



Minute

Minutes of a meeting of the Board of IPSA Tuesday 18 June 2013

Present	Sir Ian Kennedy, Chair Sir Neil Butterfield Liz Padmore Anne Whitaker Tony Wright Andrew McDonald, Chief Executive Nick Lee, Head of Board and Chief Executive Office	Mark Anderson, Head of Communications Belinda Brown, Head of Performance and Assurance Philip Lloyd, Director of Finance and Corporate Services John Sills, Director of Policy and Communications Briony Carew, Assistant Policy Manager Tony Hodges, Communications Officer Tony Lord, Head of Policy
Apologies	None.	
Status	As approved for publication at the meeting of the Board of 17 October 2013.	
Publication	Final for publication no later than 21 November 2013.	

1. Welcome

1.1. The Chair welcomed the Board to the meeting.

Declarations of interests

1.2. There were no new declarations of interest.

2. Minutes of previous meetings, action list and matters arising

IPSA/130618/1A – Minutes of a meeting of the Board of IPSA, 22 April 2013;

IPSA/130618/1B – Minutes of a meeting of the Board of IPSA, 4 June 2013;

IPSA/130618/2 – Action list

Minutes of a meeting of the Board, 22 April 2013

2.1. The Board approved the minutes of the meeting of the Board of 22 April 2013 for publication, subject to one minor amendment.

Minutes of a meeting of the Board, 4 June 2013

2.2. The Board approved the minutes of the meeting of the Board of 4 June 2013, subject to one minor amendment.

Action list and matters arising

2.3. The Head of Board and Chief Executive Office reported that a meeting of the proposed panel of 2010 MPs would be convened in September, as part of the consultation on MPs' remuneration.

2.4. There were no other matters arising.

3. Pay and pensions: Consultation paper

IPSA/130618/3 – MPs' pay and pensions

3.1. The Head of Policy reported that:

- the draft consultation paper had been revised to take account of comments previously made by the Board, although there were some areas where further revision would be necessary; and
- transitional protections of the kind envisaged for MPs in the current pension scheme were relatively rare in the private sector, not least because where similar

defined-benefit schemes were closed this commonly arose as a consequence of the financial risk those schemes posed.

Comparators

3.2. The Board noted that it would be important that the draft consultation paper reflected its view that comparators were not in themselves determinative.

Pay for other occupations

3.3. The Board noted that the draft consultation paper now included data on pay both of those occupations identified by PricewaterhouseCoopers in 2007 and some other occupations.

Pay for the members of the panel of chairs and select committee chairs

3.4. The Board agreed that:

- the proposal made by the Chairman of Ways and Means (of a period of probationary pay) for members of the panel should be reflected in the consultation document; and
- while reference would be made to this proposal, it would not be actively considered by the Board until it carried out its statutory review of MPs' remuneration in 2015.

Reporting

3.5. The Board noted that it would be important in the consultation paper to explain the reasoning behind the proposed approach, not least that it sought to address a clear problem as regards public understanding of the work that MPs did.

3.6. The Board agreed that reporting would be an integral part of the remuneration package but it would, nevertheless, be the one component which would be dependent on Parliament taking action so as to give effect to it.

Cost of politics

3.7. The Board noted that:

- the additional cost of the package (against a baseline of 1% year-on-year increases in pay) would only become clear over time given that costs relating to pensions were necessarily estimates;
- accurate data on the amount paid out in 2010 under the resettlement arrangements operated by the House of Commons were not available, meaning that an estimate had been made for the purpose of calculating costs; and
- the package as a whole represented a relatively small overall increase in cost and it was possible that in the event it would prove cost neutral if savings with respect to pensions and resettlement were higher than had been estimated.

Pensions

3.8. The Board noted that:

- the provisions of the Constitutional Reform and Governance Act relating to transitional protections meant an additional cost to the taxpayer of around £10m between 2015 and 2025. This was, given the wording of the provisions in question, unavoidable; and
- for the same reason, the retirement age for MPs under the current scheme (65) could not retrospectively be changed. The retirement age under the new scheme proposed by IPSA would, however, be tied to that for the state pension age.

Tony Lord to circulate a revised draft consultation document

4. Chief Executive's report

IPSA/130618/6 + annexes A – C – Chief Executive's report; IPSA/130618/7 + annexes A – D – Board Information Update

Estimate 2013/14

4.1. The Chief Executive reported that:

- the Speaker's Committee for the IPSA had approved IPSA's 2013/14 Estimate with one minor amendment to its structure such that IPSA's core operational and project costs were presented separately.

4.2. The Board agreed to record its thanks to the Chief Executive and the Director of Finance and Corporate Services for their work to secure the approval of the 2013/14 Estimate.

General election consultancy

4.3. The Director of Finance and Corporate Services reported that:

- IPSA would shortly be appointing consultants to carry out necessary preparatory work so as to allow IPSA to be ready either for an early election or for that expected to take place in 2015; and
- the consultants in question were expected to begin work in July, and to have completed that work by September.

Organisational structure

4.4. The Board noted that:

- a revised organisational structure had been implemented as of 17 June 2013; and
- a new Head of Validation and MP Support would shortly begin work, once the appropriate clearances had been obtained.

5. Board forward agenda

IPSA/130618/8 – Board forward agenda 2013/14

5.1. The Head of Board and Chief Executive Office introduced a paper setting out the Board's programme of work for the remainder of the financial year and reported, in particular, that:

- once approved by the Board, the draft programme of work would be used to schedule meetings through to the end of the financial year; and
- the time commitment this entailed was higher than might otherwise be expected, but this reflected the significant volume of work being undertaken by IPSA over the course of the year.

5.2. The Board noted that:

- subject to the progress made with respect to IPSA's other work, it might become necessary slightly to put back the timing of the work on the review of MPs' accommodation; and
- within the plan of work, it would be important to allow sufficient time for the consideration of the issues before reaching final decisions.

5.3. The Board agreed to approve the forward agenda of work.

Review of the MPs' Scheme of Business Costs and Expenses

5.4. The Board agreed that the planned review of the Scheme should proceed, but on the basis that this would be a light touch review, on a smaller scale than in previous years, addressing those issues which needed immediate consideration.

6. Any other business

6.1. There was no other business.

Meeting closed.