

Minutes of a meeting of IPSA's Board

14 December 2022

Board Members: Richard Lloyd OBE (Chair)

Will Lifford

Helen Jones

Lea Paterson

In attendance: Ian Todd, Chief Executive

Thomas Fitch, Director of Finance

Lee Bridges, Director of Policy and Engagement

Chief of Staff

Head of Policy

Remuneration Policy Specialist

Senior Management Accountant

Apologies: Sir Robert Owen, Board member

Georgia Wilson, Director of MP Services

Karen Walker, Director of Strategy and Change

Head of Communications

Status: Submitted for approval at the meeting of the Board on 25 January 2023

1. Welcome and Declarations of Interest

- 1.1 The Chair noted formal apologies received and invited attendees to declare any interests not previously recorded. No such declarations were forthcoming.

2. MP and MP Staff Pay – 2023/24

- 2.1 The Board considered the latest data released in December by the Office for National Statistics indicating that the October figure for the annual rate of change in average public sector earnings, as measured by the independent KAC9 index, registered at 2.9%.
- 2.2 The Board reaffirmed the value of linking MPs' pay to an objective indicator and confirmed its position of 7 December that MPs' pay should rise by the October 2022 KAC9 value (published in December 2022) and, therefore, by 2.9%. This would also apply to the adjustment to the additional salary paid to Select Committee Chairs and Members of the Panel of Chairs.
- 2.3 The Board additionally considered the amount provided in the staffing budget for annual pay increases and was content to maintain its preference of 7 December to link this to the ASHE index. As such, the Board decided that this would represent an increase of 4.9% for 2023/24 and that the minimum of the Administrative 1 salary range should be set at the Voluntary Living Wage.

3. Final Proposals for MPs' Budgets 2023/24

- 3.1 The Head of Policy presented and summarised an options paper reflecting feedback of the Board at its meeting of 7 December. For the staffing budget, this included finer breakdown of market-driven proposals following an external benchmarking exercise, as well as more detail on the separate discretionary changes recommended as a result of representations received on MP office skillsets, workload, and career progression.
- 3.2 The Board thanked the Policy and Finance teams, in particular, for their work in compiling a comprehensive set of proposals with detailed narrative and costings. The Board explored the additional data and feedback collated regarding MP office skillsets, workload, and career progression. It welcomed that the second phase of the review of staff remuneration would consider what proposals may consequently be desirable for 2024/25 and that this exercise had provided a useful foundation to this end. It therefore agreed to reconsider such issues during the next cycle of the Annual Estimate process, pending the conclusions of the Speaker's Conference on employment conditions of MPs' staff and including the staffing mix changes discussed at its meeting of 7 December.
- 3.3 The Board considered the benchmarking exercise and agreed that its conclusions should be implemented to address areas identified where MPs' staff pay was out of kilter with relevant comparators. As a matter of good practice, it was felt important to give effect to the independent findings of the review unless there were compelling reasons to the contrary,

which was judged not to be the case here. It additionally decided that the 4.9% cost-of-living increase cited at paragraph 2.3 should be available to all staff including those at the top of current bands, and therefore agreed a 6.5% uplift to the staffing budget from 1 April 2023.

3.4 The Head of Policy outlined proposals on the remaining budgets required by MPs, including office costs and accommodation, to fulfil their parliamentary duties. Some of these had been slightly adjusted since the last meeting without material impact on overall costings.

3.5 Further to its meeting of 7 December, the Board agreed that the following measures should take effect for 2023/24:

- An increase to the office costs budget of 7% in line with forecast Consumer Price Index inflation (CPI),
- An increase to accommodation budgets (including associated costs only budget and dependant uplift) of 7% in line with forecast CPI and consistent with recent trend data IPSA had identified in rental costs,
- An uplift to the cap on the maximum cost of hotels in London per night to £210, and
- An increase to the London Area Living Payment (LALP) in line with the adjustment to MPs' salaries agreed as 2.9% at paragraph 2.1.

3.6 Whilst no dataset was without challenge, basing the uplift to business cost budgets in CPI forecasts provided a straightforward link to a relevant independent indicator. As part of IPSA's vision that being an MP should be a viable option for people from all walks of life, it was also important that elected representatives were not expected to pay out-of-pocket for the business costs necessarily incurred in fulfilling their parliamentary duties when they were required to work and spend significant time in both the constituency and Westminster.

3.7 The Board agreed the package of proposals and delegated final sign-off to the Chair, subject to further verification of the figures by the Senior Management Accountant.

3.8 The Chief Executive updated Board members on proposed next steps in light of decisions reached at the meeting, including revisions to the Main Estimate and analysis of global trends in and between Subheads A and B. The Board welcomed this proposal and reiterated that the business case for the regulatory review should focus on trialling new approaches designed to improve the interface between MPs and IPSA, particularly when submitting documentation and reviewing their management accounts.

4. Any Other Business

4.1 The Chair thanked all attendees and confirmed the next meeting as 25 January 2023.

4.2 The Chair closed the meeting for a private session to discuss a proposed senior recruitment with Board members and Chief Executive only.