyd, Director of Finance and Operations [items 1 – 8]</p> <p>Julian Muller, Head of IT and Data Security [items 1 – 5]</p> <p>John Sills, Director of Policy and Communications [items 1 – 8]</p>	<p>Briony Carew, Policy Manager [item 3]</p> <p>Eleanor Conroy, Publication & General Election Manager [items 1 – 2]</p> <p>Claire Hunter, Senior Management Accountant [item 5]</p> <p>Tony Lord, Head of Policy [item 3]</p> <p>Peter Davis, Compliance Officer [item 4]</p> <p>Nick Lee, Head of Board and Chief Executive Office</p>
Apologies	None.	
Status	Final for publication – as approved at the meeting of the Board on 6 February 2014.	
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1. Welcome

1.1. The Chair welcomed the Board to the meeting.

Declarations of interests

1.2. There were no new declarations of interest.

2. General Election 2015

2.1. The Change Manager introduced a presentation setting out IPSA's preparations for the General Election expected to take place in May 2015. She reported, in particular, that:

- the election would be a significant challenge for IPSA in supporting and working with new, departing and returning MPs, as well as their staff;
- in preparing for the election, IPSA's planning assumptions were conservative and a change-freeze already agreed by the Board (which would take effect from October 2014) would reduce the risks that might arise from changes to systems and processes made near the time of the election;
- the planning work undertaken included consideration of the experience of the previous election and the development of a series of plans for different parts of IPSA's activities, which would be implemented at the appropriate time;
- current plans envisaged extended 'phone line operating hours, single points of contact for new and departing MPs, a range of training options for MPs and their staff, tailored communications to MPs and (subject to further work) a flat-finder service for new MPs;
- the additional cost of the work needed to prepare for and respond to the election would be less than £1m in 2014/15 and 2015/16, including the cost of recruiting approximately 30 new staff and the space needed to accommodate them;
- risks included the need to recruit appropriate staff at the right time and if an election were to be called early. Work was being carried out to address both of these risks; and
- this work would be led by the new Change Director, who would begin work in February 2014.

2.2. The Board noted that:

- it would be important for staff to receive proper training before being asked to meet and provide advice or training to MPs and their staff;

- a business case, setting out the costs underpinning IPSA's preparations for the General Election, would be considered at the same time as the 2014/15 Estimate; and
- there were certain issues (for example, in relation to advance loans) which would separately require further consideration by the Board.

2.3. The Board agreed to note the report of the Change Manager.

Victoria Elliott to circulate General Election milestones document.

Nick Lee to make arrangements for the Board to receive regular reports on preparations for the General Election.

3. Review of the *MPs' Scheme of Business Costs and Expenses: Emerging findings*

IPSA/140129/1 + annexes A + B – Emerging findings from the 2013/14 review of the MPs' Scheme of Business Costs and Expenses

3.1. The Director of Policy and Communications introduced a paper setting out the emerging findings of the 2013/14 review of the Scheme. He noted, in particular, that:

- a further paper would be brought to the Board on 20 February, seeking decisions on each of the consultation questions;
- the report on the consultation would, following the Board's approval, be published before the end of the financial year; and
- any changes to the rules and to budgets would take effect from 1 April 2014.

Volunteers and workers

3.2. The Director of Policy and Communications noted that:

- the consultation on the Scheme had asked an open question on MPs' engagement of volunteers, including the rules governing unpaid work experience and unpaid internships in MPs' offices;
- a wide range of consultation responses had been received. These included representations from Intern Aware (a campaigning group), and some 2,000 standard e-mails in support of their campaign;
- there was a vocal lobby in favour of a change in the rules and for a perceived 'fairer deal' for those supporting MPs on a voluntary basis; and

- at the same time, there were others who argued strongly against IPSA's interposing itself further between MPs and those individuals they engaged, whether as volunteer or employees.

3.3. The Board noted that:

- "interns" had no legal definition. The law distinguished between workers and volunteers;
- it was for MPs, as the employer of their staff, to ensure that arrangements for their remuneration (if any) properly reflected their status;
- there was a misconception among some respondents that an underspend on MPs' staffing within IPSA's Estimate would mean that there was 'spare' funding for interns. In practice, if a particular line of the Estimate was not fully spent it did not in itself mean funding was available for another area of expenditure;
- the majority of MPs could employ someone (whether called an intern or not) on the national minimum wage (NMW), if they so wished, from their existing budget staffing; and
- in any event, no underspend with respect to MPs' staffing in 2013/14 was forecast.

3.4. The Board agreed further to consider the issue at its meeting on 20 February 2014, including whether it would be appropriate to allow MPs to categorise different types of volunteer.

Reward and recognition payments for MPs' staff

3.5. The Board noted that:

- the Scheme's rules allowed MPs to make reward and recognition payments to staff members to recognise excellent work. While the level of payments was at MPs' discretion, the Scheme stipulated that they should be 'modest';
- the use of such payments was relatively limited (just 49 payments with an average value of £269 were made in 2012/13 by 19 MPs) but a very small number of MPs had made significantly higher awards; and
- IPSA's publication scheme already provided for transparency about the number of payments made by each MP, and the total value of payments made in each case.

3.6. The Board agreed:

- not to apply restrictions on reward and recognition payments such that they could only be for vouchers; and
- to consider further whether greater transparency about the level and frequency of reward and recognition payments would provide sufficient security against the possibility of misuse.

Managing the staffing budget

3.7. The Board noted that:

- the consultation on the Scheme had proposed that the Scheme's rules be clarified so as to make clear that IPSA could stop MPs making changes to their staffing arrangements where this would lead to a budget overspend; and
- this proposal had provoked a negative reaction despite the fact that, as the consultation paper noted, this facility was already available to IPSA.

Advance loans for MPs

3.8. The Board noted that:

- advance loans had been provided to MPs on application since 2010 to ensure that individuals were not out of pocket when meeting costs which could not be paid direct;
- the growth of direct payments (70% of expenditure could be paid direct) meant there was less need for such a facility than in 2010. Nevertheless, advances offered an easy way of helping MPs meet necessary parliamentary costs early in a new Parliament; and,
- such loans did not, in any case, impose a significant burden on the taxpayer.

3.9. The Board agreed to consider further whether eligibility criteria (e.g. new MPs only) or time limits on loans might be introduced.

Scottish independence referendum

3.10. The Board noted that consultees were in favour of being free to discuss the referendum on Scottish independence on IPSA-funded websites.

3.11. The Board agreed to allow MPs to state their position on the referendum on Scottish independence on IPSA-funded websites.

Campaign expenditure

3.12. The Board noted that:

- the Electoral Commission had suggested that the prohibition on campaign expenditure under the Scheme should be cast wider, so that all activities would be treated as regulated party campaign expenditure (for example, market research, canvassing and press conferences);
- the Electoral Commission had also suggested that the Scheme be amended so as to make clear that activities which could be construed as election expenses under the Representation of the People Act 1983 should not be regarded as expended as part of an MP's parliamentary functions; and
- further work would be done to consider these suggestions and how they might be implemented, and proposals brought to the Board for consideration.

Other issues

3.13. The Board noted that some MPs had expressed concern that resettlement payments were only paid to MPs losing their seats upon satisfactory completion of the winding-up arrangements for their office, and had proposed that some of this money be paid (as if salary) for the month following their losing their seat, so as to avoid creating personal cashflow difficulties.

Tony Lord to consider what scope there is, if any, to pay a proportion of a resettlement payments to an MP before he or she has completed the winding up of their office.

Budget limits

3.14. The Director of Policy and Communications reported that:

- work had been carried out to establish whether changes in costs (such as utility costs) suggested a change in budgets for office and residential accommodation;
- proposals for budgets in 2014/15 would be brought to the meeting of the Board on 20 February 2014.

4. Compliance Officer – resourcing in 2014/15

IPSA/140129/2 – Report on Compliance Officer resourcing in 2014/15

4.1. The Board noted that:

- the Compliance Officer's status (reporting direct to the Board) meant that he was expected separately to bring forward proposals for the funding of his office. Once approved, these proposals would then form part of the Estimate for 2014/15;
- the Compliance Officer proposed a 5% reduction in his staffing budget, and a reduction to his budget for legal costs of the same order. This meant a total overall budget of £109,963 in 2014/15; and
- these savings followed significant savings in earlier financial years.

4.2. The Board agree to thank the Compliance Officer and to approve his budget for 2014/15.

5. Corporate plan 2014 – 18 and Estimate 2014/15: Outline and discussion

IPSA/140129/3 + annexes A – D – Corporate Plan and Estimate

5.1. The Director of People, Performance and Pay introduced a paper setting out the outline corporate plan for 2014-18 and Estimate for 2014-15. She noted that the Board had, in October, agreed that IPSA's existing strategy should be extended to cover the period until March 2016.

5.2. The Board noted that:

- work was under way to review IPSA's approach to payment and checking, and proposals would be brought to the meeting of the Board on 6 February;
- costs arising from the recruitment for the Chair, which was expected to begin in the new financial year, would be charged to IPSA's Estimate but in a separate, ringfenced, subhead specifically for the purpose; and
- the costs arising from preparation for and the delivery of plans for the General Election in 2015 would be significant and require additional resources beyond IPSA's core business-as-usual funding. This would be reflected in the draft Estimate brought to the Board in February 2014.

5.3. The Board agreed:

- to approve the three proposed themes for IPSA's work in 2014/15: preparation for the General Election, quality and accuracy and intelligent regulation;
- to note the assumptions underlying the Corporate Plan and to approve the plan of work it entailed; and
- to note the assumptions underlying the 2014/15 Estimate and the associated risks.

6. Board forward agenda, 2014/15

IPSA/140129/4 – Board forward agenda, 2014/15

6.1. The Head of Board and Chief Executive Office introduced a paper setting out the Board's forward plan of work for 2014/15. He noted, in particular that:

- in 2014/15, the Board would be undertaking significantly less new work on policy as IPSA prepared for the General Election; and
- the plan of work proposed envisaged meetings taking place broadly once a month, with some additional slots across the course of the year.

6.2. The Board agreed the proposed plan of work.

Nick Lee to confirm the scheduling of meetings of the Board in 2014/15.

7. Finance report

IPSA/140129/5 – Finance report to end December 2013

7.1. The Director of Finance and Corporate Services introduced a paper setting out the financial position to 31 December 2013. He reported, in particular, that:

- the improved forecasting used to develop the 2013/14 Estimate meant that IPSA's expected outturn overall and for each subhead was likely to be very close to the amounts budgeted. Nevertheless, he expected IPSA to underspend with respect to all of its subheads by the end of the financial year;
- a significant underspend was forecast with respect to subhead C (project costs), reflecting the smaller-than-anticipated scale of the review of MPs' accommodation and because the timing of other work had changed; and

- income from MPs for overpayments arising in 2013/14 would be offset against expenditure under subhead A. Income from MPs arising from earlier financial years would be set out separately in IPSA's accounts.

8. Board Information Update

IPSA/140129/6+ annexes A – C – Board Update: Monthly report

8.1. The Board agreed to note the Board Information Update.

9. Any other business

Speaker's Committee for the IPSA

9.1. The Chief Executive reported that the Director of People, Performance and Pay, the Director of Finance and Operations and he had appeared before the Speaker's Committee for the IPSA to answer questions about the Supplementary Estimate for 2014/15. This had been approved by the Committee.

Upper Tier Tribunal

9.2. The Director of People, Performance and Pay reported that:

- the ruling of the Upper Tier Tribunal – to the effect that IPSA's appeal with respect to the publication of MPs' receipts had been unsuccessful - had been received the previous day;
- IPSA now had one month from the date of that decision to launch an appeal, if it so wished; and
- a decision was now needed as to what course IPSA should take, and time would be set aside at the meeting of the Board on 6 February 2014 so as to decide this.

9.3. The Board noted that, if IPSA *did* decide to appeal, the appeal was not likely to be heard at the Court of Appeal before July 2014.

IPSA's office accommodation

9.4. The Chief Executive reported that:

- further to the earlier discussions, a tenant for Portland House from 1 May had now been identified;
- the Senior Leadership Team would meet the following day to assess whether it would be possible to move into its new accommodation so as to accommodate this tenant, but it was likely that IPSA *would* accept the offer subject to appropriate due diligence; and
- he would provide a further report on progress at the meeting of the Board on 6 February 2014.