



## Minute

### Minutes of a meeting of the Board of IPSA Tuesday 26 February 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	John Sills, Director of Policy and Communications  Alex Jary, Head of Validation and MP Support [item 3] Tony Lord, Head of Policy [item 2] Louise Edwards, Policy Manager [item 3] Lucy Pickering, Assistant Policy Manager [item 3]
Apologies	None	
Status	As approved by the Board of IPSA on 22 May 2013.	
Publication	Final draft for publication.	

## 1. Welcome

1.1. The Chair welcomed the Board to its meeting, convened to receive a briefing on MPs' pensions and to consider proposed changes to the *MPs' Scheme of Business Costs and Expenses*.

## 2. MPs' pension contributions

2.1. The Board noted that:

- IPSA had been asked by HM Treasury to consider increasing MPs' pension contributions from 1 April 2013, so as to reflect staged increases in other public-service pension schemes;
- IPSA's Board had, early in 2012, decided to increase contributions from 1 April 2012 as an interim measure. The Board had, at its meeting on 19 December 2012, taken the view that the circumstances were now different, not least given the planned announcement of a new scheme for MPs' pensions in the autumn of 2013; and
- the Chair, in response to a letter from the Chief Secretary to the Treasury, had explained that IPSA did not propose to make any further interim changes in contribution rates, explaining IPSA's reasons.

2.2. The Board agreed to endorse the position taken by the Board (then composed differently) on 19 December 2012 that – rather than considering interim changes in contributions – IPSA's focus should be on the long-term resolution of issues relating to MPs' entire remuneration package, subject to the consultation planned for the summer of 2013.

## 3. Review of the Scheme

*IPSA/130226/1 – Draft Scheme, Report and Equality Impact Assessment*

3.1. The Director of Policy and Communications introduced a paper setting out proposed amendments to the *MPs' Scheme of Business Costs and Expenses (Scheme)*, and noted that the consultation, launched in November 2012, had proposed relatively minor amendments to the current rules. A further opportunity for the Board to consider the fundamental architecture of the Scheme would be provided later in the year.

Associated expenditure for MPs who own a property at which they lived for parliamentary purposes

3.2. The Board noted that:

- London Area MPs were not entitled to claim associated expenditure or any other expenses relating to accommodation;
- the proposed figure of £8,850 for associated expenditure reflected the budget set in 2012/13, which had included provision for other costs (relating to the transitional mortgage interest subsidy) that were no longer claimable under the Scheme;
- a number of MPs had made claims for associated expenditure on their own property in 2012/13 which exceeded the portion of the 2012/13 budget nominally allocated to meet the cost of associated expenditure, and who therefore would be adversely affected by a reduction now in the budget; and
- it was IPSA's plan to carry out a fundamental review of MPs' accommodation in 2013/14 and there was a risk – notwithstanding the provisional nature of the existing budget – that a change to that budget now, months before the launch of a review, could cause confusion.

3.3. The Board agreed that:

- on a transitional basis, the budget for associated expenditure for MPs who claim with respect to a property that they own should remain at £8,850 for 2013/14; and
- IPSA's planned review of MPs' accommodation should consider both the level of this budget and also arguments that a lower budget might create perverse incentives to rent at greater cost to the taxpayer.

Associated expenditure for rental accommodation

- 3.4. The Board agreed that it would, from 1 April 2013, increase the budget for associated expenditure with respect to rental accommodation by 2.4% to reflect inflation, subject to a full review of this budget – and the costs it was intended to cover – as part of the planned review of MPs' accommodation requirements in 2013/14.

Extended travel

- 3.5. The Board agreed to approve amendments to the Scheme to allow for any necessary travel for parliamentary purposes from any point in the UK to an MP's constituency or to Westminster, up to the cost of a notional journey between that MP's constituency and Westminster.

**John Sills to ensure that the wording of the draft Scheme under 9.3(a) and 9.3(c) does not overlap and share revised draft with the Board.**

Travel by MPs' staff

- 3.6. The Board agreed not to amend the Scheme so as to allow for MPs to claim for the cost of extended travel by their staff beyond the provisions already made for MPs' staff to travel between their constituency and Westminster, and for training.

Review of parliamentary constituency boundaries

- 3.7. The Board agreed to prohibit all claims relating to a review of parliamentary constituency boundaries, noting the risk that such claims might be party-political in nature.

Membership fees

- 3.8. The Board agreed:
- not to amend the Scheme so as to allow for claims for the cost of membership of clubs, but instead to consider on a case-by-case basis (through the existing contingency arrangements) whether such claims should be allowed where MPs could make a case on value-for-money grounds; and
  - to consider, as part of its review of MPs' accommodation, whether such claims might be allowed subject to appropriate safeguards.

Staffing budgets

- 3.9. The Board noted that data available suggested staffing budgets remained sufficient for almost all MPs' staffing costs, even if those MPs were to apply a 1% uplift to staff member's salaries consistent with that being implemented for MPs and across the public sector.
- 3.10. The Board agreed that:
- the staffing budget for 2013/14 should not be increased; and

- the report on the consultation, and any subsequent guidance issued, should make clear that – in IPSA’s view – the current level of budgets was sufficient for a 1% increase for MPs’ staff should MPs wish to do so.

MPs’ Scheme of Business Costs and Expenses

- 3.11. The Board agreed to approve the draft *Scheme*, consultation report and equality impact assessment, subject to the incorporation of the amendments it had agreed.

**Lucy Pickering to make arrangements for final signoff and publication of the draft Scheme.**

**4. Board forward agenda**

- 4.1. The Board noted a paper setting out its forward agenda for Q1 and Q2 of 2013.

**John Sills to make arrangements to circulate IPSA’s draft publication policy.**

**Mark Anderson to make arrangements for a meeting with the 2010 intake of MPs to discuss issues relating to MPs’ pay and pensions.**

**5. Any other business**

- 5.1. There was no other business.

*Meeting closed.*