

Minutes of a meeting of IPSA's Board

Wednesday 31 January 2017

Present: Ruth Evans, Chairman
Sir Robert Owen
Rt. Hon Jennifer Willott
William Lifford

In attendance: Marcial Boo, Chief Executive
Alastair Bridges, Director of Corporate Services
John Sills, Director of Regulation
Vicky Fox, Director of MP Support Services
Head of Policy and Assurance
Head of Human Resources (Item 3)
HR Advisor (Item 3)
Senior Executive Assistant and Board Secretary

Apologies: Head of Communications

Status: Submitted for approval at the meeting of the Board on 28 February 2018

Publication: Approved for publication

1. Welcome and Declarations of Interest

- 1.1 The Chair opened the meeting and welcomed those attending, including Will Lifford, attending his first formal Board meeting since taking up his post on 11 January. The Chair also noted that a further new Board member, Jackie Smith, was in the process of being appointed to IPSA's Board by Parliament, and was expected to attend the Board meeting on 28 February.
- 1.2 Apologies were received from IPSA's Head of Communications.
- 1.3 The Chairman invited the Board and members of staff to declare any interests not previously recorded. None were raised.

2 Minutes of previous meetings and matters arising

Minutes

- 2.1 The minutes of the meeting of the Board held on 13 December 2017 were approved as a correct record.

Actions arising from the previous meeting

- 2.2 There were no comments on the actions arising from the Board's previous meeting.

3 IPSA's values

- 3.1 IPSA's Head of HR and HR consultant presented IPSA's draft values to the Board for comment. They explained the process by which IPSA's staff had been consulted and how their views and those of the Board members had been taken into account. This work had led to the five new organisational values proposed: professionalism, respect, integrity, collaboration and improvement.
- 3.2 The Board were content with the proposed values and grateful for the work done. They asked for minor changes to the wording of the values and greater mention of IPSA's independence in the linked text.

4 IPSA's strategy

- 4.1 The Board received a second draft of IPSA's Strategy that had incorporated previous comments. They were satisfied with the revised strategy and agreed that key stakeholders should now be consulted, so that their views could be incorporated before the Board's final consideration of the Strategy at its meeting in March.

5 IPSA's Corporate Plan

- 5.1 The Board received the second draft of IPSA's corporate plan for 2018-19, having incorporated the Board's previous comments. The Board noted that we intend to monitor the impact of the changes to the *Scheme of MPs' Business Costs and Expenses* that we made in April 2017. The Director of Regulation explained that an assurance review was planned to take place in 2018 to assess the impact of these rule changes.
- 5.2 The Board were content, subject to minor drafting amendments and the completion of the ongoing review of IPSA's Key Performance Indicators, for the corporate plan to be finalised.

6 IPSA's Draft Estimate for 2018-19

- 6.1 The Board received the second draft of IPSA's Estimate for 2018-19. The document had incorporated the Board's previous comments, and had been informally shared with the Speaker's Committee for the IPSA (SCIPSA) ahead of IPSA's formal budget hearing with the Speaker's Committee on 1 March.
- 6.2 The Board reviewed the proposed provisions for salaries of MPs' staff. In particular they noted that MPs' pay was due to increase by 1.8 per cent in April in line with average increases in public sector pay. The Board judged it fair also to increase MPs' staffing budgets by 1.8 per cent so that MPs have the capacity to offer their staff a pay rise of up to 1.8 per cent as well, should they deem it appropriate.
- 6.3 The Board also reviewed evidence that had been requested at their previous meeting regarding the cost of hotel accommodation in London and the wider UK, as well as in major European cities where MPs are sometimes required to stay as part of their parliamentary work. The Board concluded that there was sufficient evidence for the caps imposed by IPSA on MPs' hotel spending to be raised from £150 to £175 per night for stays in London and Europe, and from £120 to £150 per night in UK hotels outside London.
- 6.4 Subject to these changes being incorporated, the Board were content for the Estimate to be finalised, and shared with the Speaker's Committee for the IPSA for their formal consideration.

7 MPs' pay comparators

- 7.1 The Head of Policy presented to the Board examples of professions that could be considered similar enough to be used as pay comparators for MPs. The Head of Policy stressed that the paper sought only to inform the Board's future decision making. No decisions were requested.
- 7.2 The Board noted the difficulty in identifying close comparators for MPs, but were broadly satisfied with those suggested. Based on the evidence of the comparators, the

Board agreed that our forthcoming consultation on MPs' pay should not consider linking MPs' pay to earnings across the wider economy.

8 Loss of Office Payments

- 8.1 The Head of Policy presented options for changes to the current Loss of Office Payments (LOOP) to MPs who lose their seats at an election. The paper set out the changes that IPSA had implemented previously such that the LOOP is now set at double an individual's statutory redundancy entitlement, with the exact amount dependent on the former MP's age and length of service.
- 8.2 The Board acknowledged that Parliament's unexpected dissolution in 2017 after only two years (rather than the assumed five) had financial implications that were unfavourable for some MPs and former MPs. In particular, they noted that snap elections mean that MPs' length of service is less than might be expected, and therefore financial entitlements are lower. In some cases, this might lead to financial hardship for a few former MPs. The Board also noted that IPSA requires MPs who leave Parliament to work for up to two months after the election, without a salary, to wind up their financial affairs and return all sums owed to the taxpayer.
- 8.3 The Board nonetheless also recognised that most MPs understood the potential lack of long-term job security when they entered politics, and that the current LOOP entitlements are still double the statutory rate.
- 8.4 The Board agreed that IPSA's forthcoming consultation on MPs' remuneration should ask whether the LOOP entitlement should be adjusted for all MPs defeated at an election. In particular, we would consult on whether to increase the payment by an amount equal to two months' salary to be paid at the start of the winding up period. MPs would also remain entitled to twice their statutory redundancy entitlement on top of this amount.
- 8.5 Currently, MPs who stand down at elections are not entitled to any LOOP payments. The Board also agreed to consult on whether these former MPs should also be entitled to the two months' salary payment to recognise they spend winding up their financial affairs after an election, but only in the event of a snap General Election, on the basis that MPs who stand down at the end of a fixed-term parliament will have sufficient time in advance to wind up their financial affairs with IPSA.

9 MPs' Pensions

- 9.1 The Head of Policy presented a paper on MPs' pensions to the Board. The paper sought guidance from the Board on the scope of IPSA's work reviewing MPs' pensions, with a view to a more detailed paper being brought to the Board on 28 February.

- 9.2 The Board were clear that those issues that IPSA had already resolved in previous reviews of MPs' pensions should not be re-opened. The Board also agreed to bear in mind the relative costs and benefits of any proposed changes, with more marginal potential benefits given less priority in the upcoming review.
- 9.3 The Head of Policy agreed to utilise these guidelines in the more detailed proposals to be brought to the Board at its next meeting.

10 Constituency lump sum mileage budget

- 10.1 In November 2016, the Board discussed possible changes to IPSA's regulatory approach to reduce administrative burdens on MPs. In particular, the Board wished to review whether IPSA could adopt a simpler approach to constituency mileage. We therefore committed to pilot a simplified model from April 2018.
- 10.2 The Head of Policy suggested instead that the pilot be delayed until April 2019 in order not to interfere with the planned introduction of IPSA's new online claims and payment system for MPs. The Board agreed and noted that IPSA should prioritise engaging MPs and their staff on our new system later this year.
- 10.3 The Board were content with the proposal to trial at taxable allowance for MPs' mileage in April 2019, with the allowances banded according either to the size of MPs' constituencies, or to the amount of mileage that MPs from these constituencies have historically claimed for.

11 CEO's Report

- 11.1 The Board noted IPSA's ongoing work to achieve GDPR readiness by May. The Chief Executive stated that he would keep the Board apprised of progress in his monthly reports, with a more substantive discussion at the Board's meeting in March.
- 11.2 The Board also noted that the results of IPSA's annual staff survey had been received. They looked forward to seeing these in detail at its meeting on 28 February.

12 IPSA Online highlight report

- 12.1 IPSA's Project Lead updated the Board on the progress of the ongoing improvement programme. The Board were pleased at the positive reaction to the launch of the IPSA Online Homepage, where MPs can easily access any IPSA system. They were also pleased that the new project management at IPSA's suppliers had had a positive impact on the project.
- 12.2 The Board noted plans to begin the parallel running of IPSA's new and existing payroll systems in February, and looked forward to an update on this next month.

13 IPSA's financial position and management accounts

- 13.1 The Director of Corporate services presented IPSA's management accounts to the Board for comment. He noted that there was some pressure on the capital budget due to increased expenditure on the IPSA Online programme as a result of the unexpected 2017 General Election, but that underspends on other capital IT projects were helping to manage this.
- 13.2 The Board noted and were grateful for the update on IPSA's financial position.