

**Minutes of a meeting of IPSA's Board**

**3 January 2024**

- Board Members:** Richard Lloyd OBE (Chair)  
Will Lifford  
Lea Paterson CBE  
Helen Jones  
John Midgley (Boardroom Apprentice)
- In attendance:** Ian Todd, Chief Executive  
Karen Walker, Director, MP Services, Strategy and Change (Items 1 and 2)  
Lee Bridges, Director, Policy and Engagement  
Thomas Fitch, Director, Finance  
Acting Chief of Staff  
Head of Policy  
Remuneration Policy Specialist
- Apologies:** Dame Laura Cox
- Status:** Submitted for approval at the meeting of the Board on 24 January 2024

## **1. Welcome and Declarations of Interest**

- 1.1 The Chair opened the meeting by noting Dame Laura Cox's apologies and also welcoming John Midgley to his first Board meeting.
- 1.2 The Chair noted a document setting out the dates and times of all 2024 Board and Committee meetings for the awareness of Board members.

## **2. 2024-25 Business Plan and 2024-27 Corporate Plan**

- 2.1 The Chief Executive provided an update on the 2024-25 Business Plan and 2024-27 Corporate Plan as contained in the Board pack. Amendments had been made following feedback received during the 13 December 2023 Board meeting and subsequently. The Chief Executive confirmed that he had received some further comments via email on the documents circulated and asked the Board whether there were any further points of amendment.
- 2.2 Firstly, the Board discussed the Business Plan, noting with thanks the amendments already made and recognising the narrative contained therein. A few presentational amendments were suggested, including that high compliance rates should be further highlighted. The Board also emphasised that care should be taken to ensure the two documents aligned particularly with respect to timing and sequencing.
- 2.3 The Board asked that the funding section of the Business Plan include sufficient explanatory narrative. The Chief Executive confirmed that the Memorandum accompanying the estimate would include this further clarity.
- 2.4 The Board approved the Business Plan subject to presentational amendments and where any conflicting feedback was received, the decision could be taken by the Chief Executive to ensure that the document would be submitted to HM Treasury in time for review ahead of SCIPSA submission.
- 2.5 Secondly, the Board considered the Corporate Plan, agreeing that as Board members had not had as long to review the document, this would return as an item for discussion at the 24 January meeting. It was agreed that the Business Plan would be presented alongside this to ensure the narrative was joined up across the two documents.

## **3. MP Pay**

- 3.1 The Director, Policy and Engagement presented a range of options with respect to the MP pay award, noting that the Board would also need to consider how their decision would be communicated.
- 3.2 The Board discussed the options presented in the paper - in particular, advice from the Office for National Statistics (ONS) that the usual metric, KAC9, had been affected by one-off non-consolidated payments. This was in accordance with IPSA's MP pay determination made following consultation in July 2021 that for the next three years the Board would have discretion to depart from the AWE KAC9 figure in certain circumstances.
- 3.3 The ONS assessment of KAC9 considered by the Board in making its decision read as follows: 'Annual average regular pay growth for the public sector was 6.8% in June to August 2023 and is the highest regular pay annual growth rate since comparable records began in 2001. For the private sector this was 8.0%. This is one of the largest annual regular growth rates seen outside of the coronavirus pandemic period, when the growth rate peaked at 8.4% in April to June 2021 because the data were affected by compositional and base effects. Annual average total pay growth for the private sector was 7.1% in June to August 2023. For the public sector, this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. In June 2023, the NHS pay deal in England was announced. This set out that NHS workers were to be given a pay award for 2023 to 2024 and two one-off non-consolidated bonus pay awards. In addition, the civil service announced a one-off non-consolidated pay award for 2023 to 2024, which was mainly paid out in July 2023. This, alongside the NHS pay deal in June 2023, will account for a large bonus being present in total pay in June 2023 for the health and social industry and the public sector, and in July and August 2023 for the public administration industry and the public sector. These all show a spike in bonus payments, which has never been seen before.'
- 3.4 Alternative indexing figures were discussed, including the AWE measure of changes in public sector regular pay (KAJ7) and the AWE measure of single month changes in public sector total pay (KAC8), but it was agreed that no one index presented itself as suitable given the highly unusual and changing economic circumstances. Therefore, the Board agreed, by majority decision, to an MP pay award of 5.5% to take effect from April 2024, informed by the full range of available data and metrics and the five IPSA pay principles including the overall remuneration package. It was decided that the 5.5% pay award would also apply to the additional salary payments for Chairs of Committees and members of the Panel of Chairs. Further to this decision, it was recognised that following the upcoming General Election, the statutory review of MPs' pay would provide the opportunity for a strategic discussion on a new determination, including on the timing of future decision-making around MPs' pay.

3.5 The Board agreed that work should be done to create a proactive strategy in relation to communicating the MP pay award decision, ensuring that the rationale behind it was clearly stated. Consideration was also given to the timing of the MP pay award announcement.

#### **4. Any Other Business**

4.1 The Chair confirmed Board agreement to the 24 January meeting being extended to ensure adequate discussion of all agenda items.

4.2 In closing the meeting, the Chair stressed the need for confidentiality to be upheld by all Board members and attendees with respect to the decisions made, until the relevant public announcement.