

# Constituency boundary changes and support for MPs leaving Parliament

Consultation on proposed changes to the Scheme

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## Constituency boundary changes and support for MPs leaving Parliament

### Consultation on proposed changes to the Scheme

#### Background to the consultation

1. This consultation concerns proposed changes to the Scheme of MPs' Staffing and Business Costs ('the Scheme'), in anticipation of changes to UK parliamentary constituency boundaries and in light of the repeal of the Fixed Term Parliaments Act 2011. The Scheme sets out the rules, eligibility and budgets governing MPs' business costs.
2. In accordance with the Parliamentary Constituencies Act 2020 and the Parliamentary Voting System and Constituencies Act 2011, the Boundary Commissions for England, Scotland, Northern Ireland, and Wales were required to review parliamentary constituency boundaries. This review was considered significant due to the need to adjust for 20 years of change to the distribution of voters since existing constituency boundaries were established.
3. In total 645 of 650 constituencies are included in the review and the outcome must reflect the statutory rules in place regarding the electoral quota and the geographical size of each constituency. Other statutory factors include local government boundaries and size. There are five 'protected' constituencies that are not subject to the same requirements.
4. All reviews must be concluded to make a formal report to the Speaker of the House before 1 July 2023. The recommended constituencies set out in the Order of Council will be implemented for the next general election after the date on which the legislation is approved.
5. A general election or any by-elections held in the meantime would be held on the basis of the old (existing) constituencies.
6. A further factor is the repeal of the Fixed Term Parliaments Act 2011 by the Dissolution and Calling of Parliament Act 2022. This legislation revived the 'prerogative powers' of the monarch to dissolve Parliament at the request of the Prime Minister and set the maximum term of a Parliament as five years, after which it would automatically dissolve.

7. Taken together, the expected changes to constituency boundaries and repeal of the Fixed Term Parliaments Act 2011 have required IPSA to re-examine how some of its regulatory rules are implemented. In addition to changes to the Scheme, we are also considering more broadly about the support that should be provided to MPs and their staff when leaving Parliament.
8. The House of Commons Administration Committee has recently undertaken an inquiry into general election planning and services and have heard evidence about the impact of the transition from being an MP to life after Parliament on individuals and their families. We have considered the [Committee's report and recommendations](#) in finalising the proposals for this consultation.

## MP remuneration

9. In considering the proposals made in this consultation, it may be useful to know about MP remuneration more widely. IPSA is responsible for setting MP pay and the rules for the MP pension scheme. MPs are not technically employees: they are office holders, and so they do not have rights associated with most employees. For example, office holders do not have statutory employment rights, and so there is no automatic entitlement to things such as redundancy pay, notice periods and recourse to employment tribunals.
10. IPSA believes that serving as an MP should not be the preserve of those wealthy enough to fund it themselves. It is important for democracy that committed and able individuals from any background should see representing their communities in Parliament as a realistic option. We have therefore established a system for annual adjustments to MPs' pay, using the same rate as changes in public sector earnings, published by the Office for National Statistics. We also make decisions about the pension benefits that should be available to MPs when they retire, in consultation with the scheme trustees and others, to ensure that these arrangements are fair.
11. As people know, being an MP is often not a settled career; it can be characterised by a series of 'fixed term contracts' that are renewed, or not, by the electorate. It can mean that an MP with significant experience can find themselves out of office with little notice, with many years before they reach pension age. IPSA tries to replicate some of the employment entitlements experienced by other workers – the payments mentioned in this consultation are intended to provide temporary financial support for MPs who do not return to Parliament.

## Proposed changes to the Scheme

12. This consultation concerns proposed amendments to reflect the changes to constituency boundaries and legislation about parliamentary terms. These proposals would impact on rules about the Loss of Office Payment (LOOP) (set out in Section 1), the winding-up payment (Section 2), the length of the winding-up period (Section 3) and additional support for MPs and staff leaving Parliament (Section 4).
13. IPSA recognises that the review of constituency boundaries may mean geographical or demographic changes to many constituencies; however as this review is designed to bring consistency to constituency sizes in line with the UK electoral quota, it is not anticipated that Scheme changes will be required to provide for a different approach to setting budget amounts. The additional funding for constituencies in the London Area will continue to be made available.
14. We are keen to hear the views of MPs, their staff, and our wider stakeholders on these changes and how best they should be implemented. We consider this engagement a key part of allowing IPSA to meet its ambition of providing the seamless regulatory service which our Corporate Plan commits to.
15. We would also like to hear views about any positive or negative impacts on protected characteristic groups, feeding into an Equality Impact Assessment on the changes proposed in this consultation (Section 5).

## How to respond

16. Please use our quick and easy online survey to submit your response:  
<https://www.smartsurvey.co.uk/s/P584KY/>
17. You can also email [consultation@theipsa.org.uk](mailto:consultation@theipsa.org.uk) if you prefer.
18. Please do not send us responses by post.
19. We will summarise the responses we receive when we publish our decisions. In doing so, we may refer to individual respondents and the content of their responses. We may also publish a list of who responded. If you would like your response to be treated as confidential, please say so clearly in your response. We will not quote from confidential responses or attribute the views in them to any particular respondent.
20. Whether your response is confidential or not, we will not publish your email address or any other contact details, in line with our compliance with data protection law and the General Data Protection Regulation (GDPR). For more information about what we do with personal data, please see our privacy notice.
21. **Please send us your response by 11:59 pm on 2 June 2023.**

## Section 1: Loss of Office Payment (LOOP)

### Current eligibility rules

22. The Scheme provides for the payment of LOOP which is intended as financial support for MPs who lose their seats at an election. As detailed in sections 8.11-8.15 of the current Scheme, the eligibility of LOOP and the circumstances in which this is payable are specific.
23. Section 8.11 states that, in order to receive LOOP, former MPs must have been *'an MP on the day before the dissolution of Parliament and a candidate for re-election for the same seat, but not re-elected'*.
24. The review of constituency boundaries may result in minor changes, such as the name or aligning with ward boundaries, or there may be significant geographical and demographic changes. The fact that constituencies are changing means that it is more difficult to define the 'same seat' in the context of the rules. It is also possible that some constituencies will cease to exist and therefore it will not be possible for MPs to stand for re-election in the 'same seat' in which they are the incumbent.
25. We also want to make sure that the rules around LOOP are implemented in line with the intention to provide financial support for MPs who stand for another term in Parliament but are unsuccessful, similar to the role of redundancy payments in other situations. This aligns with one of the IPSA's guiding principles for decisions about MPs' remuneration, which is that *'as far as is practicable MPs' remuneration and reward should reflect the experience of other working citizens'*.
26. IPSA's aim is to remain neutral in the democratic process and we are proposing to re-define the eligibility to LOOP by removing the requirement for MPs to stand in the 'same' seat.

### Proposed changes to the Scheme

27. It is proposed that in future MPs will be eligible to receive LOOP if they lose their seat at a general election, meaning that they were an MP on the day before the dissolution of Parliament and a candidate for re-election; but not re-elected. This would include where they stand unsuccessfully in a new or different seat, for instance as a result of constituency boundary changes.
28. If accepted, this change would take effect at the next general election after the legislation bringing in boundary changes has been approved.



**Question 1: Do you agree that IPSA should amend the eligibility for LOOP to be payable to MPs ‘if they lose their seat at a general election, meaning that they were an MP on the day before the dissolution of Parliament and are either a candidate for re-election, but not re-elected; or stand unsuccessfully in a new seat’?**

**Question 2: Do you have any comments on the wider eligibility of LOOP payments?**

## Timing of payment

29. As detailed in section 8.13 and 8.14 of the current Scheme, the timing of the LOOP payment and the circumstances in which this is payable are specific, and payment can only be made following the completion of key activities generally occurring at the end of the winding-up process.
30. Section 8.13 of the current Scheme states that ‘IPSA will only pay the loss-of-office payment after former MPs have made the following arrangements to wind up their affairs, where necessary: a. issuing redundancy notices to staff and sending instructions to IPSA; b. repaying any outstanding debts to IPSA (such as repayment of deposit loans and overpayments) subject to paragraph 8.14; c. submitting all business costs claims for the period running up to the election (or point at which the seat was vacated); d. carrying out administrative tasks, such as cancellation of the IPSA payment card; and e. any other necessary tasks identified by IPSA.’
31. Section 8.14 of the current Scheme states that ‘MPs may have outstanding debts to IPSA deducted from their entitlement to a winding-up or loss-of-office payment. Any remaining entitlement will be subject to paragraph 8.13.’
32. From our experience of the past three elections, we know that the process of winding up a former MP’s parliamentary affairs can take a number of months, sometimes due to circumstances outside of both IPSA’s and the former MP’s control. In these cases it is unfair to withhold the payment of LOOP until all actions have been completed and this may risk causing financial hardship.
33. We are proposing to pay LOOP to former MPs at the end of the winding-up period, i.e. two months after the election, rather than waiting until all winding-up actions are completed. Prompt payment of any LOOP entitlement would be of more benefit to a former MP as they leave Parliament and transition to alternative employment. We do not want to delay the payment of LOOP in these circumstances if earlier payment will mitigate financial hardship.



34. Known debts, such as for office or accommodation deposit loans, could still be offset against the LOOP payable; and IPSA would retain the ability to withhold payment in cases of exceptional risk, such as where there are very high amounts owed or other extenuating circumstances.

**Question 3: Do you agree that any LOOP entitlement should be paid at the end of the winding-up period?**

## Section 2: Winding-up payments

### Current eligibility rules

35. As detailed in section 8.9 -8.10 of the current Scheme, the eligibility rules for a winding-up payment and the circumstances in which this is payable are specific.
36. Section 8.9 states: *'Former MPs will be eligible to receive a winding-up payment if one of the following conditions apply: a. they lose their seat at a general election, meaning that they were an MP on the day before the dissolution of Parliament and a candidate for re-election for the same seat, but not re- elected; or b. they stand down at a general election which occurs before the end of a fixed parliamentary term.'*
37. The repeal of the Fixed Term Parliaments Act 2011 means that it is no longer possible to define the eligibility of the winding-up payment with reference to the fixed parliamentary term. IPSA recognises that, although a former MP is no longer eligible to receive a salary, there is an expectation that work will continue in order to close down their offices and deal with outstanding matters.

### Proposed changes to the Scheme

38. As with the proposals relating to LOOP, IPSA's aim is to remain neutral in the democratic process. We are proposing to re-define the eligibility to the winding-up payment by removing the requirement for MPs to stand in the 'same seat' at a general election.
39. We also propose to remove the requirement for standing down MPs to have done so at a general election 'which occurs before the end of a fixed parliamentary term'.
40. Former MPs would therefore be eligible to receive a winding-up payment if one of the following conditions apply: they lose their seat, stand unsuccessfully in a new seat, or stand down at a general election.
41. This change would take effect at the next general election after the legislation bringing in changes to constituency boundaries has been approved.

**Question 4: Do you agree that IPSA should amend eligibility for the winding-up payment to be payable to former MPs if *'they lose their seat, stand unsuccessfully in a new seat, or stand down at a general election'*?**

**Question 5: Do you have any comments about the wider eligibility for the winding-up payment?**

## Section 3: Winding-up period

42. The Scheme currently provides for a two-month winding-up period following an election (or MP's departure from Parliament for a different reason). A former MP can continue to incur costs during the winding-up period to support them in completing their outstanding parliamentary functions. These include salary, National Insurance and employer pension contributions for staff who continue to work during the winding-up period; accommodation and office rental payments; utility bills and other running costs; one-off costs such as for removals when leaving office or accommodation properties; and other contractual liabilities.
43. While the bulk of these activities can take place during the two-month winding-up period, in most cases the time taken to fully close down a former MP's parliamentary affairs and financial affairs with IPSA is longer. The reasons for delay vary, but may include:
- Loss of key staff who leave the MP's employment after being made redundant;
  - The need to make claims in relation to costs incurred toward the end of the two-month winding-up period;
  - Administrative delays, including delays in final validation checks by IPSA and any subsequent requests for information; or
  - Disputes with landlords or other suppliers, or about monies owed to IPSA.
44. There are arguments in favour of aligning the winding-up period more closely to the actual amount of time it takes to fully complete the winding-up process. After the 2019 election, this was around seven months on average – though the winding-up process was impacted by the onset of the Covid pandemic. We are also conscious of the risk of further delays to the process which could arise through an extension of the period; and the need to limit the additional cost to the taxpayer (including salary costs for staff who continue to be employed and ongoing rent, utilities, and other running costs).

**Question 6: Do you have any views about whether the winding-up period should be longer than two months? Please explain.**

## Section 4: Additional support

### Constituency office relocation

45. As a result of constituency boundary changes, some MPs may wish or need to relocate their constituency offices or may have been elected to a new constituency altogether.
46. Newly elected MPs are entitled to an additional £6,000 to fund start-up costs, such as the purchase of equipment and furniture for their constituency office. Meanwhile, MPs leaving Parliament have access to winding-up costs to assist with closing down their offices. However there are no specific provisions in the Scheme to provide additional funding for MPs who are re-elected to Parliament but wish to or need to move offices.
47. Office relocation may be considered appropriate if this is required to re-centralise the office within a changed boundary; although it should be noted that Section 3.14 of the current Scheme states that *'for the purpose of claiming costs under the Scheme, MPs' constituencies include any location which is within 20 miles of the constituency boundaries'*.
48. It is expected that, where possible, MPs will transfer some or all of their furniture and equipment to a new office rather than purchasing new equipment. However, it would be possible for an MP to make a request for additional funding relating to the winding-up of their old constituency office and/or the start-up of their new office. There is an existing provision within the Scheme to allow for removal costs from a central contingency budget.

**Question 7: Do you have any comments about the funding provided to MPs who are elected to a new seat or whose constituencies change following the boundary review?**

### Other support for MPs leaving Parliament

49. IPSA recognises that there are challenges for former MPs as they prepare for, and transition to, life outside Parliament.
50. LOOP and the winding-up payment are in place to provide some financial support to former MPs as they find alternative employment or prepare for retirement. However, support should not be limited to financial support, and we would like to consider a broader package of practical, non-financial measures that could be implemented so that additional support can be provided to MPs who lose their seats. In other employment situations, for example, employers will provide 'preparation for retirement courses' for their staff or support finding alternative careers. We are committed to working with the House to explore this further and provide assistance where possible.

51. We will also look for opportunities to provide more detailed advice and guidance on our website ([www.ipsaonline.org.uk](http://www.ipsaonline.org.uk)) to allow for flexibility in providing support.

**Question 8: What additional, non-financial support do you think IPSA should provide to MPs leaving Parliament?**

### **Support for MPs' staff**

52. IPSA equally recognises that the changes to constituency boundaries and parliamentary terms outlined in this consultation will also impact on MP's staff. We would like to understand what additional support can be provided to staff who may move, with their employing MP to a new constituency, as well as during the winding-up process.

**Question 9: What additional support do you think IPSA should provide to MP's staff?**

## Section 5: Equality impact assessment

53. One of the fundamental principles of the Scheme is that the rules should be sufficiently flexible to take into account the diverse working patterns adopted by MPs, and that they should not unduly deter representation from any section of society. This principle is in addition to our responsibilities under the Equality Act 2010.
54. IPSA will carry out an Equality Impact Assessment (EIA) to consider any likely or actual impacts of the changes proposed in this consultation, and we will publish a summary of this assessment together with the revised Scheme. We also welcome responses about how the current edition of the Scheme is operating with regard to equality and diversity.

**Question 10: What likely or actual impact do you believe the Scheme and matters raised in this consultation may have on equality and diversity in relation to MPs and their staff?**