

## Minutes of a meeting of IPSA's Board

Wednesday 3 February 2016

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**Present:** Sir Ian Kennedy, Chairman  
Liz Padmore  
Rt. Hon John Thurso  
Anne Whitaker

**In attendance:** Marcial Boo, Chief Executive  
John Sills, Director of Regulation  
Judith Toland, Director of Operations and Change  
Naomi Stauber, Head of Board and Chief Executive Office  
Head of Communications  
Compliance Officer (Item 6)  
Head of Policy (Item 5)  
Policy Manager (Item 5)  
Policy Officer (Item 5)  
Policy Officer (Item 5)

**Apologies:** Sir Robert Owen

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**Status:** Submitted for approval at the meeting of the Board on 24 February 2016.

**Publication:** Approved for publication.

## **1. Welcome and Declarations of Interest**

- 1.1 The Chairman opened the meeting and welcomed those attending.
- 1.2 The Chairman noted that apologies had been received from Sir Robert Owen.
- 1.3 The Chairman invited the Board and members of staff to declare any interests not previously recorded. Lord Thurso declared that, in relation to item 4 on the agenda, he had previously held the position of accounting officer for the Parliamentary Office of the Liberal Democrats.

## **2. Minutes of previous meetings and matters arising**

### Minutes

- 2.1 The Minutes of the meeting of the Board held on 20 January 2016 were approved.

### Actions arising from the previous meeting

- 2.2 The Board noted the actions that had been completed since the last meeting.

## **3. Estimate 2016-17: Presentation and Key Messages**

- 3.1 The Chief Executive provided the Board with a presentation on the key messages contained in IPSA's Estimate for 2016-17, to be submitted to the Speaker's Committee for IPSA (SCIPSA) for approval on 2 March. In the light of the presentation the Board noted the following, in particular:

- That the investment sought for IPSA's proposed improvement programme has been carefully budgeted to ensure that first, the right level of funding has been requested to enable the improvements to be made to the specifications required and within the timeframe of the 2016-17 financial year. Second, the budget for the programme pays due regard to value for money for the taxpayer and proceeds on the basis of prudent assumptions. As such, further investment may be required in 2017-18. This will only be known in the months to come, once a detailed assessment of the progress of the programme has been undertaken.
- IPSA should seek written assurance and confirmation from either the National Audit Office or HM Treasury that the capital costs that have been identified and included as part of IPSA 2017 investment have been categorised correctly.

- 3.2 The Board noted the presentation and agreed the Estimate for 2016-17 for submission to SCIPSA, subject to any necessary amendments which will be communicated to the Board and agreed through correspondence.

**ACTION: IPSA's Head of Finance to obtain written assurance from either the National Audit Office or HM Treasury that the capital costs that IPSA has identified and included as part of IPSA 2017 investment are correctly categorised.**

#### **4. Corporate Plan for 2016-17**

- 4.1 The Chief Executive introduced the revised Corporate Plan for 2016-17 which had been amended in the light of the Board's comments at its meeting in December. In particular, an annex on IPSA's 2017 Business Case had been added to the Plan, including the detailed costings.
- 4.2 The Board approved the Corporate Plan 2016-17 for submission to SCIPSA, subject to minor amendments.

#### **5 Comprehensive review of the Scheme**

- 5.1 IPSA's Director of Regulation introduced a series of papers setting out possible options to include in the comprehensive review of the MPs' Scheme of Business Costs and Expenses (the Scheme), for consideration by the Board. These papers covered four specific areas of work: the regulation of MPs' staffing; MPs' accommodation; family issues (including the employment of connected parties); and parliamentary vs party political costs.
- 5.2 The Board reviewed the papers in turn and noted, in particular, that:

##### The regulation of MPs' staffing

- MPs are the employers of their staff, not IPSA. However, some MPs have never been employers prior to entering Parliament and may not be aware of the extent of their legal obligations and general good practice. As such, it may be helpful to provide new MPs (and existing MPs) with training on their role as employers as part of their induction. Alternatively, IPSA, in consultation with the House of Commons, could facilitate and fund training for MPs in this respect.
- Whilst IPSA should be involved in promoting improvements to the services provided for MPs' staff, IPSA should not provide these services. First, IPSA does not have the resources or expertise to offer MPs' staff (of which there are around 4,000) the range of HR services and advice that employees in most organisations routinely receive. Additional funding would be required to be able to do so.
- Second, as the independent body that pays and regulates the funding for MPs' staff, IPSA should be focused on the regulation of MPs' staffing and on fulfilling our duty to provide value for money for the taxpayer. As such, IPSA as an organisation should seek to find ways of encouraging compliance with good practice, by clearly communicating our expectations of what MPs should be responsible for under their staffing costs budget, in addition to the rules in the

Scheme. For example, whilst there is no rule in the MPs' Scheme of Business Costs and Expenses that MPs must keep a record of the annual leave taken by their staff, IPSA should advise (rather than prescribe) MPs to do so as good practice as an employer, so that we can satisfy ourselves, and in turn assure the public, that the residual holiday pay claimed by MPs for their staff who leave their employment is a legitimate cost.

- IPSA's Director of Regulation is in the process of creating a working group to examine the issue of support for MPs' staff, which includes representatives of the House of Commons, the HR Advisory Service and the staff unions. This group will explore how the appropriate services can be provided for MPs' staff, and what those services might be. Concurrently, the Board asked that the Director of Regulation, working with IPSA's Head of HR, draft a model set of expectations which IPSA may wish to ask MPs' to comply with, for the Board's review at a future meeting.

#### MPs' accommodation

- The Board agreed that, when considering the matter of MPs' accommodation, it is particularly important to consider carefully the fundamental principles of the MPs' Scheme of Business Costs and Expenses – particularly, IPSA's duty to balance value for money for the taxpayer and the duty to support MPs in carrying out their parliamentary functions.
- To enable it to undertake a full and proper assessment of the possibilities for change in respect of IPSA's policies on MPs' accommodation, the Board considered a range of options. It agreed that some of these were not feasible or appropriate. IPSA's Director of Regulation was asked to take forward further work on those options which may be suitable for public consultation in the future.
- The Board agreed that any future consultation document should include a narrative to explain why MPs are required to work and, at various times, reside in two locations, to put both IPSA's existing policies and options for change into context. This will enable the public to make informed representations.

#### Family issues

- The Board considered the matter of the employment of connected parties and agreed to consult further on the issue in due course.
- The Board also considered the additional funding provided to MPs in relation to dependents – including expenses for travel and the uplifts to the accommodation budgets for those MPs who register dependents as being routinely resident.
- The Board noted that many MPs with dependants currently do not claim for dependents' travel or accommodation. The Board agreed that prior to any consultation, efforts be made to enquire of MPs what kind of support would be

most helpful. Any consultation could then reflect the views received as well as those previously expressed by the public.

#### Parliamentary vs political activities

- The Board considered the distinction it is required by law to make between ‘political’ and ‘parliamentary functions’. It discussed whether the list of non-parliamentary activities currently contained in the Scheme should be expanded. It considered a range of options in this respect and provided the Director of Regulation with views.
- The Board also considered the issue of ‘pooled staffing services’. It agreed that there is a valuable non-partisan service that should be provided for MPs – to provide factual briefings on topics of policy and legislation, exclusively and necessarily to support their parliamentary functions. This is a service that is provided by the House of Commons’ Library. However, each political party also operates its own pooled staffing service, funded by IPSA, to provide briefings for its own cohort of MPs. This raises the question of why, if the content of these briefings are non-political and exclusively parliamentary, these services could not be amalgamated, or performed by House of Commons’ Library.
- The Board agreed that further research needed to be undertaken, to determine what exactly is provided by these services and what should be funded by IPSA.

#### **6. Update from IPSA’s Compliance Officer**

- 6.1 IPSA’s Compliance Officer provided the Board with an update on current cases, including two investigations that he had recently launched into claims made by Jim Shannon MP and Simon Danczuk MP.
- 6.2 In the light of the number of cases that had been referred to the Compliance Office over the 2015-16 financial year, the Board recommended that the Compliance Officer considers whether any additional funding would be required in 2016-17 and, if so, to ensure that this was included in IPSA’s Estimate for next year.
- 6.3 The Board noted the report.

#### **7. The Board’s Programme of Work from February to March 2016**

- 7.1 The Board noted its programme of work for the remainder of the financial year.

#### **8. Any other business**

- 8.1 The Chairman enquired if there was any other business for report by the Board or the Executive.

8.2 The Chairman noted that he, the Chief Executive and IPSA's Compliance Officer had attended a meeting of the Committee on Standards on 2 February to discuss a number of matters contained in IPSA's Annual Report and Accounts for 2014-15. The issues discussed included IPSA's preparations for the General Election; the improvements and efficiencies that IPSA has made previously and plans to make in the future; the public consultations undertaken during the period; and the Compliance Officer's procedures.

Meeting closed.