

**Minutes of the IPSA Board Meeting – 20 July 2010**

<b>Present:</b>	Sir Ian Kennedy (Chair)	Andrew McDonald (Chief Executive)
	Scott Baker	Philip Lloyd (Director of Finance)
	Jackie Ballard (from item 5 onwards)	John Sills (Director of Policy)
	Isobel Sharp	Tony Lord (Policy)
<b>Apologies</b>		James Gerard (Policy)
	Ken Olisa	Lucy Pickering (Policy)
	Jackie Ballard (first four agenda items)	Victoria Seal (Chartered Surveyor)
		Martyn Taylor (Secretariat)
		Kiran Virdee (Secretariat)

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**1. Welcome**

- 1.1. The Chair welcomed Board Members to the IPSA Board meeting. Ken Olisa sent apologies and Jackie Ballard sent apologies for the early part of the meeting.

**2. Minutes and matters arising**

Paper: Minute

- 2.1. The Board requested a number of amendments to the minutes of the 15 June Board meeting.

**3. Chief Executive's Report**

Paper: IPSA/200710/1

- 3.1. The Board considered a presentation by the Chief Executive updating the Board on IPSA's operational activities.
- 3.2. The Board considered the sustainability of the degree to which IPSA had to date provided support services on the telephones and emails, acknowledging that in the longer term the current level of support would likely be unaffordable. The Board noted:
- that MPs expected a high standard of service and would not welcome a reduction in the current level of support;
  - that the financial margin for manoeuvre was very limited; and therefore

- that managing demand and expectation over the next few months would be critical, and that the publication of clear Service Level Agreements in due course would be important in this regard.

The Board requested a report on support services, including costings, in September.

#### **4. Revised expenses scheme**

Paper: IPSA/200710/2

- 4.1. John Sills and Lucy Pickering presented a revised Expenses Scheme reflecting the decisions made by the Board at the 15 July meeting.
5. The Board requested that updates on guidance on the rules routinely be sent to Board members for information.

#### **6. Parliamentary Questions**

Paper: IPSA/200710/3

- 6.1. Tony Lord presented a paper on the handling of Parliamentary Questions (PQs) to IPSA. The Board agreed that in Ken Olisa's absence it would not make any final decisions.
- 6.2. The Board noted:
  - that IPSA had begun answering PQs before the Board had formed a clear view on the position it wished to take;
  - that in the three weeks during which IPSA had been answering PQs, some 75 questions had been received; and
  - that answering PQs was highly resource intensive with each question taking on average at least two and a half hours of staff time, including a significant amount of the Director of Policy's time.

The Board requested:

- that a meeting be sought with the Speaker and/or representatives of the Speaker's Committee;
- that at that meeting the constitutional significance of IPSA answering to Parliament be raised, alongside the financial cost to IPSA of answering PQs; and
- that an estimate be provided of the costs of answering FOI requests.

The Board agreed provisionally that IPSA should express its concern at the prospect of oral PQs being answered on its behalf.

## **7. First Quarter results**

- 7.1. Philip Lloyd presented IPSA's first quarter results. The Board noted that the budget was very tight for the remainder of the year, particularly when taking into account the anticipated costs of the publication of MPs' expenses.
- 7.2. The Board requested a paper on MPs' spending patterns.

## **8. Rejected and returned claims**

- 8.1. James Gerard presented a paper recommending a period of grace during which certain erroneous claims could be returned to Members of Parliament instead of rejected and published. This grace period would be an acknowledgment of the scale of the change from the old system and would provide an appropriate period of adjustment.
- 8.2. The Board agreed the recommendation.
- 8.3. Noting this meeting would be James Gerard's last, the Chairman, on behalf of the board, thanked James for his enormous contribution to the creation of IPSA and noted that it owed him a debt of gratitude.

## **9. 90 day deadline for the submission of expenses**

- 9.1. John Sills presented a paper to the Board recommending that the requirement that MPs be required to submit claims within three months of incurring expenditure be suspended for a short period in order to allow MPs to adjust to the new rules and provide those MPs who had yet to turn their minds to their expenses following the General Election to do so over the summer recess.
- 9.2. The Board agreed the recommendation and decided to extend the deadline for submitting claims for expenses incurred between May and July by a short period. The 90-day deadline for submitting expenses claims would again apply from 1 October, meaning that unclaimed expenses incurred before 7 June would at that time no longer be claimable.

## **10. Legal representation costs for MPs**

- 10.1. Tony Lord presented a paper on whether IPSA should fund the legal representation costs incurred by MPs as employers. The Board agreed with the recommendation that it should not fund these costs but that insurance to defray these costs may be a reimbursable expense.

## **11. Insurance for MPs**

- 11.1. Tony Lord presented a paper on employers and public liability insurance for MPs, the costs of which are currently borne centrally by the House of Commons. This central cover is due to expire at the end of September and the Board agreed to continue this provision until the end of the financial year, with the cost borne by IPSA.
- 11.2. The Board requested that further work be done on whether legal costs insurance could be provided centrally in a similar manner.

## **12. Mortgage interest subsidy and capital gains tax**

- 12.1. Further to the paper of 15 July, Victoria Seal presented a paper on how IPSA should take into account any potential capital gains tax liability when recovering the capital gain made on properties in receipt of an IPSA-funded mortgage interest subsidy.
- 12.2. The Board agreed the recommendation that IPSA discount from the recoverable gain a percentage equivalent to the current capital gain tax rate, presently 28 per cent.

## **13. Any other business**

- 13.1. There was no other business.

The meeting was closed.