

MANAGEMENT BOARD**Independent Parliamentary Standards Authority: note for information**

Paper from the Change Director, IPSA Implementation

Purpose

1. This paper is intended to update the Board on developments in the establishment of the new Independent Parliamentary Standards Authority, including work by the Ministry of Justice's IPSA Joint Implementation Team and the House of Commons IPSA team.

Action for the Board

2. The Board is invited to take note of this paper.

The Parliamentary Standards Act

3. The Act received Royal Assent on 21 July. It establishes the IPSA; a new Commissioner for Parliamentary Investigations (CPI); and a new Speaker's Committee on the IPSA.
4. The *IPSA's* main functions are:
 - (a) paying Members' salaries in accordance with the relevant resolutions of the House of Commons
 - (b) paying Members' allowances in accordance with an allowances scheme prepared by the IPSA;
 - (c) drawing up a code of conduct on Members' financial interests, including a register of financial interests, which must be agreed by the House; and
 - (d) determining procedures in relation to investigations by the Commissioner for Parliamentary Investigations.
5. The IPSA will have a chair and four ordinary members. At least one member of the IPSA must have held (but no longer hold) high judicial office; one must be qualified to be an auditor for the National Audit Office and one must be a former Member of the House. The chair and members are appointed by the Queen on an address of the House of Commons. The candidates are selected by the Speaker, with the agreement of the new Speaker's Committee on the IPSA. The chair and members must appoint a chief executive, but the Speaker has power under the Act to appoint an Interim Chief Executive (see para 10 below).

6. The *Commissioner for Parliamentary Investigations* has power to investigate complaints against Members in relation to the allowances scheme or the registration of financial interests, and to report his or her findings to the House's Committee on Standards and Privileges. The Commissioner is appointed by the Queen, on an address from the House of Commons naming a person selected by the Speaker with the agreement of the Speaker's Committee on the IPSA, following a process of fair and open competition.
7. The *Speaker's Committee on the Independent Parliamentary Standards Authority* has eight members, three ex-officio – the Speaker, the Leader of the House and the Chairman of the Committee on Standards and Privileges – and five others, who must be Members of the House and who are appointed by the House. The role of the Committee is to consider the candidates proposed by the Speaker for the posts of chair and members of the IPSA, and the Commissioner, before the names are put to the House; and to review (and if necessary modify) the IPSA's Estimate before it is laid before the House by the Speaker.

Role of the House

8. The House has several roles under the Act:
 - (a) Appointing five Members to the Speaker's Committee on the IPSA;
 - (b) Approving motions for a humble address to the Queen appointing the Chair and Members of the IPSA and the Commissioner for Parliamentary Investigations;
 - (c) Approving the IPSA's code of conduct relating to Members' financial interests
 - (d) Approving various transitional arrangements which may be required (e.g. to allow for the IPSA to operate the scheme of allowances and registration currently in force prior to the introduction of a new scheme made under the Act)

The House does not approve the allowances scheme, although it is laid before the House by the Speaker; but Members are among those whom the IPSA must consult about the draft allowances scheme and the draft code of conduct.

Progress to date in setting up the IPSA

IPSA Joint Implementation Team

9. Work on setting up the IPSA has been taken forward by a team of officials from the Ministry of Justice, who form the IPSA Joint Implementation Team (IPSA JIT). It reports to a Programme Board currently chaired by the Constitution Director, MoJ, but to be chaired in future by the Interim Chief Executive of the IPSA. Among other things the IPSA JIT has been working on the recruitment process for a chair and members of the IPSA; learning about the current Parliamentary systems for paying allowances and salaries, and about the work of the Commissioner and his office; and scoping the

range of business models that might be used by the new IPSA and the resources that might be needed to run a new allowances and complaints regime.

Interim Chief Executive

10. Following an interview process the Speaker has appointed **Dr Andrew McDonald** as Interim Chief Executive, who will take up his post on 14 September. An announcement was made on 10 September, including to Members and staff. A copy of the message sent to the senior management cadre, and the press release announcing the appointment, are attached at Annex A. The Interim Chief Executive will be accounting officer for the IPSA implementation programme and subsequently the IPSA, and will chair the IPSA Programme Board.

House of Commons IPSA Implementation Team

11. A small House of Commons IPSA Implementation Team has been set up to manage the impact on the House service of the establishment of the IPSA. It currently consists of Matthew Hamlyn (Change Director) and [s.40] (Change and Project Manager); [s.40] (currently in PICT) will join as Project Officer on 5 October. It reports to a steering group chaired by the DG Resources, the other members being Rob Clements (DIS), Philippa Helme (OCE) and Simon Patrick (DCCS). The overall aims of the project are:

- To ensure a smooth transition from the House Administration to the Independent Parliamentary Standards Authority (IPSA) and Commissioner for Parliamentary Investigations (CPI) of the administration of Members' salaries and allowances, and certain functions of the Commissioner for Standards and the Registrar, while ensuring that a good service is maintained to Members and the House
- To ensure that Members, their staff and staff of the House are properly supported during and after the transition period
- To manage the consequences for the House arising from the establishment of the IPSA and the CPI.

The full terms of reference of the IPSA Implementation Team and the Steering Group are attached at Annex B. The Commons team has regular meetings with the IPSA JIT and with staff in the House departments affected, and their representatives. The Commons IPSA team is also working closely with colleagues across the House service who have an interest, and with the Media and Communications Service and the central communications team.

Decisions already taken in principle

12. The IPSA JIT has agreed that the IPSA will not be located within the Parliamentary precincts and the Team is sourcing alternative accommodation. The IPSA JIT is also working on the basis that the IPSA will set up its own IT systems and not use HAIS. The IPSA JIT is also working on the assumption that at least some staff at more junior

levels would transfer from the Operations Directorate, DR, to the new body, although definite decisions about the scope and nature of any transfer arrangements have yet to be agreed.

Timetable for next steps

13. The arrival of the Interim Chief Executive means that the IPSA programme now has some decision-making capacity. This should provide more clarity about the way forward for the IPSA and the House, and the timetable for decision-making, than has been possible to date.

14. The current *provisional* timetable for the implementation of IPSA is set out below, although it is subject to decisions yet to be made by the Interim Chief Executive and subsequently by the IPSA when constituted; and by the House.

Provisional timetable based on IPSA JIT's current working assumptions			
Date	Appointments process	Staffing/design issues	Other events
September 2009	ICE announced 10.09 (takes up post 14.09) Advertisements for IPSA Chair and Members published (13.09)	Discussions continue between IPSA JIT and the House on staffing issues.	Police investigations into certain claims ongoing (<i>date of next stages unclear</i>)
October 2009	Interviews for IPSA Chair Speaker's Committee on the IPSA appointed by House Speaker's Committee approves Chair-designate Interviews for Commissioner	ICE and IPSA JIT agree broad principles of organisational design. Implications for staffing model become clear.	CSPL reports (<i>expected late-October, exact date tbc</i>) Commission reports on employment of Members' staff (<i>by 29 October</i>)
November/ December 2009	Recruitment of IPSA members (Chair to be involved) (November) Speaker's Committee approves nominations for Members and Commissioner (November) Debate in House on appointments (end-November?)	IPSA exists in shadow form. Further detailed work by IPSA on terms and conditions and options for staff who may wish to transfer. Implications for all currently employed in Ops Directorate become clear.	Legg review reports to MEC (<i>exact date tbc</i>) Publication of 08-09 ACA claims (<i>planned for November</i>) Speaker's Conference reports (<i>early Dec?</i>); may

	Formal appointment (early December?)	“Front runner” staff arrive in shadow IPSA, via transfer and/or new entry if appropriate (November)	include recommendations about allowances/salaries
January to March 2010		IPSA transitions from shadow running to preparation for full running: main body of staff arrive (via transfer and/or new entry if appropriate).	
April 2010	IPSA fully up and running in time for (expected) May general election; responsibility for Members’ allowances and salaries and the registration of financial interests transferred to IPSA. April 2009		

Risks

15. The House of Commons IPSA team is working up a risk log for the project. Key risks already identified include:

- (a) Early general election throws current planning off course.
- (b) IPSA is not ready to take over administration of Members’ allowances and salaries before the general election, meaning that the House service will have manage this process for new Members and provide services for retiring/defeated Members.
- (c) Political controversy over recommendations from the Committee on Standards in Public Life delays implementation of a new allowances scheme by the IPSA.
- (d) Department of Resources will not be able to deliver business as usual during the transition phase as staff either leave the Department or transfer to the IPSA and it is not possible to replace them.

ANNEX A:**Appointment of IPSA Interim Chief Executive**

Message sent to senior management cadre, 10 September 2009:

Independent Parliamentary Standards Authority (IPSA)

The Speaker, exercising his powers under the Parliamentary Standards Act, has appointed an Interim Chief Executive to start work on getting the new Independent Parliamentary Standards Authority (IPSA) up and running. The establishment of the organisation will be taken forward by Andrew McDonald, who will take up post on 14 September as the Interim Chief Executive. He will hold the post until a permanent Chief Executive is appointed. One of his early tasks will be to come and meet staff who may be affected and to outline his role and future plans for the implementation of the IPSA.

The Act provides that the IPSA shall have a Chair and four ordinary members, to be appointed on the basis of fair and open competition. The appointments process for these posts will begin this Sunday (13 September) with a newspaper advertisement. Candidates will be approved by the new Speakers' Committee on the IPSA, also established under the Act, which will be set up after Parliament has returned in October. The House will then be asked to approve a motion that the candidates be formally appointed by Her Majesty the Queen.

More information about progress in establishing the IPSA will be contained in a note for information included in papers for the Management Board meeting on 17 September.

For more information, please contact the House of Commons IPSA Implementation Team:

Matthew Hamlyn, Change Director x1662 (hamlynm@parliament.uk)

[s.40], Change and Project Manager x4783. [\[s.40\]](#)

For more information about the work of the new Independent Parliamentary Standards Authority itself, go to [the IPSA Implementation Programme website](http://www.parliamentarystandards.org.uk) : www.parliamentarystandards.org.uk. The website will go live at 14.30 today.

Text of press release issued by IPSA JIT:

INDEPENDENT PARLIAMENTARY STANDARDS AUTHORITY

10 September 2009

**INDEPENDENT PARLIAMENTARY STANDARDS AUTHORITY:
ADVERTISEMENTS FOR MEMBERS AND APPOINTMENT OF INTERIM CHIEF
EXECUTIVE**

The implementation of the Independent Parliamentary Standards Authority (IPSA) is now firmly underway. The appointments process for the Chair and Members of the IPSA will begin this Sunday (13 September) with a newspaper advertisement.

The establishment of the IPSA will be taken forward by Andrew McDonald who will take up post on 14 September as the Interim Chief Executive.

The IPSA, which was created by the Parliamentary Standards Act 2009, will set and administer an MPs' allowances scheme, administer MPs' salaries, draw up a code of conduct on financial interests and set the rules for the investigations of a new Commissioner for Parliamentary Investigations established by the Act.

The Parliamentary Standards Act provides that the Speaker may independently appoint an Interim Chief Executive for the new body. The Speaker has appointed an Interim Chief Executive to start work on the logistics of setting up the new organisation in order to get the Authority up and running as soon as possible.

The Interim Chief Executive will hold the post until a permanent Chief Executive is appointed.

Andrew McDonald, the Interim Chief Executive of IPSA, said:

"I am delighted to be joining the Independent Parliamentary Standards Authority. I am looking forward to getting the new organisation up and running as soon as possible: there is plenty to do and I can't wait to get started.

"The new organisation will have a pivotal role to play in creating the new system for MPs' allowances."

The Rt Hon John Bercow MP, the Speaker of the House of Commons, said:

"We need to restore the reputation of Parliament by establishing a system governing Members' pay and allowances that commands the confidence of both the public and MPs.

"The appointment of Andrew McDonald as Interim Chief Executive marks a significant step in taking forward the implementation of the new Authority.

"We are also moving swiftly on appointments to the roles of Chair and Members of the IPSA. Advertisements for these key posts will appear on Sunday."

[ENDS]

Notes to editors

1. Andrew McDonald was previously the chief executive of Government Skills, the Sector Skills Council for central government and the Armed Forces. He has been a civil servant for the past twenty years and has undertaken a range of policy and operational roles including the delivery of a construction project, leading a new agency at its start-up and running the constitutional reform programme.
2. The post of Interim Chief Executive is paid in the range £105,000 - £115,000 per annum. The post of permanent Chief Executive can only be appointed after the appointment of the IPSA, and will be subject to fair and open competition.
3. The Interim Chief Executive was appointed following a short-listing process of suitably qualified candidates in the public sector and interviews by the Speaker.

4. The posts of Chair and Members of the IPSA will be advertised in the Sunday Times on Sunday 13 September. They will also be advertised online in the websites of the Guardian, Times, and Exec-Appointments.

5. The Chair and the other four Members of the Authority will be selected on the basis of fair and open competition. Candidates will be approved by the new Speakers' Committee on the IPSA, as set out in the Act, which will be set up after Parliament has returned in October, and then by the House of Commons, and formally appointed by Her Majesty the Queen.

6. Further details about the implementation of IPSA can be found at:

www.parliamentarystandards.org.uk

7. For further information please contact 0203 334 3516 or 0203 334 3508.

ANNEX B:**Terms of Reference for the IPSA Project Team and Steering Group****Overall aims of the project**

To ensure a smooth transition from the House Administration to the Independent Parliamentary Standards Authority (IPSA) and Commissioner for Parliamentary Investigations (CPI) of the administration of Members' salaries and allowances, and certain functions of the Commissioner for Standards and the Registrar, while ensuring that a good service is maintained to Members and the House.

To ensure that Members, their staff and staff of the House are properly supported during and after the transition period.

To manage the consequences for the House arising from the establishment of the IPSA and the CPI.

Project Team

Matthew Hamlyn, Change Director

[s.40], Change and Programme Manager

[s.40], Project Officer (w.e.f. 05.10.09)

The project team's seven workstreams are:

1. Making recommendations, in the first instance, to the IPSA Steering Group (and where guided by the Steering Group, to other decision makers as set out below) about the consequences of the establishment of the IPSA and CPI for:
 - the structure and staffing of the Department of Resources and Office of the Parliamentary Commissioner for Standards
 - the structure of wider House Administration and its staff
 - the Members' and Administration Estimates

Consulting with the TUS on any recommendations by the project team or any decisions taken by the Steering Group prior to implementation that affect staff.

Overseeing the implementation of any decisions on such consequences by the Steering Group, Management Board, the Clerk and other appropriate senior decision-makers.

2. Designing and implementing a communication strategy and plan:
 - for communication to Members and their staff, House Administration staff and their representatives, senior managers and other key stakeholders. This

includes providing briefings and advice to the Speaker, Management Board members and other senior stakeholders, as required.

- with the House's Media and Communications Service and central communications team, the IPSA Programme Team, and IPSA itself when constituted
 - which sets out clearly defined responsibilities for, and boundaries around, the work of IPSA and House communications teams.
3. Acting on behalf of the House Administration in:
- a) negotiating with the IPSA Programme Team and, when appointed, officials, chair and members of the IPSA, in the preparation of any draft schemes for laying before the House for the transfer of functions, staff, records, property, rights and liabilities.
 - b) overseeing or directly carrying out the House Administration's responsibilities in implementing such schemes.
4. Consulting and making proposals:
- to the Steering Group, Clerk of the House, Management Board, the Speaker and other senior decision-makers as appropriate.
 - on amendment of existing Member governance structures or creation of new ones, consequential on the passage of the Parliamentary Standards Act (e.g. MEC, MAC, MEAC, new Speaker's Committee, Administration Committee) and on related resource issues such as staffing.
5. Supporting:
- a) the IPSA Programme Team and when appointed IPSA members and officials to establish IPSA by:
 - i. providing a liaison point for information and other resourcing from the House Administration.
 - ii. providing advice to the IPSA Programme Team and Board as required.
 - b) The Director Operations and the Operations Directorate to maintain a good level of service to Members and the House prior to and after any transfer of functions.
6. Identifying:
- a) any risks to the House Administration arising from the creation of the IPSA or difficulties arising from the way it is established, and ensure that an appropriate response is put in place for each risk; and
 - b) any potential benefits to the House Administration arising from the creation of IPSA and ensuring that as far as possible they are realised.
7. Dealing with any other consequences that may arise that are currently unforeseen or unplanned.

Steering Group

Andrew Walker (Chair)

Rob Clements

Philippa Helme

Simon Patrick

The role of the Steering Group is to oversee the project and direct the project team on strategic issues including:

- Issues arising from discussions with the IPSA Programme Team and subsequently the IPSA itself about schemes to transfer functions, staff, records, property, rights and liabilities.
- Consequences of the establishment of IPSA for the Department of Resources, the House Administration and its staff
- Communications to Members and their staff, staff and other stakeholders
- Governance issues across the House.

In fulfilling this role the Group will either:

- take strategic decisions or
- refer them to other decision makers, including for instance the Management Board, the Clerk, the Speaker or any relevant committees of the House.

The Group will also act as the link between the Management Board and the IPSA Project Team.

Matthew Hamlyn

Change Director, IPSA Implementation

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10 September 2009