

BOARD PAPER	
Paper ref:	IPSA/ Ex: IPSA/XXX
Agenda item:	



OFFICIAL – SENSITIVE

DATE: December 2022

SUBJECT: Scheme changes for 2023-24 - LOOP and WUP Consultation

PURPOSE: For decision

ANNEXES: 1. Consultation Paper January 2023 (DRAFT)

Issue

1. To agree the draft consultation document on proposed changes to the 2023-24 Scheme.
2. To agree the date and duration of the statutory consultation period.

Brief background

3. In October 2022, the Board agreed to the revised proposals for the payment of the loss of office payment (LOOP) - made to MPs who stand for re-election, but subsequently lose their seats at the next general election - and the winding up payments – paid to MPs who either lose their seats or stand down.
4. A consultation paper has been prepared to address the changes to the eligibility for LOOP and winding -up payments, timings of those payments and the provision of non-financial support that can be provided to MPs and their staff.
5. The House of Commons Administration Committee is currently undertaking an Inquiry into general election planning, and its report is scheduled to be published towards the end of January 2023. It is likely that the report will focus on the experience of Members who leave Parliament at a general election, whether voluntarily or otherwise. In discussions with the Committee, and House colleagues, we have expressed our willingness to collaborate with them on non-financial elements of support, such as career counselling and preparation for retirement advice. In anticipation of this work we have referenced non-financial support options in the consultation document.

Recommendations

6. The Board are invited to approve the draft consultation at Annex 1.
7. It is recommended that the statutory consultation is launched in January 2023 with a consultation period of 4 weeks. If the consultation is not issued until late January, this would result in a shorter consultation period, with a limited turnaround time to present findings for the 22 February Board meeting.

Key arguments

8. The proposed Scheme changes are to respond to external factors: the Boundary Commissions' review and the repeal of the Fixed Term Parliaments Act. Key arguments have been considered by Board members at the September and October meetings and are therefore not replicated here.
9. For clarity, the proposal set out in the consultation document is that changes to the eligibility rules for LOOP and the winding-up payment would appear in the Scheme from April 2023 planned to take effect at the first general election after this date, but it should be noted that the LOOP changes would not be implemented until the first general election after the Boundary Commission review has been completed and the legislation approved.

Risk and opportunity assessment

10. As outlined in previous board papers some of the inherent risks are omitted from the consultation.
11. There may be circumstances where an MP did not have the option to stand, so would therefore not qualify for LOOP. The associated risk could be that an MP feels forced to stand as an independent (for example) in order to be eligible for LOOP. This means that in theory IPSA policy could be seen to have an effect on electoral outcomes.
12. We have thought carefully about how this risk may be mitigated. The Board has already considered a maximalist approach (any MP standing down following a detailed boundary review would be eligible) and an approach whereby we make a judgement about how impacted a current MP's seat has been by boundary changes.
13. An alternative might be for us to adopt a discretionary system whereby cases could be assessed on a case-by-case basis, which could consider analogous circumstances in employment (for example, employer relocation and staff not wishing to move). However, this could result in IPSA being in the position of making judgements on what can be Party or personal preferences. Establishing decision making criteria that would be clear, and fair (to MPs and the taxpayer), would be challenging. We are happy to discuss further at the Board meeting – so far, an equitable and workable solution has evaded us.
14. It is proposed that the LOOP payment is paid at the end of the winding up period. This will remove some of the financial incentive for former MPs to wind up their affairs quickly or may impact on the repayment of outstanding debt.

Resource assessment – people and finance

15. There is no further financial information to be considered at this time.
16. The consultation process would be managed by the policy team.

Customer assessment

17. Consultation and adoption of the changes into the Scheme will provide a transparent, consistent and formal approach and give early clarity to the financial support available.

ESG (Environmental, Social, and Governance) assessment

18. There is no specific impact on the ESG agenda, however the consultation asks for information in order to consider equality impacts.

Operational and technological assessment

19. There are no further impacts in this area.

Political and legal assessment

20. IPSA is required under the PSA 2009 to consult a list of statutory consultees when making changes to the scheme.

Communications assessment

21. The consultation will be published externally, and results presented to the Board to inform its final decisions on the revisions planned for 2023-24.

22. The current external environment presents challenges for consultation on MP remuneration issues and will be closely following the announcement due at the end of January on MP pay and business budgets for next year. This will require careful positioning.

23. Given the proximity to publication of the Administration Committee report, it may be prudent to review timing again prior to launching the consultation in January. However to note, any delay in the consultation would make it more difficult for changes to be incorporated in the version of the Scheme laid in mid-March 2023.

Post-implementation review

24. The consultation responses and subsequent proposed Scheme changes will be returned to the Board to be ratified before the changes come into effect.

Proposed changes to the Scheme for 2023-24

A consultation
January 2023



Consultation: Proposed changes to the Scheme for 2023-24

Background to the consultation

1. This consultation concerns 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. 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 5 '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

IPSA

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 have required IPSA to re-examine how some of its regulatory rules are implemented.
8. In addition to changes to the Scheme, we are also considering what non-financial measures may be helpful to support members who leave Parliament. The House of Commons Administration Committee [is currently/has recently undertaken] an Inquiry into general election planning and have heard evidence about the impact of the transition from being an MP on individuals and their families.

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

IPSA

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 loss of office payment and winding up 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. These changes would impact on rules about the Loss of Office Payment (LOOP) (set out in Section 1), the Winding-Up Payment (Section 2) and additional support for MPs and staff leaving Parliament (Section 3).
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 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. Unless stated, all remaining eligibility conditions and qualifying criteria for both LOOP and the winding-up payment will remain the same at this time.
15. 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.
16. 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 4).

How to respond

17. Please use our quick and easy online survey to submit your response.
([hyperlink](#))
18. You can also email consultation@theipsa.org.uk if you prefer.
19. Please do not send us responses by post.
20. 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.
21. 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.
22. Please send us your response by 11:59 pm on **X 2023**.

Section 1: Loss of Office Payment (LOOP)

Current eligibility rules

23. 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.
24. 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'*.
25. 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 what the 'same seat' means. 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.
26. 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'*.
27. IPSA's aim is to remain neutral in the democratic process and proposes to re-define the eligibility to LOOP by removing the requirement for MPs to stand in the 'same' seat.

Proposed changes to the Scheme

28. It is proposed that 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.

IPSA

29. If accepted, this change would be reflected in the Scheme from April 2023 and will take effect at the next general election after the legislation has been approved.

30. All other qualifying criteria, for example relating to the length of time an MP has been in office or the calculation of payments would remain the same.

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 a candidate for re-election; but not re-elected’?

Commented [AL1]: Can I just check that by stating GE here we are not making it seem as if we are excluding losing a seat at a by-election - if circumstances exist where LOOP may be payable ?

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

Commented [NC2R1]: Hi , LOOP is only payable where someone stands at a general election and is unsuccessful. If they leave mid-parliament it would be because they have resigned or were subject to a recall, so LOOP isn't payable.

Timing of Payment

31. 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 can only be made following the completion of key activities generally occurring at the end of the winding up process.

32. 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.’*

33. 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.’*

IPSA

34. 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 may risk financial hardship.

35. 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 prepare to leave parliament and transition to alternative employment. We know that the winding-up process can take a number of months, sometimes due to circumstances outside of IPSA's and the former MP's control. We do not want to delay the payment of LOOP in these circumstances if earlier payment will mitigate financial hardship.

36. 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.

37. Former MPs need to wind up their affairs efficiently after leaving office. This includes, issuing redundancy notices to staff and sending instructions to IPSA; repaying any outstanding debts to IPSA (such as repayment of deposit loans and overpayments); submitting all business costs claims for the period running up to the election (or point at which the seat was vacated); carrying out administrative tasks, such as cancellation of the IPSA payment card; and any other necessary tasks identified by IPSA.

Question 3: Do you agree that any LOOP entitlement should be paid with the first payroll which takes place during the winding up period?

Question 4: Do you have any other comments about the timing of the payment of LOOP or the winding-up process?

Commented [AL3]: This will make recovering smaller debts difficult - does it prompt the question that we have a de-minimus w/o amount.

Commented [AL4]: A potential issue here is that if we pay both amounts of money before all the debt is deducted, we may end up paying more than £30k so the amount greater than this will be taxed. If we paid after deducting debt it may be that the amount paid to the MP was less than the £30k so no tax deducted. It may mean that those who choose to pay the debt as opposed to having it deducted from LOOP will be penalised.

Commented [NC5R4]: Good point, I hadn't thought of that. Might need as part of the process to give MPs the opportunity to agree to have known debts deducted upfront before payment?

Commented [AL6]: A thought on the first payroll during winding up - if the Ge happens to take place on the 20th (a bit unlikely but..). Then the first payroll in the WU will be the around the 29th of the month. I think by the 20th payroll will have effectively been done and it may make it really difficult to include the LOOP etc on that payroll.

Commented [NC7R6]: Good spot, this is actually an error! It should say 'at the end of the winding up period'. We updated the text above but due to an oversight didn't change the text of the question itself.

Section 2: Winding-Up Payments

Current eligibility rules

38. 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.
39. 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.*'
40. The repeal of the Fixed Term Parliaments Act 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

41. As with the proposals relating to LOOP, IPSA's aim to remain neutral in the democratic process and proposes to re-define the eligibility to the winding-up payment by removing the requirement for MPs to stand in the 'same' seat at all general elections.
42. We also propose to remove the requirement for standing down at a general election 'under a fixed parliamentary term'.
43. Former MPs will 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.

IPSA

44. This change would take effect at the next general election after April 2023.

45. All other criteria, for example the calculation of payments would remain the same.

Question 5: 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 6: Do you have any comments about the wider eligibility for the winding-up payment ?

DRAFT

Section 3: Additional Support

Constituency office relocation

46. As a result of constituency boundary changes, some MPs may wish or need to re-locate their constituency offices, or may have been elected to a new constituency altogether.
47. 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 but wish to or need to move offices.
48. 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'* #
49. 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.

Commented [AL8]: Will this be the parameter for deciding whether an MP's staff member receives redundancy as a result of boundary changes. If an MP constituency changes as a result of boundary changes and the office needs to move away from its current location meaning a staff member can no longer travel - are we providing redundancy for them? Point 53 talks about retaining staff - which I presume is if re-elected after a boundary change win - otherwise it seems like a strange statement without reference to anything else.

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

50. IPSA recognises that there are challenges for former MPs as they prepare for, and transition to, life outside Parliament.

51. 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.

52. We will also look for opportunities to provide detailed advice and guidance on our website (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 MP's staff

53. If MPs retain existing staff that those staff will keep their continuous service, and will not be entitled to any redundancy pay.

54. IPSA recognises that the fixed term parliaments changes outlined in this consultation may also impact on MP's staff. We would like to understand what additional support can be provided to staff during the winding up process.

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

Section 4: Equality impact assessment

55. 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 all sections of society. This principle is in addition to our responsibilities under the Equality Act 2010. IPSA will carry out an Equality Impact Assessment (EIA) to consider any likely or actual impacts of the changes proposed in this consultation.

56. IPSA 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?

Administration Committee recommendations and draft Executive commentary

Report Recommendation	Executive commentary
<p>13. The Administration Committee should receive quarterly updates from the House Service and IPSA on election planning from the publication of the report until the next general election. These should include an update from IPSA on the resolution of outstanding accounting queries. Updates should continue in the new parliament, with the frequency of post-election updates to be agreed by the Committee. A single person in each organisation should also be nominated to be accountable to the Committee on the implementation of the recommendations of this Report and to work regularly with a nominated Member of the Committee.</p>	<p>We welcome the opportunity to speak to the Committee in future about general election preparedness. However, IPSA, as an organisation independent of Parliament, should not be directed by the Committee in the same way as the House service, nor is it 'accountable' to it.</p> <p>To note, we are unclear what 'outstanding accounting queries' refers to and are seeking clarification from the Clerk of the Committee.</p>
<p>14. The House Service and IPSA must work together to keep accurate and up-to-date inventories of Members' office equipment.</p>	<p>We recognise this has been an issue at past elections, and work with PDS is ongoing as part of the House-IPSA forum and in the context of general election planning, to seek ways of improving the provision, maintenance and disposal of IT and office equipment. The Finance team is working on a solution to be able to 'tag' IT purchases as assets for each MP; this would mean being able to report on or display this information via the dashboard, so that an inventory of equipment would be available at any time.</p>
<p>16. Members and their staff should have as much notice as possible of the processes they will need to follow after an election is announced. Dissolution guidance should be updated every six months and made available online and in print to Members and their staff.</p>	<p>As part of the general election preparedness project, the dissolution guidance has been updated and we have already begun testing it with customers via the MP Staff User Group. The plan is to publish it as soon as possible in the new financial year, although discussions are ongoing with the House about whether and how it can be combined with their own guidance, so that a single product is presented to customers. The guidance will be updated regularly if and when changes occur, and we would commit to reviewing it at least annually.</p>
<p>31. The House Service, IPSA and the political parties must recognise that in the months that follow an election they</p>	<p>We are committed to working collaboratively with the House on planning and delivering support to former MPs following an election. From IPSA's side this</p>

each have a duty of care to Members who stand down or lose their seats and must work together to ensure that Members receive the support and services they require when they leave Parliament. We expect the House Service, IPSA and the political parties to establish how this will be achieved by the end of this year.

includes a dedicated and specially trained team of Account Managers who will support former MPs and their staff through the winding-up process.

The consultation document due to be launched shortly includes questions about what additional non-financial support should be provided to former MPs and to their staff upon leaving Parliament.

97. IPSA must continue to improve the training of its staff in dealing with former Members.

There is a cross-organisation programme of work to prepare for the next general election, including a dedicated workstream on supporting former MPs, to ensure the necessary guidance, resources and training are in place. This will include training on handling difficult conversations with empathy and dealing with upset reactions from customers.

98. IPSA should review the average winding up periods required in 2019 and set an appropriate evidence-based timetable for the next election with the ability to extend it on a case-by-case basis.

There appears to be some misunderstanding about the significance of the two-month winding up period and why the timeline for completion of all winding-up activity might be different. The winding-up period is the period during which MPs can continue to employ staff and incur costs related to the closing down of their offices. After the two months, they are still able to make claims for costs that were incurred during that period, subject to the normal 90-day deadline. Some winding-up activities may take significantly longer, and often for reasons outside of the MP's (and IPSA's) control – for example, waiting on a final bill from a supplier.

We do not favour a change to extend the winding-up period to something longer than two months; we are not persuaded that this would help improve efficiency of winding up and may have the opposite effect. The Scheme already provides discretion for IPSA to extend the winding-up period on a case-by-case basis, and we have done this on a number of occasions. (To note, after the 2019 election the winding-up period for all departing MPs was extended by around two weeks, taking into account the timing of the election and the impact of the festive period.)

Any consideration of the timetable for winding up needs to take into account that, while we recognise improvements are needed to IPSA processes, efficiency depends in large part on the continued engagement of the former MP.

<p>112. The loss-of-office payment should be treated as a redundancy package to support MPs when making their transition from the House to another vocation. Payment should not be contingent upon the completion of the winding-up tasks as this goes against the spirit of the payment and its intended function.</p>	<p>The consultation document which is due to be launched shortly includes a proposed change to the Scheme so that LOOP payments are made at the end of the two-month winding-up period, rather than after all winding-up actions are complete. IPSA would retain discretion to deduct known debts from this payment, for example in cases of high financial risk.</p>
<p>113. IPSA should provide the Committee with examples of comparable redundancy payment schemes in other sectors and organisations against which to test the loss-of-office payment system for MPs. This should be used as a benchmark for a future review of the system.</p>	<p>This recommendation does not reflect the proper position that the IPSA Board alone is responsible for deciding policy on LOOP and other payments to former MPs under the Scheme, as well as the timing and content of any review. If the Board wishes to do so, our suggestion would be to include a review of LOOP in the next statutory review of MPs’ pay, following the next general election. This could include benchmarking against redundancy schemes in other sectors.</p> <p>It is important to note that the transition from resettlement payments (which were in place up to the 2015 election) to the LOOP arrangements was a key tenet of the 2015 remuneration reform package, which included a significant one-off increase to MPs’ salaries. From the 2019 election, winding-up payments were added to provide additional financial support and in recognition of the work that former MPs need to do during the winding-up period.</p>
<p>118. In view of the complexities of the McCloud judgment and its impact on the Members’ Pension Scheme, IPSA should fund the training of three pension advisers to ensure that members of the Parliamentary Contributory Pension Fund (PCPF) have access to financial advice on their pensions. Advisers should have an in-depth knowledge of the scheme and Members should then be required to pay for using the service.</p>	<p>We have already committed to ensuring that impacted members have sufficient information about their choices and, along with the PCPF, we have commissioned work to provide tailored communication and financial education tools which will be made available. As part of this, IPSA is funding the set-up of a panel of financial advisors with knowledge of the scheme, which members will be able to access if they choose (members will need to personally fund any financial advice they choose to take).</p>