



Minute

Minutes of a meeting of the Board of IPSA Thursday 18 September 2012

Present	Sir Ian Kennedy (chair) Sir Scott Baker Jackie Ballard Ken Olisa Isobel Sharp Paula Higson, Acting Chief Executive Andrew McDonald, Chief Executive [item 5] Peter Davis, Compliance Officer [item 6] Nick Lee, Head of Board and Chief Executive Office	Belinda Brown, Head of Performance and Assurance [items 5 – 8] Bob Evans, Director of Finance [items 4 – 8] Anne Power, Director of Communications [items 1 – 8] John Sills, Director of Policy [items 1 – 8] Briony Carew, Assistant Policy Manager [items 1 – 3] Lucy Pickering, Acting Policy Manager [items 1 - 3]
Apologies	None.	
Status	Final draft as approved by the Board.	
Publication	Final draft as approved by the Board for publication. (Section 6 not for publication.)	

1. Welcome

1.1. The Chair welcomed the Board to the meeting:

- he welcomed Paula Higson to her first meeting of the Board in her capacity as Acting Chief Executive;
- there had been a number of changes to the sequencing of the agenda that had previously been circulated; and
- he proposed to allow for a discussion of appointments to IPSA's Board under the item on strategy, if there were any points that the Board wished to raise.

Board meetings in 2013

1.2. The Head of the Board and Chief Executive Office reported that work was currently under way to draw up a schedule of Board meetings through 2013.

Forthcoming meetings

1.3. The Head of Board and Chief Executive Office reported that:

- an error in the papers provided in advance of the Board meeting meant that the meeting of the Board scheduled for 25 September 2012 was incorrectly shown to begin at 10.30am. In fact, it would run from 10am to midday; and
- a date had now been confirmed for the next Institute for Government pay and pensions seminar on 17 October. Further particulars would be circulated to the Board.

Nick Lee to circulate details of the forthcoming Institute for Government pay and pensions seminar.

2. Minutes of previous meeting and matters arising

IPSA/180912/1 – Minutes of a meeting of the Board, 17 July 2012; IPSA/180912/2 – Action list

Minutes of a meeting of the Board, 17 July 2012

2.1. The Board approved the minutes of the meeting of the Board of 17 July 2012 for publication, subject to a small number of amendments.

Matters arising

2.2. The Board noted that:

- it had previously agreed to review MPs' entitlement to claims relating to the expected review of constituency boundaries; and
- the Government had now announced publicly that there would be no wholesale change in boundaries.

2.3. The Board agreed to consider, in any case, whether to exclude claims relating to boundary reviews as part of the forthcoming review of the *MPs' Scheme of Business Costs and Expenses*.

2.4. The Board noted that it had not yet been possible to schedule a meeting with Lord Hutton which had been sought as part of its work on the review of MPs' pay and pensions.

2.5. The Board agreed that:

- as part of IPSA's review of MPs' pay and pensions, it would be important to engage with a range of audiences; and
- it would consider IPSA's communications relating to the review of MPs' pay and pensions – and, particularly, its engagement with different audiences – at the Board's workshop scheduled to take place on 25 September.

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

IPSA/180912/4 – Proposed areas for consultation for the annual review 2012/13 and take-up of the staffing expenditure budget

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

- the proposed approach to the review involved fine-tuning, rather than fundamental change;
- the most significant proposed area for review was with respect to London Area accommodation budgets;
- the review would also need to encompass changes so that, in the light of advice, guidance could be incorporated within the Scheme; and
- a draft consultation document would be reviewed at the meeting of the Board on 16 October 2012 and launched in mid-November 2012.

London Area Accommodation

3.2. The Director of Policy reported that:

- statistical and anecdotal evidence suggested that a number of MPs could not always afford the accommodation in London that they wished to rent;
- while it was clearly for MPs themselves to make a judgement about the appropriateness of particular properties and the cost of rental, some 65% of those renting in London were now exceeding their accommodation budget, and therefore subsidising in part their own rent;
- at issue, in particular, was that many MPs wished to rent properties within walking distance of the Houses of Parliament, while the London Area accommodation budget had been designed to cover the cost of renting properties across the London Area and not necessarily in central Westminster.

3.3. The Board agreed to consult on whether it would be appropriate to change the level of the London Area accommodation budget in the light of the concerns raised by MPs about its suitability.

Mortgage interest subsidy

3.4. The Board agreed that, given that the transitional mortgage interest subsidy had now come to an end, to consult on the removal of the provisions relating to the subsidy from the *MPs' Scheme of Business Costs and Expenses*.

Associated expenditure relating to accommodation

3.5. The Board agreed that, given that the transitional mortgage interest subsidy had now come to an end, the level of associated expenditure budget should be reviewed as part of the consultation.

General conditions of the Scheme

3.6. The Board confirmed its earlier agreement to consult on the introduction of a condition that claims relating to the implications of any boundary changes would not be considered to be parliamentary, and therefore excluded under the Scheme rules.

Diverted journeys and extended UK travel

3.7. The Board agreed to consult on the introduction of explicit provisions for diverted journeys within the Scheme, and, when doing so, the removal of the need for prior authorisation of such claims.

Extended UK travel for MPs' staff

3.8. The Acting Policy Manager reported that:

- the Scheme's rules currently precluded MPs' staff from travelling in the UK where this was not for the purpose of training; and
- some MPs, and their staff, had argued that it would be helpful if MPs could be supported by their staff when travelling across the UK.

3.9. The Board agreed to consult on whether to introduce provisions for MPs' staff to claim for the cost of extended UK travel where this was necessary in support of an MP's parliamentary duties.

Membership fees

3.10. The Board noted that it had been argued that membership fees (for example, of members' clubs with discounted London accommodation, or of car clubs with cheaper hire rates for members) might represent value for money if MPs were to claim for them in respect of their parliamentary duties.

3.11. The Board agreed:

- that if such claims were to be allowed, it would be important to consider carefully what conditions were applied and whether it would not be more appropriate to meet such claims on an exceptional basis through the existing contingency arrangements; and
- to consult on whether it would be appropriate to introduce provisions for MPs to claim the cost of membership fees with respect to their carrying out their parliamentary duties.

Hospitality

- 3.12. The Board agreed not to consult on the introduction of explicit provisions to allow MPs to claim for the costs of hospitality.

Payment card reconciliations

- 3.13. The Board agreed to consider whether additional sanctions were necessary with respect to the recovery of inappropriate payments made using MPs' payment cards.

Lucy Pickering to review whether additional sanctions for inappropriate use of payment cards should be included in the consultation on the Scheme.

Status of guidance

- 3.14. The Board noted that advice had been received that some of the guidance attached to the Scheme would need to be introduced formally into the Scheme itself, and would therefore be subject to consultation.
- 3.15. The Board agreed, subject to further due diligence with respect to the standing of guidance within the Scheme, to consult on the formal introduction of guidance into the Scheme.

4. Finance report

IPSA/180912/5 – Finance Report and July management accounts

- 4.1. The Director of Finance reported that:

- his provisional view, having reviewed the August management accounts, was that a supplementary estimate would not be needed, although it was possible that the Treasury might introduce technical changes before the end of the financial year that would make this necessary;
- having previously made a commitment to do so, he was planning to report to the Speaker's Committee for the IPSA on expenditure later in the year; and
- a full forecast of expenditure through to the end of the financial year would be put before the Board at its meeting on 16 October.

- 4.2. The Board agreed to note the finance report.

Bob Evans to make arrangements for the Board to consider IPSA's forecast expenditure profile for 2012/13 at its meeting on 16 October 2012.

5. Strategy

IPSA/180912/3 – Strategy workshop, 22 October 2012

Appointments to the Board of IPSA

5.1. The Board noted:

- the Board from 13 January 2012 would consist of a majority of members who were newly-appointed following the current appointments process; and
- it would be important to consider how to address the risks arising from this transition and how to balance the insights of new Board members with the experience of returning Board members.

5.2. The Board agreed that:

- throughout the appointments process, it would be important for IPSA to continue its routine liaising with the Speaker's Committee for the IPSA;
- it should set aside time to consider the lessons learned from the preceding three years, and any recommendations it might wish to make in the light of that experience; and
- its continued focus through to the end of the calendar year would be its work on MPs' pay and pensions.

Nick Lee to schedule the next liaison meeting with the Speaker's Committee for the IPSA.

Nick Lee to arrange for the Board to consider lessons learned since it was appointed.

Strategy

5.3. The Head of Performance and Assurance introduced a paper setting out a proposed approach to IPSA's business planning cycle, which would form the basis for IPSA's corporate plan and strategic priorities over the coming year.

5.4. The Board agreed that:

- it would be particularly important to focus its discussions on the development of the Estimate and corporate plan for 2012/13 and four strategic areas: IT strategy,

IPSA's preparedness for the 2014/15 financial year and 2015 general election, budgeting and resourcing; and

- it would be important to use this work to secure as seamless as possible a transition when the composition of the Board changed on 14 January 2013, without imposing constraints on a Board which, from that date, might have different priorities.

Belinda Brown to circulate a briefing note in advance of the Board's strategy discussion on 22 October 2012.

6. Report of the Compliance Officer

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

7. Chief Executive's report

IPSA/180912/7 – Chief Executive's report; IPSA/180912/8 – Board information update

7.1. The Acting Chief Executive reported that:

- IPSA had met or exceeded all its operational key performance indicators in August;
- the publication that month of annualised data about MPs' expenditure had been straightforward, with relatively few queries arising as a consequence. While there had been some media coverage, particularly in the regional media, this was less than had previously been the case;
- work to sublet IPSA's accommodation was on track, and she expected IPSA to move across to its new workspace in early October 2012;
- the early results of the annual survey of MPs were encouraging, although there were a number of points which indicated there was room for further improvement;
- IPSA had recently received a number of Freedom of Information (FOI) requests with respect to MPs' accommodation claims;
- the transitional mortgage interest subsidy period had come to an end on 31 August 2012, and work was now under way to identify and recover any capital gains owed by MPs subject to the subsidy. A majority of those who had claimed the subsidy had now completed the process of providing a second valuation and making a repayment (if any); and
- work would begin in the following month to appoint a Director of Finance and Corporate Services. She was working with the Chief Executive to agree a job description and person specification in advance of work on recruitment beginning. The Board would be represented, as was the norm, on the panel for the appointment.

Belinda Brown to arrange for a minor amendment to the presentation of data on IPSA's performance against its KPIs.

8. Any other business

8.1. There was no other business.

Meeting closed.