



Minute

Minutes of a meeting of the Board of IPSA Wednesday 26 September 2013

Present	Sir Ian Kennedy, Chair Sir Neil Butterfield Liz Padmore Anne Whitaker Tony Wright Andrew McDonald, Chief Executive Briony Carew, Assistant Policy Manager [items 1 – 3] Tony Hodges, Policy and Communications Officer [items 1 – 3] Tony Lord, Head of Policy [items 1 – 3]	Mark Anderson, Head of Communications Belinda Brown, Head of People, Performance and Pay Kelvin Launchbury, Head of Validation and MP Support [items 1 – 3] Philip Lloyd, Director of Finance and Operations Julian Muller, Head of IT and Information Management [item 7] John Sills, Director of Policy and Communications Nick Lee, Head of Board and Chief Executive Office
Apologies	Peter Davis, Compliance Officer	
Status	Final for publication as approved at the meeting of the Board of 17 October 2013.	
Publication	For publication no later than 21 November 2013.	

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. Minutes of previous meetings, action list and matters arising

IPSA/130926/1 – Minutes of a meeting of the Board, 24 July 2013; IPSA/130926/2 – Action list

Minutes of a meeting of the Board of 24 July 2013

2.1. The Board approved the minutes of the meeting of the Board of 24 July 2013 for publication, subject to a small number of typographical corrections.

Nick Lee to arrange for the publication of the minutes of the meeting of the Board of 24 July 2013.

Accommodation

2.2. The Director of Finance and Operations reported that:

- work was under way to identify tenants for IPSA's accommodation in Portland House; and
- while no firm offer had yet been received, a number of potential tenants had taken an interest and he remained optimistic that it would be possible to sublet the accommodation.

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

IPSA/130926/3 – Annual Review 2013: Issues for consultation; IPSA/130926/4 + annexes A + B – Remuneration of MPs' interns

3.1. The Head of Policy introduced a paper setting out proposed areas for consultation as part of the review of the *MPs' Scheme of Business Costs and Expenses*. He noted, in particular, that:

- IPSA had, until now, reviewed the Scheme annually. Previous reviews had made significant changes – for example, to the budget for MPs' staff; and
- the proposed review of the Scheme would be launched before the end of the calendar year, and would be the last before the General Election expected to take place in May 2015.

Definition of caring responsibilities

3.2. The Board agreed to consult on changes to the rules so as to amend the definition of 'caring responsibilities' so as to reflect the introduction of Personal Independence Payments to replace Disability Living Allowance.

Associated expenditure for MPs who own their own homes

3.3. The Board noted that:

- where an MP claimed only associated expenditure with respect to a property they owned and which they used for parliamentary purposes, a budget of £8,850 was available;
- this might be regarded by some as anomalous, given that it was significantly higher than the provision made for such costs with respect of rental accommodation; but,
- at the same time, there was a risk that reducing this budget might create a perverse incentive for MPs to move into rental accommodation, thereby increasingly significantly the overall burden on the taxpayer.

3.4. The Board agreed to consider, as part of the forthcoming review of MPs' accommodation, the budget for associated expenditure available to MPs who made use, for parliamentary purposes, of a property which they already owned.

Definition of 'routinely resident'

- 3.5. The Board agreed to consider, as part of the forthcoming review of MPs' accommodation, the definition of the term 'routinely resident' within the Scheme.

Office Costs Expenditure: Scottish independence referendum

- 3.6. The Board noted that:

- the Scheme took the approach, within the Office Costs Expenditure (OCE) budget, of giving MPs discretion but of specifically prohibiting particular items which were not likely to be parliamentary. The printing and distribution of newsletters had, for example, been prohibited because of the risk of their containing party-political content; and
- leaving aside these prohibitions, it was for MPs themselves to make a judgement as to whether a claim for a cost incurred under Office Costs Expenditure was parliamentary.

- 3.7. The Board agreed to consult on whether to permit payments for MPs' websites (regardless of whether the MP represented a Scottish seat or a seat elsewhere in the UK) where those websites contained which might be construed as campaign expenditure with respect to the Scottish independence referendum under the Political Parties, Elections and Referendums Act 2000.

Staff training and Employment Practice Liability Insurance

- 3.8. The Board agreed to consult on whether the cost of staff training and employment practice liability insurance, which were currently claimed from the Office Costs Expenditure (OCE) budget, but might instead be claimed from either the staffing budget or the OCE budget.

Reward and recognition payments for MPs' staff

- 3.9. The Board agreed to consider further at its meeting on 17 October 2013 whether to consult on what changes, if any, needed to be made to the rules governing reward and recognition payments for MPs' staff.

Employment of connected parties by MPs

- 3.10. The Board agreed to consider further, at a later date, the rules governing the employment by MPs of connected parties, but not as part of the forthcoming review of the Scheme.

Budgetary limits

- 3.11. The Board agreed to consult on an amendment to the rules making clear that MPs must not engage a new staff member, change an existing staff members' hours or pay, or commit to overtime where these would take the MP over budget.

Winding-up period for departing MPs

- 3.12. The Board agreed to consult on changes to the rules so as to ensure the consistency of the time limit for claims made by former MPs winding up their offices

Travel by taxi

- 3.13. The Board agreed to consider further whether to consult on changes to the rules governing claims for travel by taxi at its meeting on 17 October 2013.

Travel during the election period

- 3.14. The Board agreed to consult on changes to the rules governing travel during an election period so as to reflect the different circumstances of MPs who were standing down compared with those standing again for election.

Recalls of Parliament

- 3.15. The Board agreed to consult on changes to the rules so as to clarify the rules on claims arising from recalls of Parliament.

Purchase and disposal of capital items

- 3.16. The Board agreed to provide additional guidance to departing MPs on the appropriate disposal of assets purchased with public funds.

Advances and loans to MPs

- 3.17. The Board agreed to consult on whether it was necessary, in the light of the introduction of direct payments, to continue to provide MPs with advances and loans.
- 3.18. The Board agreed to consult on whether the minimum for advances on invoices (£200) should be reduced so as to allow large bills to be paid in instalments, on advance, even if those instalments were individually less than £200.

Briony Carew to provide, as part of the draft consultation paper on the review of the Scheme, data on claims made with respect of travel, accommodation and on payments made with respect of reward and recognition.

Review of MPs' pay and pensions

- 3.19. The Board noted that:
- it was proposed, as part of changes to the remuneration package for MPs, that certain categories of expenses be removed from the Scheme; and
 - changes to the Scheme, if any, arising from this review would be made once the review had concluded and once the Board had agreed its approach following consultation.

Remuneration of MPs' interns

- 3.20. The Director of Policy and Communications introduced a paper setting out the options for changes to the rules governing the use, by MPs, of volunteer and paid interns. He noted, in particular, that:
- the current position gave MPs some flexibility, either to pay interns as workers or to engage interns on a voluntary basis and allow them to claim incidental expenses; and

- there was some pressure, reflecting a national debate about the proper use of interns, to reconsider the current arrangements – for example, by limiting the amount of time that individual volunteer interns could be employed.

3.21. The Board noted that IPSA's role with respect to interns had so far been to act as an enabler for MPs making use of interns, rather than prescribing the circumstances in which they could be used.

3.22. The Board agreed:

- to review the terms of IPSA's volunteer intern agreement, and to consult on possible changes;
- to consult on the introduction of time limits for unpaid internships; and
- to consider further, at its meeting on 17 October 2013, whether to consult on the introduction of a new intern placement fund in addition to the staffing budgets already available to MPs.

John Sills to seek further legal advice and to carry out further work to establish the potential cost of a separate intern placement fund.

4. Management of historic overpayments

IPSA/130926/5 – Dealing with historic overpayments

4.1. The Board agreed to discuss further the management of historic overpayments at its meeting on 3 October 2013.

5. Remuneration Committee: Terms of reference

IPSA/130926/6 + annexes A – C – Remuneration Committee: Standing orders

5.1. The Head of Board and Chief Executive Office introduced a paper setting out revised terms of reference for the Remuneration Committee. He noted, in particular, that the amendments represented a minor revision, setting out more fully the terms and conditions of the Committee and the role of the Board and Chief Executive with respect to senior appointments.

5.2. The Board agreed to appoint Elizabeth Padmore to be chair of the Remuneration Committee.

5.3. The Board agreed to approve the revised terms of reference for the Remuneration Committee, and consequential amendments to the standing orders of the Board.

Nick Lee to arrange for amendment and publication of the revised Board standing orders.

6. Review of remuneration strategy: Terms of reference

IPSA/130926/7 + annex A – Remuneration Strategy: Terms of reference

6.1. The Head of People, Performance and Assurance introduced a paper setting out the proposed terms of reference of a review of IPSA's remuneration strategy. She noted, in particular, that:

- work would begin once the terms of reference were agreed, and a draft strategy would be brought to the meeting of the Board in December 2013 for discussion; and
- external expertise had been sought, as part of the review, to carry out a job evaluation exercise.

6.2. The Board agreed that:

- it would be important, as part of the review, to consider the level of reward offered to staff at IPSA relative to that offered by other employers;
- it would be important, if making proposals for performance-related pay, to link to this to an effective and properly understood performance management system; and
- IPSA increasingly faced a risk, as it moved towards business-as-usual, that it might become less able to attract the best candidates and mitigation of this risk would need to be considered in the context of the review of reward strategy.

7. IT strategy

IPSA/130926/8 + annex A – IT strategy

7.1. The Head of People, Performance and Assurance introduced a paper proposing the extension of IPSA's IT strategy to 2016. She reported, in particular, that:

- the proposed one-year extension was designed so as reduce the risks around the general election expected to take place in 2015 by postponing potentially significant changes and avoiding the need to induct all MPs and their staff (rather than just new MPs) into the online expenses system; and

- the extension did not preclude improvements in the meantime – a number of which were already planned – a number of which were already planned – for instance, to improve the interoperability of IPSA's systems.

7.2. The Board agreed to approve the extension of the IT strategy to 2016.

8. Strategy day, 3 October 2013

8.1. The Board agreed to note the proposals for discussion at the strategy day on 3 October 2013.

9. Finance report and management accounts

IPSA/130926/9 + annexes A+B – Finance Report

9.1. The Director of Finance and Operations introduced a report setting out the management accounts for the first five months of 2013/14. He reported, in particular, that:

- forecasts for the financial year as a whole suggested a slight underspend; and
- it was possible, so as to address an uncontentious issue relating to the accounting of sundry income, that IPSA might be required to submit a supplementary estimate for 2013/14. This would not require any additional funding and would be a purely technical step so as to address a possible issue raised by the National Audit Office.

9.2. The Board agreed to note the report of the Director of Finance and Operations.

Philip Lloyd to include in future finance reports the historic profile of expenditure on a subhead-by-subhead basis.

10. Chief Executive's report

IPSA/130926/10 + annexes A – C – Chief Executive's report; IPSA/130926/11 + annexes A – D – Board Update: Monthly report

Publication of data

10.1. The Chief Executive reported that:

- an incident where an item of data had been wrongly published had been reported earlier that month;

- immediately after the error was identified, steps were taken to put it right; and
- an independent investigation into the incident had been commissioned, and he proposed to act on all the recommendations made in that report.

10.2. The Board noted that a recent internal audit report had made a number of positive findings about the publication process, reflecting the high level of accuracy with which IPSA had published MPs' claims.

Information Tribunal

10.3. The Chief Executive reported that the Upper Tribunal would hear IPSA's appeal against the earlier ruling of the Lower Tribunal on 16 December 2013.

Preparation for a general election

10.4. The Chief Executive reported that:

- the General Election planning project, which had been under way since July, had now been completed. As a consequence, IPSA was now better placed to prepare for a General Election;
- by April 2014, work preparatory for an election (including draft communications materials) would have been prepared and be ready to be used. Were an election to take place before this date, however, this might be less straightforward; and
- a fuller briefing on the preparations for a general election would be provided to the Board before the end of the financial year.

Nick Lee to arrange for the Board to receive a briefing on preparations for the next general election.

Nadine Dorries MP

10.5. The Chair noted that IPSA had made no further representations to the Compliance Officer with respect to his investigation into claims made by Nadine Dorries MP, following his statement of provisional findings dated 31 July 2013.

10.6. The Board noted that, in an entry on her blog on 24 July 2013, Nadine Dorries had claimed that:

- the Compliance Officer had made no findings against her;

- the claims subject to investigation were a consequence of a ‘technical breach’;
- the fault for those claims was IPSA’s; and
- that the Compliance Officer had been ‘nobbled by IPSA’.

10.7. The Board agreed that:

- the responsibility for the submission of the claims in question (and more generally) was that of Ms Dorries, not IPSA;
- the Compliance Officer *had* made findings against Ms Dorries and, far from finding that the breach in question was technical nature, had in fact concluded that claims for travel made by Ms Dorries ‘were wrongfully made’; and
- there was no evidence to suggest that the Compliance Officer’s position, as an independent officeholder reporting to the Board, had in any way been compromised.

11. Compliance Officer’s report

IPSA/130926/12 – Report to IPSA Board by the Compliance Officer

11.1. The Head of Board and Chief Executive Office introduced, in his absence, the report of the Compliance Officer. He noted, in particular, that:

- work was under way to bring forward a revised joint statement between IPSA, the Compliance Officer and the Parliamentary Commissioner for Standards;
- the Compliance Officer was working with the Policy team to agree a timetable for the planned review of his investigative procedures; and
- the Compliance Officer had recently taken over responsibility for the monitoring and publication of costs and expenses, registrations of interests and political activity monitoring for the Board, Chief Executive and directors of IPSA.

11.2. The Board agreed to note the report of the Compliance Officer.

12. Any other business

12.1. There was no other business.

Meeting closed.