



Minute

Minutes of a meeting of the Board of IPSA Wednesday 17 October 2013

Present	Sir Ian Kennedy, Chair Sir Neil Butterfield Liz Padmore Anne Whitaker Tony Wright Andrew McDonald, Chief Executive Briony Carew, Policy Manager [item 4] Tony Hodges, Policy and Communications Officer [item 4] Tony Lord, Head of Policy [item 4]	Mark Anderson, Head of Communications Belinda Brown, Head of People, Performance and Pay Philip Lloyd, Director of Finance and Operations John Sills, Director of Policy and Communications Nick Lee, Head of Board and Chief Executive Office
Apologies	Peter Davis, Compliance Officer	
Status	As approved for publication at the meeting of the Board of 20 February 2014.	
Publication	Final for publication no later than 19 March 2014.	

1. Welcome

- 1.1. The Chair welcomed the Board to the meeting.
- 1.2. The Board noted that, owing to the short interval since the last meeting of the Board, the next report of the Compliance Officer would be taken at the meeting of the Board on 21 November 2013.

Declarations of interests

- 1.3. There were no new declarations of interest.

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

IPSA/131017/1A – Minutes of a meeting of the Board, 18 June 2013; IPSA/131017/1B – Minutes of a meeting of the Board of 26 September 2013; IPSA/131017/1C – Minutes of a meeting of the Board of 3 October; IPSA/131017/2 – Action list

Minutes of a meeting of the Board of 18 June 2013

- 2.1. The Board approved the minutes of the meeting of the Board of 18 June 2013 for publication.

Nick Lee to arrange for the publication of the minutes of the meeting of the Board of 18 June 2013.

Minutes of a meeting of the Board of 26 September 2013

- 2.2. The Board approved the minutes of the meeting of the Board of 26 September 2013 for publication, subject to a minor correction.

Nick Lee to arrange for the publication of the minutes of the meeting of the Board of 26 September 2013.

Minutes of a meeting of the Board of 3 October 2013

- 2.3. The Board approved the minutes of the meeting of the Board of 3 October 2013.

Action list and matters arising

2.4. The Board noted that:

- its revised standing orders would shortly be published on IPSA's website;
- work was under way with respect to the renewal of IPSA's IT contract; and
- a draft joint statement between the IPSA, the Compliance Officer and the Parliamentary Commissioner for Standards would be considered by the Board at its meeting on 21 November 2013.

3. Strategy and next steps

IPSA/131017/3 + annexes A – C – Strategy and next steps

3.1. The Head of People, Performance and Pay introduced a paper setting out a schedule of further work following the Board discussion on 3 October 2013, alongside a revised statement of IPSA's strategy for incorporation into the corporate plan and a fuller definition of the term 'fundamental change'.

Schedule of work

3.2. The Board noted that:

- it was important for IPSA's communications strategy to reflect its wider strategy objectives. A draft communications strategy would be brought forward for consideration at the meeting of the Board on 17 December 2013; and
- if any changes were to be introduced to IPSA's business model after May 2015, preparatory work would be required ahead of this to allow IPSA to implement those changes effectively.

3.3. The Board agreed:

- to note the schedule of work; and
- that an early discussion of its regulatory approach, and of its approach to the *MPs' Scheme of Business Costs and Expenses*, would be helpful.

Statement of strategy

3.4. The Board agreed that:

- it was important, in IPSA's strategic objectives, to recognise the importance of providing staff with opportunities for growth and development;
- the strategy should also recognise the importance of ensuring that IPSA's administration of the *MPs' Scheme of Business Costs and Expenses* took account of the needs and concerns and MPs.

Definition of 'fundamental change'

3.5. The Board agreed the proposed definitions of 'improvements' and 'fundamental change' in the context of the change freeze due to take effect from May 2014.

4. MPs' pay and pensions

4.1. The Head of Policy introduced a presentation setting out the further work required with respect to IPSA's proposals for MPs' pay and pensions

Cost neutrality

4.2. The Board noted that:

- the package for MPs' pay and pensions was already almost cost neutral based on current forecasts, and only small adjustments would be required to make it entirely cost neutral; and
- public engagement work and polling carried out by IPSA suggested that the public's view of the package overall would be balanced were it to be made cost neutral.

4.3. The Board agreed:

- to adjust the package so as to achieve cost neutrality on the basis of the data currently available as regards future costs;
- that any adjustment to the package so as to achieve this should not change the headline figure for MPs' salaries; and
- to agree the precise mechanism by which cost neutrality would be achieved once further data had been considered and once it had had an opportunity to consider all responses to the consultation.

Changes to MPs' costs and expenses

4.4. The Board noted that some respondents to the consultation had argued that IPSA would be justified in meeting MPs' subsistence costs in Westminster because, when they were not working in their constituencies, they should be considered as being 'away from home'. Others (not least HM Revenue and Customs) saw MPs as having two places of work, which argued against IPSA's meeting subsistence costs either in Westminster or in their constituency, both of which represented MPs' regular places of work.

4.5. The Board agreed that:

- given MPs' entitlement to claim for accommodation and the pattern of work in Westminster, it was difficult to argue that they did not have two places of work; and
- it would be important to articulate the logic underpinning the decisions to remove entitlements to particular costs and expenses, making reference where relevant to the views of HM Revenue and Customs (HMRC).

Mark Anderson to develop further the rationale and proposition for changes to MPs' costs and expenses.

Resettlement

4.6. The Board noted that:

- a number of respondents to the consultation had argued that a universal resettlement provision was important so as to encourage turnover of MPs;
- while there was general public hostility to the concept of resettlement, some MPs had argued that a more generous would more appropriately reflect the time it would take former MPs to resume their careers outside Parliament;
- data from the Association of Former MPs showed that, on average, the majority of MPs who had left Parliament were able to find work within three months; and
- any changes to resettlement provisions to make them more generous had the potential significantly to increase the overall cost of the package which IPSA was proposing.

4.7. The Board agreed, subject to its reviewing any further responses to the consultation, that:

- there was no weight to the argument that MPs standing down from Parliament should receive resettlement on the same terms as those who contested and lost their seats at an election; and
- to consider further the question of the level of resettlement payments made to those who contested and lost their seats at an election in the light of further data and once it had reviewed all responses to the consultation.

Pension scheme

4.8. The Board noted that:

- the trustees of the Parliamentary Contributory Pension Fund (PCPF) had argued, in their response to the consultation, that a slightly lower accrual rate (50ths) should be adopted;
- it might be difficult, however, to justify a change to the proposed accrual rate given that it had been produced using the reference scheme used by other public service pensions;
- the provision of optional additional benefits (with respect, for example, of death in service) was not necessarily straightforward and would be inconsistent with the provisions available in other public service pension schemes; and
- it was possible, in any case, to obtain such benefits on the open market – for example, through insurance.

4.9. The Board agreed not to change the accrual rate and approach to benefits proposed for the new MPs' pension scheme.

Next steps

4.10. The Board agreed further to consider, at its meeting on 24 October 2013, the options for achieving cost neutrality and the timing and scope of the statutory review of IPSA's determination planned to take place following the General Election in May 2015.

Panel of 2010-intake MPs

- 4.11. The Board noted that a constructive and useful meeting had taken place with the panel of 2010-intake MPs earlier that day.

Nick Lee to arrange for followup to the meeting of the panel of 2010-intake MPs.

Annual reporting working group

- 4.12. The Board noted that a working group had been formed, chaired by Tony Wright, so as to develop in more detail IPSA's proposals for annual reporting.

5. Finance Report and management accounts

IPSA/131017/4 + annexes A – B – Finance Report for September 2013

- 5.1. The Board agreed to carry over the Finance Report and management accounts.

6. Chief Executive's report

IPSA/131017/5 + annexes A – B – Chief Executive's report; IPSA/131017/6 + annexes A – D – Board Update

- 6.1. The Board agreed to carry over the Chief Executive's report.

7. Any other business

- 7.1. There was no other business.

Meeting closed.