



## Minute

### Minutes of a meeting of the Board of IPSA Tuesday 17 January 2012, 3.00pm

Present	Sir Ian Kennedy (chair) Sir Scott Baker (by telephone) Ken Olisa (by telephone) [items 4 – 7] Isobel Sharp	Nick Lee, Head of Board and Chief Executive Office Kiran Virdee, Assistant Private Secretary, Board and Chief Executive Office
	Andrew McDonald, Chief Executive [items 1 – 6] Victoria Elliott, Acting Head of Performance and Change [items 8 – 9] Bob Evans, Director of Finance and Corporate Services Anne Power, Director of Communications [items 6 – 7] John Sills, Director of Policy [items 5 – 7] Scott Woolveridge, Director of Operations [items 1 – 5, 9]	Mark Anderson, Communications Manager [item 6] Louise Edwards, Policy Manager [items 1 -3, 7] Linda Hews, Head of Assurance and Review [item 5] Tony Lord, Head of Policy [items 5 – 7] Lucy Pickering, Assistant Policy Manager [item 7]
Apologies	Jackie Ballard Belinda Brown, Head of Performance and Change	
Status	Approved for publication.	

## 1. Welcome

1.1. The Chair welcomed the Board to the meeting, and reported that:

- the agenda for the meeting had been slightly reordered;
- the Compliance Officer's report had been received in good time but not circulated as a consequence of an administrative oversight. It would be circulated for consideration by means of correspondence and there was a possibility of a further discussion at the conference call on 6 February 2012, if this was needed; and
- he proposed to carry over the item on the Board's appraisal to the meeting of the Board on 21 February 2012.

## 2. Minutes

*IPSA/170112/1A: Minutes of a meeting of the Board of IPSA, 14/12/11*

*IPSA/170112/1B: Action list*

2.1. The Board approved the minutes of the meeting of 14 December 2011, with some minor amendments, and approved the relevant sections for publication.

### Matters arising

2.2. There were no further matters arising.

### Action list

2.3. The Chair reported that he had spoken to the Compliance Officer, who agreed that there was a need for performance indicators with respect to his office, and that they had agreed that he would propose some KPIs for consideration by the Board at its meeting on 21 February 2012.

### **Peter Davis to propose KPIs for the Compliance Office and circulate ahead of the 21 February Board meeting.**

2.4. The Director of Operations reported that, further to the discussion at the meeting of the Board on 14 December 2011, any risks arising from inconsistencies between transaction and travel dates within the online expenses system were small and that, therefore, there was no need for any action.

### 3. Ex-gratia payments

*IPSA/170112/3: Ex-gratia payments*

3.1. The Policy Manager introduced a paper considering what, if any, policy IPSA should adopt with respect to *ex gratia* payments. This arose from a request that IPSA should consider introducing such a policy made by the House of Commons Committee on Standards and Privileges during the recent consultation on the Compliance Officer's procedures. She noted that:

- the only circumstances in which this was envisaged were those where an MP or their staff faced significant financial loss;
- very few applications were anticipated; and
- any policy that was introduced would be publicised alongside the revised procedures for the Compliance Officer.

3.2. The Board also noted that:

- IPSA had received a small number of requests for payments of this type since it had been set up and IPSA already had the *vires* to meet some such payments although there was no explicit mention of them in the *MPs' Scheme of Costs and Expenses*;
- any payments made under the proposal would ordinarily reflect actual costs incurred, rather than allowing for payments by way of compensation.

3.3. The Board approved the policy subject to the following conditions:

- *ex gratia* payments should only be considered where IPSA's handling of a claim had caused an MP or a member of their staff to suffer significant financial loss;
- ordinarily, such payments would only be made when actual, significant financial loss could be demonstrated;
- where an MP's employee had incurred a loss, the MP who employed them should make a request for an *ex gratia* payment on their behalf;
- IPSA's Executive should exercise their discretion in determining whether such payments should be made; and
- during the first six months of the operation of the new rules, all such payments would be reported to the Board as part of the regular cycle of papers.

**Louise Edwards to arrange for publication of the revised policy on *ex gratia* payments.**

**Scott Woolveridge to report on implementation of the policy at the meeting of the Board on 17 July 2012.**

**4. Northern Ireland Assembly**

*IPSA/170112/5: Visit to Northern Ireland Assembly, 12/12/11*

4.1. The Board welcomed a report on a visit by Jackie Ballard and the Director of Operations to the Northern Ireland Assembly (NIA) on 12 December 2011. In particular, it noted that:

- unlike IPSA, the NIA provided MLAs with a float of petty cash, supported by receipts, for small purchases;
- the costs incurred by the NIA in administering a paper-based system supported IPSA's estimates of the cost of introducing such a system for MPs.

**5. General election planning**

*IPSA/170112/4: General election planning – progress report*

5.1. The Deputy Director of Operations introduced a paper providing a report on the progress that had been made in making preparations for a general election. She reported, in particular, that:

- estimates of costs had increased considerably since the Board had last considered the issue, but she was now much more confident of their accuracy;
- further work would be undertaken to finalise the preparations, which was expected to be largely complete by the end of the financial year; and,
- by March, IPSA would be in a position to respond to a snap general election were one to be called.

5.2. The Board agreed that the final plan for the handling of a general election should specifically provide MPs' staff with clear advice on the impact of a general election on their employment status.

5.3. The Board welcomed the paper, and in particular the revised estimate of costs. The Board noted, in particular, that:

- it might be possible to mitigate the cost of staffing by exploring alternatives to the use of employment agencies; and

- a supplementary estimate would be required in the event of a snap election, and any planned election would necessitate additions to IPSA's main estimate for that year. In the event of the former, the Treasury's agreement would be sought in advance.

**Bob Evans to circulate a further note setting out the handling of the estimates process in the event of a snap election.**

- 5.4. The Board agreed the revised policy on publication and plans for public engagement set out in the paper.

**Tony Lord to arrange for the publication of IPSA's revised policy on publication.**

## **6. Pay and pensions**

- 6.1. The Chair reported that he had held discussions with the Government about IPSA's position on pension contributions in April 2012. These discussions had been cordial in tone and he had agreed that – in light of the progress in public service scheme discussions – the Board should reconsider whether it should increase MPs' pension contribution rates in April 2012.
- 6.2. The Board agreed to hold a further meeting on Monday 23 January 2012 to discuss the issue in further detail.

## **7. Review of MPs' Scheme of Costs and Expenses: Emerging findings**

### **Mortgage interest**

- 7.1. The Policy Manager introduced a paper considering the emerging findings of the consultation with respect to the transitional mortgage interest subsidy on accommodation, which would cease on 31 August 2012.
- 7.2. The Board noted that no further evidence had emerged to suggest that the Board should reconsider its previously-agreed position on the mortgage interest subsidy.
- 7.3. The Board agreed:
- that, subject to any further submissions on this issue raising new and substantive considerations, the mortgage-interest subsidy should cease on 31 August 2012; and

- that it would be unfair to introduce any new measures that had not been previously available to MPs ceasing to claim the subsidy.

7.4. The Assistant Policy Manager presented the emerging findings of the consultation on the *MPs' Scheme of Costs and Expenses*, which was due to close on 20 January 2012.

#### Staffing

7.5. The Policy Manager reported that there were a range of arguments with respect to IPSA's support for MPs' staff, with no clear consensus in some of the areas raised by the consultation. Many MPs, MPs' staff and staff groups had called for a higher staffing budget and for greater flexibility for MPs in adopting job descriptions and choosing salaries.

#### Accommodation

7.6. The Board agreed that, subject to any new and substantive evidence being raised in the consultation responses, the Policy team should amend the rules so as to allow claims for associated costs on an MP's accommodation in the two months after an MP leaves Parliament and explore moving this area of claims into the Winding Up budget.

#### Interim resettlement grant

7.7. The Board noted that a majority of respondents to date had been in favour of IPSA making provision for an interim resettlement grant, although there was no consensus with respect to how it was calculated or paid.

#### Recalls of Parliament

7.8. The Board noted that, while IPSA could make payments with respect to a recall of Parliament under the Scheme as it stood, there had been some confusion as to whether this was the case.

7.9. The Board agreed:

- subject to any new and substantive evidence being raised in consultation responses, the Scheme should make more explicit its position with respect to recalls of Parliament;
- there was an onus on MPs to demonstrate that any costs incurred were wholly, necessarily and exclusively a consequence of their parliamentary duties; and
- MPs had a duty to ensure any claims for costs arising from a recall of Parliament were reasonable.

#### Rules during an election

7.10. The Head of Policy reported that work had taken place to consider how the rules should be applied during an election period, when there was a greater risk of IPSA funds being used to meet the cost of party-political or campaigning activity. He noted, in particular:

- that more resource-intensive validation of reimbursement claims would be needed as a temporary alternative to direct payments;
- respondents – particularly MPs' staff – had expressed a strong desire for clear rules setting out what activities were and were not permitted under the Scheme.

7.11. The Board agreed that it was important that IPSA's rules be clear in this area.

#### Legal expenses insurance

7.12. The Head of Policy reported that initial research suggested that a group policy to cover MPs' legal expenses arising from employment disputes might provide better value for money than the individual policies that MPs currently took out.

7.13. The Board agreed that the Policy team should look into the cost of a group policy on legal expenses insurance, for consideration at its meeting in February 2012.

#### **Tony Lord to provide further data on the potential cost of a group policy covering legal expenses insurance for MPs.**

#### Allowances

7.14. The Board noted:

- that responses to the consultation to date suggested continued public opposition to the payment of allowances;
- only two respondents, the Committee on Members' Expenses and the 1922 Committee, had suggested that IPSA should pay allowances in respect of accommodation and of subsistence; and
- that such payments might not be transparent, nor linked to costs actually incurred, and remained contentious; and
- that interest among MPs and others in moving to such a model was falling.

#### Other issues

7.15. The Assistant Policy Manager also reported:

- that relatively few responses had been received with respect of the Equality Impact Assessment; and

- responses to the questions on funding MPs' websites remained inconclusive.

7.16. The Chair noted that the proposed response to the recommendations of the CME would be circulated in advance of the meeting on 7 February; this would be published alongside the report on the consultation.

**Nick Lee to circulate to the Board the table setting out the proposed response to the report of the Committee on Members' Expenses.**

## **8. Finance Report**

*IPSA/170112/6: December management accounts*

8.1. The Director of Finance and Corporate Services reported that December had been an unusual month in expenditure terms, and had not provided much useful data on indicative claim rates. He further reported that he anticipated:

- that travel and subsistence expenditure for MPs would come in on budget; and
- that IPSA's own outturn would be within its Estimate, with the possibility of a small underspend.

8.2. The Director of Finance and Corporate Services also reported that IPSA had submitted a supplementary estimate for 2011/12 and that it was now waiting for the Treasury to respond before this could be approved by the Speaker's Committee for the IPSA.

## **9. Chief Executive's report**

*IPSA/170112/7: Chief Executive's report*

*IPSA/170112/8: Board Update*

### Correspondence

9.1. The Director of Operations reported on progress against the Key Performance Indicator for correspondence. He noted that considerable effort by staff had led to a very high performance in the preceding week and that he was now much more confident of achieving the Key Performance Indicator for 2011/12.

### Accommodation

9.2. The Director of Finance and Corporate Services reported that a brochure had been produced in order to encourage possible subtenants and a number of individuals had now viewed the premises, including one party who had shown significant interest.

9.3. The Board agreed that it would be important to carry out detailed due diligence before entering into an agreement with any subtenant.

Board forward agenda

9.4. The Board agreed that the feasibility of the current schedule of meetings in April 2012 should be reviewed.

**Nick Lee to review timings of Board meetings in April.**

*Meeting closed.*