



Minute

Minutes of a meeting of the Board of IPSA Wednesday 4 June 2013

Present	Sir Ian Kennedy, Chair	Mark Anderson, Head of
	Sir Neil Butterfield	Communications
	Liz Padmore	Belinda Brown, Head of
	Anne Whitaker	Performance and Assurance
	Tony Wright	Philip Lloyd, Director of Finance
		and Corporate Services
	Andrew McDonald, Chief Executive	John Sills, Director of Policy and
		Communications
	Nick Lee, Head of Board and Chief	Briony Carew, Assistant Policy
	Executive Office	Manager
		Tony Hodges, Communications
		Officer
		Tony Lord, Head of Policy

Apologies None.

Status Approved for publication at the meeting of the Board on 18 June 2013.

Publication For publication after 11 July 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. Pay and pensions: Communications

2.1. The Board agreed to note a report from the Head of Communications on recent activities.

3. Pay and pensions: Draft consultation document

IPSA/130604/1 – Timetable for pay and pensions work; IPSA/130604/2 – Pay and pension: draft consultation

3.1. The Director of Policy introduced a paper setting out a draft consultation on MPs' pay and pensions. He reported, in particular, that:

- a further draft consultation paper would be circulated the following week, for consideration at the meeting of the Board on 18 June 2013; and
- the Board would then be asked to approve a final draft consultation at its meeting on 26 June 2013.

3.2. The Board noted that while the document would set out, as a basis for consultation, an agreed remuneration package, it would nevertheless be for the Board to consider that package in the light of responses to the consultation before reaching a final decision as regards the composition of that package in autumn 2013.

3.3. The Board agreed that:

- it would be important clearly to articulate the principles that underpin its review of MPs' remuneration, not least that MPs should be entitled to a proper reward for the important work that they do. It would likewise be important succinctly to set out the basis for the judgement made by IPSA as regards the level of salary subject to consultation;
- it would be important to make clear that the proposals in the consultation paper reflected considerable work, as well as consideration of responses received

following the consultation 2012. The proposed package had not been arrived at without considerable deliberation; and

- to retain the structure of the document as set out in the draft.

Comparators

3.4. The Board noted that:

- comparators were just one of a number of arguments which favoured an increase in MPs' pay;
- while such comparisons provided the context for IPSA's judgement as regards changes to MPs' remuneration, they did not by themselves constitute an argument in favour of salary increase.
- while comparators were not determinative, it would be important not to ignore them given the important context they provided.

3.5. The Board agreed:

- that separate appendices to the consultation document should provide data both on the comparators employed by PricewaterhouseCoopers in 2007 and referred to in the SSRB's report as well as on a selection of other occupations;
- to include, as a further appendix, data on MPs' historic pay, showing it as a multiple of average earnings; and
- to include, as a further appendix, data on salaries paid to members of other, similar, legislatures outside the United Kingdom.

Pay for chairs of committees and members of the panel of chairs

3.6. The Board agreed:

- to review pay for committee chairs as part of its statutory review of MPs' remuneration due to take place in the first year of the next Parliament, 2015/16; and
- in the consultation document, to emphasise that the Board had not yet had the opportunity to see and consider the full range of evidence relating to pay for the chairs of select committees, and that it was therefore too early for it to reach a definite position on the issue.

Changes to costs and expenses

3.7. The Board agreed to keep under review those areas of the *MPs' Scheme of Costs and Expenses* which might be revised as part of changes to MPs' remuneration to take effect from 2015, bearing in mind the need for any such changes to be subject to consultation.

Annual reporting

3.8. The Board agreed that:

- annual reporting would form a key part of the proposed package of remuneration; and
- such reports, which would be voluntary, would allow the public better to engage with the democratic process.

Other points

3.9. The Board noted that:

- the 'professionalisation' of some costs and expenses did not mean a blurring of the division between costs and expenses on the one hand, and remuneration on the other. There would be no provision for the payment of flat-rate allowances;
- while questions of diversity were important in considering MPs' remuneration, IPSA (as MPs' pay-setting body) rightly had no influence over processes for the selection of candidates or local party machinery. For this reason, IPSA's ability to influence the diversity of candidates was limited; and.
- while the proposed accrual rate of MPs' pensions (fifty-firsts) under the new scheme was higher than in some public sector schemes, this reflected a relatively lower revaluation rate, meaning that overall the cost of the scheme would be consistent with other public-service pension schemes and the Government's reference scheme.

3.10. The Board agreed:

- that it was not IPSA's objective (and nor was it IPSA's role) to encourage or discourage those wishing to pursue politics as a career in its own right;

- to provide specific numbers in the consultation document so as to show the relatively low overall cost of changes to MPs' remuneration; and
- to make clear the extent to which IPSA had already reduced entitlements with respect to payments made to MPs upon leaving office.

4. Any other business

Speaker's Committee for the IPSA

4.1. The Chief Executive reported that, along with the Director of Finance and Corporate Services he would be attending a meeting of the Speaker's Committee for the IPSA (SCIPSA) the same day. He noted, in particular, that:

- the Treasury had written to the SCIPSA, asking it to consider a further reduction in IPSA's Estimate of 2%, and the subdivision of subhead B;
- with respect to the former proposal, it was entirely possible that IPSA would achieve this but that outcome depended on expenditure by MPs themselves and it would be imprudent further to reduce IPSA's Estimate. If the suggested reduction solely related to IPSA's own operational costs (subhead B), it would be unrealistic to expect to be able to deliver such savings more than three months into the financial year; and
- with respect to the latter proposal, this would unnecessarily add complexity to IPSA's Estimate and he proposed to reiterate the commitment already made to show core and project costs separately within subhead B.

4.2. The Board agreed the position proposed by the Chief Executive with respect to the Treasury's letter.

Meeting closed.