

IPSA Implementation Programme

Fifth meeting of the IPSA Implementation Programme Board – Minutes

10:00 – 12:30, 17 December 2009

102 Petty France, London

Present

Andrew McDonald (IPSA interim Chief Executive)
Vijay Rangarajan (Constitution Director, MoJ)
Marco Pierleoni (DG Finance and Commercial, MoJ)
Keith Coleman (NED)
Matthew Hamlyn (HoC IPSA Team)
Paul Kett (Programme Director)
Simon James (Programme Team)
Simon Edwards (Programme Team)
Simon Moore (Programme Team) (for Item 3)
Belinda Brown (Head of Secretariat, IPSA Board)
Jacqueline Cropley (Programme Team) (for Item 3)

Matthew Osborne (Programme Team and Minutes)

The Programme Board meeting was chaired by Andrew McDonald (AM), Programme SRO. Apologies were received from Geraldine Terry (NED).

1. Previous Actions – PB05(B), PB05(C)

- 1.1 Only three of the active actions remained unclosed.
- PB04-02 is still being refined.
 - PB04-05 has been completed and is awaiting AM's sign off.
 - It was agreed that PB04-07 would be discussed in the meeting.

2. Highlight Report – PB05(D)

- 2.1 It was noted that for the preferred site for the IPSA, the landlord has provided written confirmation that the IPSA could occupy its preferred floor.
- 2.2 The OGC has suggested that because the IPSA is not a Crown Body, a Memorandum of Terms of Understanding (MOTU) should be agreed between the IPSA and the landlord.
- 2.3 Subject to detailed discussions the plan to acquire and fit out the building is on track and the final fit out arrangements will be agreed shortly.
- 2.4 Timings for when the location should be announced were discussed. It was suggested that this information could be included in the consultation paper if discussions were concluded in time.
- 2.5 The Board was updated on recent activity by HM Government. On 10/12/09 HMG laid a Written Ministerial Statement which has provided some clarity on

the proposed final shape of the IPSA. The approach has been accepted in principle by the opposition parties and it was hoped that the legislation vehicle would be amended soon.

- 2.6 The role of Commissioner will be replaced by that of a Compliance Officer with new powers. Section 8 will be repealed and responsibility for pay and pensions will be passed to the IPSA. The proposed timescale is that this will come on stream in 2011/12 with full powers being transferred (e.g. setting levels) in 2012/13. MOJ will discuss these issues with the IPSA in the coming weeks.
- 2.7 It was noted that these possible legislative changes have been factored into the business processes. The Implementation Team will be discussing the likely amendments to the legislation with HMG and will conduct a plan review accordingly. However, it was agreed that the effect that the establishment of a compliance officer may have on the high level processes would be examined. It was stated that legislation changes at this stage were an additional risk – possibly distracting the team from the main tasks. Contrarily the possibility of the amendments not being passed added further uncertainty.

Action: The effect that the establishment of a compliance officer may have on the high level processes will be examined.

- 2.8 The board noted that the current timetable was under pressure because of the later than expected development of detailed business processes, the risks arising from the response to the RFC from contractors and the uncertainty over the building. It was imperative that the programme secured appropriate resources to handle its challenges on these fronts. It also needed to develop a contingency plan either for a March General Election or for difficulties with the IT system in May.

3. Proposed IT Solution – PB05(H)

- 3.1 The recent response to the request for change (RFC) was discussed. Although expected to be the preferred option, it was noted that the response fell short in terms of cost, timescale and quality of system. Discussions will continue with the suppliers whilst discussions with other providers continue to be pursued in regards to providing alternative solutions.

Action: The supplier's response to the RFC will be discussed with their Chief Executive.

- 3.2 The Board agreed that an accelerated procurement programme be instigated in parallel. It was noted that if this is done through the Catalyst framework then the Implementation Team can request that responses are received within a short timeframe. It was agreed that this approach should be developed.

Action: An alternative procurement route will be pursued.

- 3.4 It was noted that a number of alternative options were available and confirmed that not needing to use a government route provides greater flexibility. The private sector security options were also cheaper and although not government branded, equally secure. It was noted that the current system used in the House of Commons is not a government standard.

- 3.5 It was acknowledged that these challenges will delay a decision on the system provider until January 2010.

Action: An update on the alternative options to be provided to the board.

- 3.6 It was noted that contingency arrangements are being developed, should there be an earlier than expected election or the system is not operational when IPSA starts work.

- 3.7 Concern was expressed over whether there will still be sufficient time to test the system. SM responded that our specifications still state that, following tests, the system should be ready for the beginning of March. It was also noted that testing can be run in parallel with the system implementation.

- 3.8 The issue of CESG not assisting the Implementation Team with IT Security was noted, and it was agreed that this should be addressed.

Action: The Implementation Team will liaise with CESG and the procured security consultants to assist with IT security. The board to be advised by 31/12/09

4. Business requirements – PB05(H)

- 4.1 The board was updated on the business requirements. The need for the IT and business requirements to inform one another was noted. The board was advised that the biggest challenge for the business processes was getting an IT system, within the time available, which would inform MPs at the point that they enter a claim, that they do not have sufficient funds, or that the claim is not appropriate. Possible solutions and other key challenges as set out in the paper were discussed.

- 4.2 The Board were in agreement that MPs should be responsible for their own budgets and that a system which recognises incorrect claims, and rejects them at the first stage, may discourage thorough budget management and careful submission of appropriate claims.

- 4.3 It was noted that providing MPs with frequent expenditure reports, and notification on when they are nearing a limit would assist their management.

- 4.4 The possibility of a two stage system was discussed. This involves a web based front end having the ability to store entered claims, and allows the MP to log on once a week and validate claims all at once, thereby placing the onus for approving the claims onto the MP.

Action: The possibility of setting up a 'two stage' expenses claim system to be investigated by the next board meeting

4.5 Batching of MPs expenses claims and Timing of Claims

It was agreed that the system would need to encourage patterns of behaviour which would be most easily reconciled with IPSA's cash flow arrangements, possibly through the use of transaction charges or time constraints within which to enter their claims.

4.6 Outsourcing of MPs' payroll

Action: With regard to the outsourcing of MPs' payroll, advice on data security should be sought from Public Department 1 within HMRC. Advice by 31/12/09

5. **OGC Action Plan update – PB05(E)**

5.1 The updates on the OGC Action Plan were outlined and these updates were agreed.

5.2 The focus of the next OGC review was agreed by the Board.

6. **Transition Plan – PB05(F)**

6.1 It was recognised that the IPSA is scheduled to come online at the most challenging time and that processes carried out by the HoC and the IPSA will be running side by side.

6.2 Terms of reference have been agreed for the joint transition project and the Joint Transition Management Group (JTMG) has been established and is in the process of appointing a Project Manager to run the transition project. The risk associated with having a joint SRO was highlighted and noted but this was deemed unavoidable given the conflicting interests of both parties.

6.3 The Board were informed that the results from the staffing preference exercise will soon be considered and that all Operations Directorate staff will know their position by 20/02/10 at the latest.

7. **Proposed Allowance Scheme – PB05(G)**

7.1 The paper was discussed and the Board welcomed the recognition of the read across between the detailed business processes and the need for their long term flexibility, rather than just on the likely shape of the initial IPSA allowances scheme.

8. **Strategic Business Case – PB05(I)**

8.1 It was noted that an earlier IPSA budget version had been included in the paper. It was agreed that an updated version would be circulated to the Board. The Board welcomed the initial detail of the set-up budget but were keen to see a tighter grip on the costs of the existing arrangements in the House and also proposals for how the costs of a new scheme would be modelled.

Action: It was agreed that the Programme Board will be sent a revised version of the Strategic Business Case - Paper PB05(I) by the end of January 2010.

8.2 It was thought that the paragraph on application of the PS Act to Peers (page 9, section 2.1.4) was not accurate and it was agreed that an alternative text would be provided.

Action: An alternative text for section 2.1.4 of PB05(I) to be provided.

- 8.3 The Board stressed the importance of ensuring accurate administration costing, stressing the need to have separate budgets for the set up costs and the running costs. The need for KPIs was also highlighted and it was agreed that a more progressed paper would be circulated to the Board by mid February 2010.

9. Forward Look

- 9.1 It was noted that the listed date for testing the contingency plan is meant as a last test of assurance. The plan will be developed in January and it was agreed that the Board would see a paper setting out the emerging thinking behind this plan in January 2010. It was also highlighted that a final review of the business processes should take place.

Action: Programme Board to consider a paper setting out the development of the contingency plan at the next meeting.

AM thanked the Board for the value that they add to the project and thanked the implementation team for their ongoing hard work