

Minutes of a meeting of IPSA's Board

Wednesday 8 April 2015

Present: Sir Ian Kennedy, Chairman
Sir Neil Butterfield
Liz Padmore
Anne Whitaker
Professor Tony Wright

In attendance: Marcial Boo, Chief Executive
John Sills, Director of Policy and Communications
Judith Toland, Director of Operations
Naomi Stauber, Head of Board and Chief Executive Office
Head of Policy and Strategy (Items 3 and 4)
Head of Finance (Item 5)
Policy Manager (Item 4)

Apologies: None

Status: Submitted for approval at the meeting of the Board on 22 April 2015

Publication: As approved.

1. Welcome and Declarations of Interest

- 1.1 The Chairman opened the meeting and welcomed those attending.
- 1.2 The Chairman invited Board and staff members to declare any interests not previously recorded. No interests were declared.

2. Minutes of previous meetings and matters arising

Minutes

- 2.1 The minutes of the meeting held on 24 March 2015 were approved as a correct record, subject to a few minor amendments.

Actions arising from the previous meeting

- 2.2 The Head of Board and Chief Executive Office noted that a number of outstanding actions had been completed since the publication of the agenda and updated the Board accordingly.
- 2.3 The Board was informed that the IT Strategy document was unlikely to be available for circulation, in its final form, until May or June. The Board asked the Chief Executive to ensure that the document was completed and available by the end of April.

3. MPs' Pay: Scenarios and Legislation

- 3.1 IPSA's Head of Policy and Strategy introduced a report that had been requested by the Board at its recent workshop on the statutory review of MPs' pay. The report, and accompanying presentation, facilitated a discussion of the impact of various potential election outcomes, and the legal options that could be used to prevent or delay the implementation of IPSA's extant determination.
- 3.2 The Board discussed the issues in detail and noted, in particular, that:
 - The latest polling data provides no clear indication of the likely outcome of the General Election. No party is likely hold a majority and some form of coalition, or minority Government facilitated by agreements with the smaller parties, is the probable outcome. This level of uncertainty is difficult to plan for. The exact form that a Government might take is unknown, and the actions each potential form of Government might take in relation to the statutory review of pay largely depend upon the circumstances at the time.
 - In terms of the timing of the consultation, one option would be to open the consultation in June, as provisionally planned, and to close the consultation during the summer recess.

- IPSA's default position should be to proceed with the consultation in accordance with the provisional timetable, publishing the draft document on 1 June and making a final determination prior to the summer recess in July, conscious of the fact that this timetable could pose particular risks to the organisation. What these risks might be, and how IPSA will react to them, can only be known in light of the circumstances at the time.
- There will be scope to review this timetable in due course, after the General Election, once the situation is clearer and once the Queen's Speech has been delivered. This may shed some light on any intention of the new Government to legislate against IPSA's determination of MPs' pay, or oppose or delay it by other means.
- The Board agreed that the review of MPs' pay has taken a huge amount of research, time and resource to date. IPSA has already made its determination and, as it is required to do under statute, it will review the determination in the first year of the Parliament, in accordance with the swift timeframe it has previously announced. This approach will solidify IPSA's independence to determine MPs' pay and will also be the first time that MPs' pay has been determined apolitically and in accordance with solid evidence. This will be a significant achievement.

4. Funding of the Parliamentary Office of the Liberal Democrats (POLD) and the Parliamentary Support Team (PST)

- 4.1 IPSA's Director of Policy and Communications introduced the report which had been revised in the light of the Board's initial consideration of the matter in January. As part of its previous discussions, the Board had noted the complexity of the issue and agreed that a comprehensive explanation of the history and background of 'pooled services' must first be provided, in order for the Board to conduct a proper assessment. The Board also requested a description of the equivalent arrangements operated by the other two main parties, to be able to compare the operation of the POLD and PST against that of the PRU (Parliamentary Research Unit) and the PRS (Parliamentary Research Service), which are deemed to operate within the Scheme.

Parliamentary Support Team (PST)

- 4.2 The Board firstly considered whether IPSA should continue to fund the element of PST's services which is provided by the Liberal Democrat Party (the policy and media services).
- 4.3 The Board noted that one option to address the elements of the PST's services prompting concern would be to advise the party to restructure the service to operate in the same way as the equivalent services provided by the other two main parties – the PRU and the PLP. However, IPSA could only do so if it had absolute

certainty and assurance that these two services in fact offered apolitical, purely parliamentary information and could be held as exemplars in this respect.

- 4.4 The Board noted that there is evidence to suggest that the PRU and the PLP both provide research and briefings to MPs that is aligned to that specific party's policies. In this respect, the services provided by the PRU, PLP and PST are no different.
- 4.5 The Board noted that a research service for MPs is more likely to be exclusively parliamentary if it is detached from any one party. The House of Commons Library Service, for example, offers a research and briefing service that is a pooled resource for all MPs, of an exclusively parliamentary nature, although it is underused.
- 4.6 The Board concluded that, whilst there could be a justification in requiring the PST to restructure itself to operate in the same way as the PRU and the PLP, there is a more fundamental question of principle to be considered in relation to pooled services across all parties. For this reason, any changes to the funding for the PST should be deferred to allow for those first principles to be considered as part of the fundamental review of the Scheme.

The Liberal Democrats Whips' Office

- 4.7 The Board also considered whether IPSA should continue to fund the Whips' Office (which comes under the POLD umbrella), which the original assurance review concluded was not eligible under the Scheme.
- 4.8 The Board noted that IPSA currently funds two members of staff and one intern for the Liberal Democrat Whips' Office. The Government also provides the Liberal Democrat Chief Whip with two staff and a Special Adviser. The Whips' Office is therefore jointly funded by IPSA and the Government.
- 4.9 The Board recognised that the Government's funding arrangements for the smaller party in the Coalition Government may not function properly, which has resulted in a funding gap for the Whips' Office. However, the Board took the view that it is not IPSA's responsibility to fill this funding gap for a body that has a predominately party political, and not an exclusively parliamentary, function. IPSA does not fund the activities of any other Whips' Offices and, whilst the judgement was made to do so in 2010, that judgement does not require IPSA to continue the agreement in perpetuity.
- 4.10 The Board agreed that:
 - the issue of pooled services should be reviewed as part of the wider fundamental review of the Scheme later in 2015;
 - IPSA should continue to fund the PST until the fundamental review of the Scheme has been concluded and IPSA's policy on the funding of pooled services has been determined; and

- IPSA should not continue to provide funding for the Liberal Democrat Whips' Office. Whilst the Liberal Democrats should be advised of this determination, and the reasons for it, at the earliest opportunity, it should also be made clear that no action will be taken to withdraw the funding until after the General Election.

ACTION: Director of Policy and Communications to write to the Liberal Democrat Chief Whip to advise him of IPSA's determination of the funding for the POLD and the PST.

5. Update on Debt at Year-End

5.1 The Chief Executive provided the Board with an update on the debt position at Year-End and reported that:

- On 20 January, almost 250 MPs owed IPSA over £750,000 in loans to be repaid by 31 March. On 1 April, only nine MPs had not paid IPSA back, collectively owing £32,700. This is a great achievement by the team who have been actively pursuing repayment from the MPs.
- Of the nine outstanding MPs, four had previously given IPSA a commitment that they would repay on time. Two others have arrangements in place to pay back over an extended period of time. None of the nine MPs is standing down.
- IPSA has repeatedly attempted to contact the seven MPs over the last week, without success. IPSA will now be writing to the MPs to inform them that IPSA will start charging interest on the debt from 15 April. Thereafter, IPSA will give the MPs a further, final week's warning. If they do not pay the money owed by 27 April, IPSA will start court proceedings.
- The Executive has chosen not actively to 'name and shame' the MPs in any public way. However, if a request under FOI is submitted for the information, IPSA will be obliged to release the information within the statutory timeframe of 20 days.
- IPSA has learnt important lessons from the debt recovery process. There are now systems in place to ensure that MPs cannot get themselves into a position where large debts are owed at the end of a Parliament. These systems will be manual at first, but automatic mechanisms for detecting and flagging debts and overspends will be in place relatively soon.

5.2 The Board congratulated the team on their achievements, particularly on the recovery of MPs' loans, and thanked them for all their hard work.

6. The Board's Revised Programme of Work from April to September 2015

- 6.1 The Chairman noted that IPSA's Head of Board and Chief Executive Office and the Director of Policy and Communications had proposed a number of changes to the Board's Programme of Work for April to September 2015.
- 6.2 The Director of Policy and Communications explained that the changes to the Board's work programme were proposed in the light of both the practical implications of the organisation's detailed business planning process, and with regard to the forthcoming fundamental review of the Scheme.
- 6.3 These changes will, firstly, mitigate against the risk that the major pieces of work planned over the next six months could take up a higher level of resource than originally envisaged. To address this risk the policy team will also be recruiting staff to two short-term posts to boost its capacity and to provide additional support over the period of the increased demands. Secondly, the changes will ensure that the fundamental review of the Scheme captures all aspects of our rules and considers them in an integrated and coherent way.
- 6.4 The Board agreed the changes as presented, but requested that a workshop be organised in September or October to consider the emerging draft policies for the fundamental review of the scheme, rather than the report proposed for the September meeting.

ACTION: Head of Board and Chief Executive Office to organise a workshop in either September or October to consider the emerging draft policies for the fundamental review of the scheme.

7. Any other business

- 7.1 The Chairman sought any other business from the Board and the Executive. No other business was raised.

Meeting closed.