



Minute

Minutes of a meeting of the Board of IPSA Thursday 5 December 2013

Present	<p>Sir Ian Kennedy, Chair</p> <p>Sir Neil Butterfield</p> <p>Liz Padmore [items 2 – 3]</p> <p>Anne Whitaker</p> <p>Tony Wright</p> <p>Andrew McDonald, Chief Executive</p> <p>Tony Hodges, Policy and Communications Officer [item 2]</p> <p>Claire Hunter, Senior Management Accountant [item 6]</p>	<p>Mark Anderson, Head of Communications</p> <p>Belinda Brown, Director of People, Performance and Pay</p> <p>Philip Lloyd, Director of Finance and Operations</p> <p>John Sills, Director of Policy and Communications</p> <p>Nick Lee, Head of Board and Chief Executive Office</p>
Apologies	None.	
Status	As approved for publication at the meeting of the Board on 20 February 2014.	
Publication	For publication no later than 19 March 2014. Sections 3 and 5 not for publication.	

1. Welcome

- 1.1. The Chair welcomed the Board to the meeting.
- 1.2. There were no new declarations of interest.

2. Review of MPs' pay and pensions

MPs' Pay and Pensions: Final Report

- 2.1. The Director of Policy and Communications introduced a draft report on the consultation on MPs' pay and pensions. He noted, in particular, that work would be done following the meeting to enable the report to be published, as planned, on 12 December 2013.
- 2.2. The Board noted that:
 - IPSA was required, by statute, to review its determination in the first year of a new Parliament and it had already stated its intention to do so before September 2015; and
 - adjustments to the package since the initial consultation now mean that it was cost neutral.
- 2.3. The Board agreed that it would not be necessary now to define the terms of the statutory review of its determination due to take place in 2015, but it would in any event take account of all the circumstances as they are at that time.

MPs' pensions

- 2.4. The Board noted that:
 - in its response the Government had urged that MPs' pensions be consistent with other public service schemes;
 - while there was no 'standard' public service scheme, IPSA – in drawing up a proposals for the MPs' pension scheme – had taken account of the approach being taken in other public service schemes; and
 - the changes to MPs' pensions would deliver significant savings to the taxpayer.

Changes to MPs' expenses

- 2.5. The Board noted that those types of expenses where it was proposed to remove MPs' entitlement to claim reflected considerations including fairness, the experience of the ordinary citizen (whether someone in another walk of life would expect to be able to claim such costs in similar circumstances) and how such expenses were treated by HM Revenue and Customs for tax purposes.
- 2.6. The Board agreed:
- to remove MPs' entitlement to claim for meals if Parliament sits after 7.30pm, taxis home if they are taken when the House of Commons rises before 11pm, hotels when the House of Commons rises before 1am (but not for those MPs who use hotel accommodation only when in London) and hospitality costs (including payments for tea and biscuits in the office); and
 - to consider, as part of its review of MPs' accommodation, whether or not to continue to allow MPs to claim for costs associated with IPSA-funded residential accommodation (home contents insurance and TV licenses).

Informing the public

- 2.7. The Board noted that:
- there had been a number of misunderstandings about the form proposed reports would take;
 - a working group, chaired by Tony Wright, was currently developing a proposal for these reports; and
 - these proposals would be considered at a future meeting of the Board.

Determinations

- 2.8. The Board approved, subject to any concerns raised by IPSA's legal advisers, the determination on MPs pay made under Section 4 of the Parliamentary Standards Act 2009, to come into effect on 30 September 2015 (enclosed in full at annex A).
- 2.9. The Board approved, subject to any concerns raised by IPSA's legal advisers, the determination on the additional salary for specific committee chairs made under Section 4 of the Parliamentary Standards Act 2009, to come into effect on 11 December 2013 (enclosed at annex B).

Tony Lord to arrange for further legal advice with respect to determinations on MPs' pay and pensions.

Great Officer of State Pension Scheme

- 2.10. The Board agreed to make a new pension scheme to allow the Great Officers of State to participate in the MPs' scheme, to be laid before the end of 2013.

Tony Lord to make arrangements for the Great Officer of State pension scheme to be laid.

Equality Impact Assessment

- 2.11. The Board noted the Equality Impact Assessment, which suggested that its proposals did not impinge on any of the protected characteristics under the Equality Act 2010.

Loss of Office Payments

- 2.12. The Board agreed that the payments made to MPs after 2015, equivalent to a system of double statutory redundancy, be known as Loss of Office Payments.
- 2.13. The Board approved the consultation report for publication, subject to the amendments agreed at the meeting.

John Sills/Tony Lord to arrange for the publication of MPs' Pay and Pensions: Final Report

4. Progress against the corporate plan

IPSA/131205/1 + annexes A – C – Corporate Plan (2013-14): Progress report and projections

4.1. The Director of People, Performance and Pay introduced a paper setting out IPSA's progress against the corporate plan in the year to date.

4.2. The Board noted that:

- as agreed at the earlier meeting of the Board, the review of MPs' residential accommodation would now take place in 2015; and
- the 2014/15 Estimate, which would be considered by the Board early in 2014, would take account of any additional resources that might be needed, not least to support the work needed in preparation for a General Election.

4.3. The Board agreed:

- to note the progress made in the first half of the year against the Corporate Plan and against IPSA's key performance indicators; and
- to approve the priorities for IPSA's work over the remainder of the financial year.

6. Supplementary Estimate 2013/14

IPSA/131205/3 – Supplementary Estimate 2013/14

- 6.1. The Senior Management Accountant introduced a paper setting out the reasons for IPSA's seeking a Supplementary Estimate in 2013/14. She reported, in particular, that:
- for reasons of prudence, and on technical grounds, it would be necessary to seek a Supplementary Estimate so as to request an increase in IPSA's non-cash annual managed expenditure (AME) budget and change the way that income was reported;
 - the increase in AME, which did not mean that additional funding was needed, arose for three reasons: the possibility that the process relating to the appeal against the decision of the Information Commissioner would conclude before the accounts were laid in the summer of 2014 and the need to provide for costs arising from IPSA's move to new accommodation in 2014/15; and
 - the change in the reporting of income followed an NAO recommendation that income and expenditure be shown gross rather than net (as currently).
- 6.2. The Board noted that for what was a minor, technical change it was by no means clear whether a meeting of the Speaker's Committee for the IPSA would be necessary so as to approve it.
- 6.3. The Board agreed to note the proposal to seek a Supplementary Estimate in 2013/14.

Philip Lloyd to make arrangements for the laying of the Supplementary Estimate 2013/14.

7. Any other business

- 7.1. There was no other business.

Meeting closed.

ANNEX A: DETERMINATION ON MPs' PAY

1. This determination is made by IPSA under Section 4 of the Parliamentary Standards Act 2009 on 11 December 2013 and comes into effect on 30 September 2015.
2. With effect from 8 May 2015, the salary for service as a member of the House of Commons will be £74,000 per annum.
3. With effect from 1 April each year, starting with 1 April 2016, the salary will be adjusted by the rate of annual change in average earnings.
4. For the purposes of this determination 'annual change in average earnings' means the seasonally adjusted three month average change in whole economy average weekly ending in the previous October, compared with the same period a year earlier. These data are published by the Office for National Statistics monthly as the KAC3 series.
5. This determination will be reviewed in the first year of each Parliament, as required by Section 4 of the Parliamentary Standards Act 2009.

ANNEX B: DETERMINATION ON THE ADDITIONAL SALARY FOR SPECIFIED COMMITTEE CHAIRS

1. This determination is made by IPSA under Section 4 of the Parliamentary Standards Act 2009 on 11 December 2013 and comes into effect on that date.
2. The holder of an office or post specified by the House of Commons in a motion under Section 4A(2) of the Parliamentary Standards Act 2009 (collectively called “specified Committee Chairs”) shall be paid a salary by IPSA in addition to the basic salary he or she shall be entitled to receive as a Member of Parliament, subject to this determination.
3. The amounts of additional yearly salary from 1 April 2014 and 1 April 2015 are shown in Table 1.
4. No specified Committee Chair shall:
 - a. receive more than one additional salary under these rules, or
 - b. receive an additional salary for any period, or part thereof, that the specified Committee Chair is also entitled to an additional salary by virtue of any provision of the Ministerial and other Salaries Act 1975.

Select Committee Chairs

5. The Chair of a Select Committee specified by the House of Commons in a motion under Section 4A(2) of the Parliamentary Standards Act 2009 shall be paid the additional salary in respect of a period that:
 - a. begins with the day on which the Member becomes Chair of such a Committee (or the day on which the Committee is constituted, if later); and
 - b. ends on the day on which the Member ceases to be Chair (or, if he or she is Chair of more than one such committee, he or she ceases to be Chair of the last of those committees).
6. If the name of a specified Select Committee is changed, this will be taken to be a reference to the Committee by its new name.
7. If the functions of a specified Select Committee become functions of a different Committee, this will be taken to be a reference to the Committee by whom the functions are for the time being exercisable.

Members of the Panel of Chairs

8. A Member of the Panel of Chairs shall be paid an additional salary in respect of any period served as a member of the Panel of Chairs. The period shall begin on the day on which the Member is appointed to the Panel and end on the day on which the Member ceases to be a member of the Panel.
9. The level of salary shall be based on the length of time served as a Member of the Panel of Chairs.
10. Length of service shall include membership of the Panel before 8 January 2013 (the date of IPSA's first determination) and shall be calculated irrespective of breaks in service.
11. For the purposes of determining which level of additional salary a Member is entitled to, the following salary tiers based on length of service shall apply:
 - a. less than one year;
 - b. for at least one year but less than three years;
 - c. for at least three years and less than five years; and
 - d. for at least five years.

Table 1: Additional pay for Specified Committee Chairs

	April 2014 (£)	April 2015 (£)
Chair of a Specified Select Committee	14,876	15,025
Member of the Panel of Chairs (Less than one year)	2,970	3,000
Member of the Panel of Chairs (1-3 years)	8,331	8,415
Member of the Panel of Chairs (3-5 years)	11,305	11,419
Member of the Panel of Chairs (5 years or more)	14,876	15,025