

# Consultation report

## Constituency boundary changes and support for MPs leaving Parliament

September 2023

IPSA

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#### Summary

1. In April 2023 IPSA issued a public consultation proposing amendments to The Scheme of MPs' Staffing and Business Costs ('the Scheme'). The Scheme sets out the rules, eligibility and budgets governing MPs' business costs. The fifteenth edition of the Scheme came into effect in April 2023 for the year 2023-24.
2. In response to the changes to UK parliamentary constituency boundaries and in light of the repeal of the Fixed Term Parliaments Act 2011, we believed it was right to revisit the eligibility and regulatory rules for the loss of office payment (LOOP) and winding-up payments; including the timing of payments and the length of the winding-up period as stated explicitly within the Scheme.
3. We also sought opinion on the provision of other non-financial support to former MPs and their staff after an election.
4. The consultation [Constituency boundary changes and support for MPs leaving Parliament - Consultation on proposed changes to the Scheme](#) launched after the Easter recess on 13 April 2023. As prescribed within the Parliamentary Standards Act 2009, we contacted all Statutory Consultees. We also communicated with other senior stakeholders, our customers, and the public. The consultation ran for seven weeks, closing on 2 June 2023.
5. In considering the results of the consultation, due regard was given to The House of Commons Administration Committee report, which was published in February 2023. The report follows the Committee's enquiry into general election planning and services and the impact of the transition from being an MP to life after Parliament.

#### Background to the consultation

6. 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 launched a review of parliamentary constituency boundaries. This review started in 2021 and sought to adjust for 20 years

of change to the distribution of voters since existing constituency boundaries were established.

7. The Boundary Commissions reviewed 645 of the 650 constituencies following the statutory rules regarding the electoral quota and geographical size. The remaining five constituencies were 'protected' and therefore exempt from the review. The nature of the changes varied as each Commission looked to carve out the boundaries in line with the statutory formula. Outcomes ranged from leaving constituencies wholly unchanged or a change of name only; to minor changes to align constituency boundaries with new local government ward boundaries; or to major changes such as existing constituencies being merged and renamed.
8. The formal reports and final recommendations for the new constituency boundaries were concluded and submitted to the Speaker of the House of Commons on 27 June 2023. All new constituency boundaries will be implemented at the next General Election. Any by-elections held in the meantime would be held based on the old (existing) constituencies.
9. A further factor to the consultation was 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.

## Responses to the consultation

10. We received 65 responses to the consultation - 58 online survey responses and seven written submissions. Of those responses, five were from Statutory Consultees, 16 were from current MPs, 31 were from MPs' staff members and seven were from former MPs. The remaining six responses were from members of the public and other stakeholders.
11. The online survey allowed for the opportunity to provide comments on the wider questions. Answers were not mandatory for each question and in many comments, the comments received related to more than one question or included wider issues.
12. Response figures quoted in this report are based on the number of respondents that answered or provided comments for the category of question.
13. Most respondents wished to remain confidential.

## Eligibility to receive LOOP

14. The Scheme provided for the payment of LOOP if the former MPs had 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’. The proposed changes to constituency boundaries resulted in difficulty to define the ‘same seat’ in the context of the rules.
15. We proposed that former MPs would 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.
16. Nearly 95% of survey respondents answered positively to this proposed change. Respondents also expressed a range of views, including that loss of office should be seen as an exit from a ‘fixed-term contract’ that has not been renewed, and therefore no redundancy-type payment is necessary. On the other hand, some respondents commented that LOOP was insufficient and advocated for a fixed amount or a return to ‘resettlement grant’.
17. 82% of respondents also supported a change to the timing of the payment, with this being paid at the end of the winding up period.

## Eligibility to receive the winding-up payment

18. The Scheme provided for a winding up payment to be made in one of two circumstances: where an MP stands for re-election in the same seat but is unsuccessful, or where an MP stands down at a ‘snap’ election. As with the eligibility rules for LOOP, these criteria assumed that it will be possible for an MP to stand in the ‘same seat’. They also assumed that a five-year fixed-term Parliament is the norm, while snap elections are the exception.
19. As with LOOP, we proposed 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. We also proposed 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’, meaning that effectively all former MPs would be eligible to receive a winding-up payment if they leave Parliament at a general election.
20. Approximately 91% of respondents supported this amendment with wide-ranging comments about the timing of the payment, the link to LOOP and highlighting the

circumstances where an MP leaves Parliament for other reasons (such as personal or ill health) and would not receive a winding-up payment

## Length of the winding-up period

21. We also proposed to amend the winding-up period to support former MPs while they complete their outstanding parliamentary functions. The Scheme provided for a two-month winding-up period during which former MPs can continue to incur costs related to closing down their affairs, but we acknowledged that, in most cases, the time taken to fully close down a former MP's parliamentary affairs and financial affairs with IPSA is longer.
22. The overwhelming majority of responses supported an extension of the winding-up period, citing the existing two-month period as being insufficient. Nearly half of all comments suggested an extension to the existing period, and just over a quarter stated that it should be extended to three months. Further comments specified either four months or a period of time beyond four months, up to a maximum of one year. Only a handful of responses disagreed with an extension.

## Additional support

23. The Scheme made provision for start-up costs for newly elected MPs but not for MPs elected to a new seat. We invited comments about funding provided to MPs elected to a new seat or following a change of a constituency boundary. Over 95% of comments suggested that additional funding should be provided; these centred mainly on the office facilities but also included contingency application and staff support.
24. We also sought opinion on non-financial support for both MPs and their staff. Suggestions from respondents included support for identifying new employment and re-training opportunities, wellbeing, and mental health support.

## Our decisions

25. Following the consultation, revisions to the Scheme for 2023-24, were laid before the House of Commons on 19 July 2023. Within this sixteenth edition of the Scheme the following provisions have been amended:
  - LOOP will be paid to all MPs who 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. It should be noted that there are no

changes to the calculation of LOOP, or the requirement that, in line with statutory redundancy provisions, a minimum of two years' service is required.

- LOOP will be paid at the end of the winding-up period, rather than once all winding-up tasks are complete. There would be remaining discretion for IPSA to withhold amounts relating to known debts and to withhold payment in cases of exceptional risk.
- The winding-up payment be paid to all MPs who lose their seat, stand unsuccessfully in a new or different seat, or stand down at a general election, meaning that all former MPs would be eligible to receive a winding-up payment if they leave Parliament at a general election.
- From the next general election, the winding up period will be extended to four months, with a corresponding adjustment to the winding-up payment. This reflects the length of time it actually takes for former MPs and their staff to close down their parliamentary affairs and avoids them being expected to continue to work without pay on winding-up activities after their term of office/employment has ended.
- From the next general election IPSA will not fund pay-in-lieu-of-notice (PILON) where the notice period falls outside of the extended winding-up period. Former MPs, as employers, are required to give their staff notice of redundancy, and they should do so at a point which allows them to wind up their affairs effectively and minimise the cost of PILON to the taxpayer. Notice periods for staff can vary, with a maximum period of 12 weeks, but the extended winding-up period provides sufficient time for all staff members to receive notice of redundancy and to work their full notice period if required.
- Where staff members are made redundant as a result of the employing MP leaving Parliament and they qualify for, or are in receipt of, statutory pay entitlements for parental leave, they may receive the full amount of occupational pay they would have been entitled to, had their employment not ended.

26. IPSA recognises that there are challenges for former MPs as they prepare for life outside Parliament, and we equally recognise the impact on MP's staff. We will continue to review the package of practical non-financial support available to MPs and their staff and are committed to working with the House to explore this further.