



HOUSE OF COMMONS

# Speaker's Committee for IPSA

## Oral evidence: IPSA's Main Estimate and Corporate Plan 2024-25

Tuesday 5 March 2024

Ordered by the House of Commons to be published on 5 March 2024.

[Watch the meeting](#)

Members present: Sir Lindsay Hoyle (Chair); Marion Fellows; Penny Mordaunt; Lucy Powell; Sir Desmond Swayne; Sir Charles Walker; Mrs Heather Wheeler.

Lay members: Peter Blausten; Theresa Middleton CBE.

Questions 1-21

### Witnesses

Richard Lloyd OBE, Chair, and Ian Todd, Chief Executive, Independent Parliamentary Standards Authority.



## Examination of witnesses

Witnesses: Richard Lloyd OBE and Ian Todd.

Q1 **Chair:** Welcome to this meeting of the Speaker's Committee for IPSA. We are here today to consider IPSA's main estimate for 2024-25. Richard and Ian, could you introduce yourselves for the record?

**Richard Lloyd:** Good afternoon, Mr Speaker. I am Richard Lloyd. I am chair of IPSA.

**Ian Todd:** Good afternoon, Mr Speaker. I am Ian Todd. I am the chief executive of IPSA.

Q2 **Chair:** Excellent. Before we begin the questioning, could you briefly summarise your main estimate? Who wants it?

**Richard Lloyd:** As this is almost certainly the last meeting of this Committee before the general election, can I just thank you, Mr Speaker, and every member of the Committee for your guidance, support and challenge as we have gone about transforming and rebuilding the foundations of IPSA? That is what we have done. We have changed the culture of IPSA and we have transformed the service that we provide. Importantly, we have maintained extremely high levels of compliance with our scheme, and we have responded to the current security environment through the way in which we publish our data and provide transport.

The coming year is about building on the progress that we have already made. Our core work continues—funding the essential requirements to run a constituency office and staff, and to ensure that Members can do their jobs. We are going to continue to improve our service, and alongside our estimate, we have set out the ways in which we intend to do that. We will help Members to procure better offices, with much more support for healthy and safe working environments, and we will continue to fund staffing complements at the level that we have provided over the last two years. In other words, that is an envelope that will pay for five staff and, provided the estimate is approved, we will apply a 6.2% automatic uplift to people's salaries next month.

Of course, we also have to deal with a general election. Thanks to the Administration Committee and its recommendations, we have been focused on that, and in actual fact, we have been working on preparations for the election for three years. We want not only to ensure that we can help leaving MPs to wind up their affairs in a much more realistic timeframe, but to bring on board new Members and to ensure that they can get up and running as quickly as possible with our support. We are going to test and, at the appropriate time, introduce a new user-friendly gateway to IPSA Online, which I know many Members are interested in seeing us do. We are going to fully review our rules, bringing about a principles-based approach, which we have discussed with you before, with better guidance and more practical support where offices need it.

In short, Mr Speaker, we are going to build on the successes and the foundations that we have laid over the past three years. I know that this has been a particularly difficult time for many Members and their staff, and I am very grateful to Ian and all the staff at IPSA for doing all they can within our remit to provide appropriate and more sensitive support at this time. The feedback that we have had is the highest ever level of satisfaction with our service, the highest ever level of staff engagement at IPSA, and the confidence to take those next steps in the evolution of what Parliament has asked us to do.

**Chair:** Thanks for that, which hands me nicely over to Heather.

Q3 **Mrs Wheeler:** Lovely. It is always a pleasure to see you, gentlemen. I personally hope that we will see you again in December and then have the general election after that, but who knows?

**Richard Lloyd:** The timing of SCIPSA's are not in my hands, and general elections even less so!

**Mrs Wheeler:** You and me both, kid. Ian, what is your assessment of your progress against your business plan, please?

**Ian Todd:** It is worth reflecting that our business plan for the current financial year, the end of which we are now approaching, is also the end of our corporate plan over three years, which was the one that I agreed with the board when I took over as chief executive. We have seen considerable progress over that time. You would expect me to say that, but I will give you some metrics to demonstrate it. I would like to pay tribute both to my own team within IPSA and also to Members and their staff who have engaged with us in a far more proactive way than we have been able to achieve previously, supporting us in the development of some of the products that we have been able to offer.

Over the course of that corporate plan, our call answering performance has increased—we now answer 88% of phone calls within 20 seconds. While there is no single unique industry standard, 80% in 20 seconds is one of the most commonly adopted in call centres. We have seen a 17% increase in the last year in email response performance. Complaints have dropped by over two thirds. Time taken to reimburse MPs has dropped by two thirds. Most importantly, our annual user satisfaction of Members and their staff has seen a 40% increase in those rating our service as “good” or “very good” over the period of that corporate plan. It started at just 25% in 2019, on the back of the implementation of IPSA Online, and it is now running in excess of 65%. Similarly, the number of MPs who rate the service as poor has decreased significantly, with an increase in those rating us as neutral.

Confidence in using IPSA Online has increased from 75% to in excess of 90% on the back of the roadshows that we have been operating and of the training and development that we have been able to put in place for Members and, in particular, their staff. The amount of time taken using IPSA Online has decreased significantly for Members and their staff,



freeing them to concentrate on what really matters, which is dealing with the matters of your constituents, rather than with the administration involved in IPSA.

It is also encouraging to see that we have delivered all that while seeing our own staff engagement improve from 51% in 2019 to 77% at the last assessment in 2023. If you were to compare that with the civil service as a whole, which is probably the closest public sector comparator, we are 12% ahead of where the rest of the civil service is. Those numbers over a three-year period, including the work that we have done over the past 12 months, demonstrate a positive direction of travel and that we have met all the objectives of last year's business plan and of the three-year corporate plan.

**Q4 Sir Charles Walker:** I, like Heather, hope we are here in December, but if not, may I say how much I have enjoyed working with the two of you in a professional capacity? It has been very constructive. I have just a couple of questions. First, in setting MPs' pay for the coming financial year, what metrics will you use?

**Richard Lloyd:** If you remember, in 2021 we consulted post covid, post the pandemic, whether we should continue using the metric that had been in place for some years, which is a measure that tracks the growth in public sector earnings over the previous 12 months. As those metrics have been—to put it bluntly—a bit all over the place, because of some of the effects of covid and some of the economic circumstances we have seen over the last period, we consulted on taking the metric as a starting point, but looking at other indicators, including settlements in the real economy, including the whole economy and the public sector. When we announce the determination for MPs' pay, which we make independently, we will follow that set of rules that we consulted on and introduced in 2021.

For staff, this year, again we have taken a metric that tracks earnings in public administration roles. At the time we drafted the estimate, that is a 6.2% increase, and that is what we propose to introduce as the default for MPs who do not opt their staff out of the annual uprating. In terms of the budget, as I just mentioned, we are assuming another year of a complement, an envelope, that will fund five staff.

I should just say, Charles, that at the next election, whenever that is, when the next Parliament is here, we will do a full review both of MPs' pay and the metrics that we will use for the next Parliament, and of the right size for constituency offices. I have been in constituency offices many times recently, and I hear loud and clear that in some places there is serious stretch. As Ian said, there are other things that we can do to reduce the pressure—the stress, the strain—on constituency staff, but I think that after the next election will be the right time for us to step back and ensure that we are providing the right level of resourcing. As you will remember, we did increase the complement by the equivalent of one full-time member of staff post covid. However, there are many views about that, so we want to take our time and do the review properly.



## HOUSE OF COMMONS

**Q5 Sir Charles Walker:** So staff are getting 6.2%. When do you intend to announce the pay award for Members of Parliament? It is now 5 March; the new financial year starts in just over three weeks.

**Richard Lloyd:** You will hear very soon. Again, one of the things I think you will have seen in our estimate and our plan for this year is how seriously we are taking our responsibility to promote trust in this institution—in democracy. When we do announce, as we expect to in the coming days, decisions that we have made independently that may be controversial, we will do our level best to contextualise those decisions to ensure we take the most proactive approach possible to explaining what we are doing and why.

**Q6 Sir Charles Walker:** I would say that paying Members of Parliament is not controversial, because I am not doing this job for free. I have never done anything for free and I have never turned down a pay rise. I know you are doing it for the best of reasons, but making such a big deal out of this actually suggests that Members of Parliament should not be getting pay rises or should not be getting a salary for doing the job.

I can say this, as I am leaving Parliament: I do not want to get to a state where Members of Parliament have to feel ashamed of being paid for turning up and doing a really difficult job. It is now 5 March, so the quicker we announce what Members of Parliament are going to get paid, the better.

**Richard Lloyd:** I very much agree. Were we doing this in February, as planned, then we would have made that announcement now. By the way, one of our principles is that we should absolutely pay MPs a fair rate, so that being a parliamentarian is open to anyone, whatever their circumstance. It has to be fair to the taxpayer as well. My point is merely that every year we know there are a minority of people who object to an increase, or a decrease, or nothing at all. Therefore, it is incumbent on us as the independent determiners of MPs' pay to explain properly and publicly the rationale for our decision, and that is what we will do.

**Q7 Sir Charles Walker:** Great. On boundaried-out Members of Parliament—I know you are looking at this—there has been a major boundary review and there are going to be some Members of Parliament who, through no fault of their own, are not going to find a seat to stand in. What we do not want is a situation where Members of Parliament who have been boundaried-out stand as sort of paper candidates in seats to secure a redundancy payment. Is the SCIPSA board alive to that concern?

**Richard Lloyd:** We have looked very carefully, as you know, following your Committee's very helpful recommendations in its report, at the support we provide to anyone who is winding up as a result of leaving Parliament. The rule until now has been that some of the funding available is triggered by losing a seat, and that is where the unintended consequence you describe might arise. We have also looked very carefully at the impact of the boundary changes and, where those are significant, at the additional support we will need to provide to people moving, for example, their constituency office. We are very alive to the



## HOUSE OF COMMONS

issue in the round.

On the specific question of where individual Members choose not to stand again purely and solely because of a boundary change, we are going to have to come back to you. Disentangling the motivations for not standing is not as straightforward as it might sound, but the point is well taken.

**Q8 Sir Charles Walker:** I am sorry if I sounded fierce on MPs' pay. I would just like to say again for the record that the two of you have been a breath of fresh air and we have had lots of honest conversations. For the sake of anybody watching this, I very rarely get my own way, but occasionally I do; it is a bit of give and take. Thank you very much.

**Richard Lloyd:** Thank you for saying that—I did not think you were as fierce as I know you can be, Charles.

**Q9 Marion Fellows:** Gentlemen, it is really nice to see you here again. I want to talk about office budget costs. As you know, at the beginning of this year they went up by 7%, with a proposal for 8%. The Chief Secretary to the Treasury's advice to us seems to suggest that Government Departments would have been expected to absorb much more cost under business as usual. I am not for one second saying, "Don't do this.", and I don't think there is anyone else around the table who would, but why is it going up this year, if the increase was not all used last year?

**Richard Lloyd:** I will start and then I will hand over to Ian. What we do year-in, year-out is assess the evidence for what is happening in the market and what it costs. Our duty given to us by Parliament is to ensure that MPs can carry out their parliamentary duties. One of those is to have an office in their constituency, and we meet the cost of that based on real-world evidence. On whether we should behave like a multibillion-pound Government Department, I am sure Ian has a view.

**Ian Todd:** Thank you, Richard. Having worked in multimillion-pound Government Departments, I can say that there are distinct differences. The letter from the Chief Secretary to the Treasury perhaps does not reflect that as we would like. IPSA is not an organisation that employs 4,500 people and deals with £250 million a year. That money flows through us, but it is delegated to 650 individual MPs who have small budgets with which they run their constituency offices. The idea, therefore, that you can absorb those costs in the way you could if you were an organisation of several thousand people and £250 million is not a viable one. The office cost budget has been thought through very carefully. It shows an 8% rise for next year. That reflects the rental costs of offices, which we know are disproportionately high, and includes the utility costs within those offices, which we know are also disproportionately high.

There is a differentiation between the amount of money going into individual MPs' budgets and the headline figure that is in the estimate. They are not the same thing. One is not 650 times the other. We recognise that many MPs underspend on various lines of their budget, and



## HOUSE OF COMMONS

we reflect the headline figure in the estimate to take into account the historical underspends that many Members return. The increase you see in your budget is not the same as the increase. In fact, given that most of the lines of Members' budgets increase by between 6% and 9% next year, the overall estimate only increases by under 4% because we top-slice out the underspends that we know will take place.

To reflect a point that Peter has made, and Sir Desmond has made on previous occasions, we are getting far better at forecasting with a greater degree of accuracy. We think the forecast underspend against subhead A is likely to be just over 3% by the end of this year, which is far better than it has ever been previously. Subhead B, which is IPSA's own operating costs, are forecast to be 1.5% under budget, which is around about £150,000 on a budget in excess of £10 million. So our forecasting becomes more accurate each year as well.

- Q10 **Peter Blausten:** Ian, you're on again. IPSA is planning to keep 1% of subhead A—departmental expenditure limits—as a contingency. We think that is about £2.5 million of unallocated funding. Can you explain why that is, and why you have chosen to do it that way, as opposed to coming back for a supplemental estimate?

**Ian Todd:** I can indeed explain that. It is a misunderstanding, and I am sorry if it is one that we have fostered in the way we make our submission via the Treasury. This is not a contingency budget in the way one would normally expect. A normal contingency budget would be one by which, having exhausted all other moneys that have been given to us, we then dip into the contingency at the end.

The contingency budget is the budget that specifically funds contingency applications from Members to IPSA, and it is there for two things. It funds things that are not normally available under the scheme but that, on an exceptional basis, should be granted because there are compelling reasons why that should be the case. It also reflects costs that we know some MPs will incur, but we do not know which MPs or how much at the beginning of the year. They are not allocated to budgets, but they are legitimate one-off costs.

An example might be legal support for HR issues. Where something is not within a Member's budget, they would apply through the contingency route. This contingency budget funds that contingency process. It is not a contingency in the normal sense, because there may be and will be underspends in other areas of their budget.

- Q11 **Peter Blausten:** Would you expect this to be a recurring feature in future estimates?

**Ian Todd:** It is and historically always has been. It is the funding for the contingency process. It is not a traditional contingency figure. It is not a figure we will dip into, having exhausted all the funds; it is a different mechanism.

- Q12 **Peter Blausten:** Maybe moving forward we could indicate that in a



different way? Maybe that would be better.

**Ian Todd:** Indeed; as I said at the beginning, if we have presented that to the Treasury in a way that has led it down a particular path, we need to explain ourselves better in future. Having said that, this is a traditional feature of our estimate that has not caused the concern previously—but we will address it in future years.

Q13 **Peter Blausten:** All right. Thank you for that. In subhead B, well done: you have decreased your core capital budget, which is always pleasing to see. However, you have decided to keep £120,000 in your capital contingency, so we have the issue of contingency again. That seems to be quite a high percentage of your core capital budget—about 85%. Can you speak to that, please?

**Ian Todd:** I can. That is a contingency in the traditional sense. I think we have a particular challenge, along with a number of other organisations that are overseeing both Speakers' Committees, in that our budgeting process is incredibly early. We have to start producing our budgets in September to go through the process for a budget that starts in April and will run through to the following March. That makes it particularly difficult to predict some of the outcomes.

For example, we are undertaking a lot of work at the moment on a new front-end interface for IPSA Online. We have done a lot of engagement with Members and their staff about what that solution should look like. We then have a range of options and we need to go to the market and understand what can be delivered and at what cost, through a competitive procurement process. The difficulty is trying to estimate what that is going to be in September when we will not be procuring it until the following financial year.

We have given our best estimate within the figures provided, but we have retained a degree of contingency there because we need to fully understand the scope of what we are going to deliver. At the time of providing the estimate, we could not do so any more accurately than we have done.

Q14 **Lucy Powell:** First of all, I echo what Sir Charles said: this is my first SCIPSA meeting, but I have been in this role for a few months now, and the general feedback about the performance of IPSA among colleagues on my side of the House is completely transformed from where it was two or three years ago. Well done to you both, and more power to your elbow for doing that. I also concur with Sir Charles on his other points, which are easier for him to make.

I want to raise a couple of things that are not in your estimates. The first is about general election planning, which you mentioned at the beginning, Richard. You said yourselves that your estimated costs of managing the departure of one MP are £116,000 when you take all those things into account. The House of Commons Library has already produced a tracking spreadsheet of those who have said they are standing down. Notwithstanding any changes through a general election, that list is





## HOUSE OF COMMONS

already at 100, so that is £10 million to start off with. I wondered why that was not in the estimates, given that the coming financial year will be a general election year, and when you might bring those forward. It is unlikely, but we could in theory be dissolving Parliament in two and a half weeks.

**Richard Lloyd:** I have already been a bit bold about whether this Committee will meet again this year, so I will be careful about what I say. Many MPs having already declared that they are standing down has been helpful to us in our planning. We have done numerous winding up sessions with MPs already, helping them to prepare for winding up their offices and the like, so we are well ahead and better prepared than IPSA has ever been for a general election. It is helpful that we have had those declarations early.

We will inevitably have to do a supplementary estimate, though, because that won't be the full size of it, one assumes. It has previously been our practice, and I think it remains sensible, to put in a supplementary estimate when we have actual costs that we can put to the House, rather than projections or estimates based on some public and some private information that we get from MPs at this stage. In other words, we thought it was more straightforward to do it all in a single supplementary estimate, rather than try to fold in what we might know now, and what might not be public now, into the current estimate. The other thing is that we will need to come back with a supplementary estimate for the costs of the McCloud remedy.

**Lucy Powell:** I was just going to ask that.

**Richard Lloyd:** Therefore, it seemed to us sensible to do both together again when we are closer to or have the actual costs.

Q15 **Lucy Powell:** I was going to mention McCloud, but you have done so, so that answers that bit of the question. Just to be clear, in terms of MPs standing down or changing roles, you would not be sure of that number until the day after a general election. Are you saying that you would come back with a supplementary before you think there is going to be a general election, or you will do it after? Do you have the money in the bank, as it were, to do that before you have had a supplementary estimate agreed?

**Richard Lloyd:** We can do what we need to do until we have the actual costs.

Q16 **Lucy Powell:** Okay. So it is a retrospective thing, in a way.

**Ian Todd:** The supplementary estimate would be after the event. It is good for transparency as well, because it allows us to bundle all the general election costs into one supplementary estimate, which highlights that they are specific to that event, rather than being conflated with the ongoing operating costs of MPs through the rest of the year. It is the way we have done it previously. Also, although we can estimate the winding-up costs for those MPs who we believe are standing down, they are not all the



## HOUSE OF COMMONS

costs of the winding-up process. That is a specific element, and then there are all the MPs who may, subject to the will of the electorate, turn over but who we are unaware of. It just makes a much simpler, more transparent process to do a post hoc supplementary estimate covering all the costs.

- Q17 **Lucy Powell:** Finally, related to that, thank you for allowing me to be on the pilot scheme. My boundary is changing so, as Charles was saying, I am having to change office as well. Can you say a bit about the estimates around office changes that maybe sit outside the general election but are to do with boundaries and other things? How are you supporting Members with that now and what costs are involved?

**Ian Todd:** We are undertaking a pilot at the moment. We hope we will be in a position to roll that out to at least all new Members after the general election. That depends a little bit on the timing of the general election. Obviously, the more preparation time we have, the more we will learn from the pilot scheme.

We recognise that Members, when they take office—particularly for the first time but also when they have to move offices—are not necessarily experts in property law. They have other things to be doing rather than searching for properties, looking for utilities and doing all the various things that sit alongside that. We believe we can support Members by moving the burden predominantly on to us. We have entered an arrangement with a provider who will be able to search out appropriate properties. That means they will be specced to the right standard, they will be suitable for the fitting of security arrangements, they will be accessible and they will meet the minimum necessary requirements. Then, a range of options will be provided to the Member who can choose from within those. We hope that, in the fullness of time, that will include fully serviced packages, so that utilities and various other products can be bundled in.

The pilot at the moment involves 17 Members. We would not expect that number to be significantly higher at this stage, because most MPs will not be looking to move office within relatively close proximity of a general election. We are very grateful to you, Ms Powell, and your team for being one of those pilot members. We are still in fairly early stages, but I think it is fair to say—

- Q18 **Lucy Powell:** The costs are in here, though, yes? They are all accounted for as well.

**Ian Todd:** The costs are all accounted for, yes. The overhead of the arrangement with the provider is not significant. We cannot fully offset that yet. There will be a cashable saving in terms of the time of both you and your staff members not having to undertake some of this activity yourselves in future, which would offset. You do not see the financial benefit of that but you do have the capacity to be dealing with other things.

- Q19 **Theresa Middleton:** I have another question about the impact of the general election, not so much about the money in pounds, shillings and



## HOUSE OF COMMONS

pence, but in terms of the impact on your ability to manage the process. As everyone has already said, between you, you have presided over a significant improvement in performance in the service standards. This election will perhaps be a very disruptive time for you and your teams. Can you tell us a little bit about how you are gearing up to manage that, both in terms of the MPs who will be leaving—either because they wish to or the electorate wishes them to—and the new ones, who will be arriving without the experience and knowledge of the systems and processes, and who will probably need a lot more support from your staff than the current MPs and their offices might need? This is really about people and resource impact, rather than money.

**Ian Todd:** In many ways, you are right that a general election is a disruptive period for us. On the other hand, it is a foreseeable event, and there is no excuse for not being ready for it. We are very grateful in particular to Sir Charles, the Administration Committee and their report on our performance at the last general election, which had some positives, but also some challenges. We have been working for at least three years in preparation for the upcoming general election. We have worked very closely with the House to make sure that the appropriate arrangements are in place. We have dedicated arrangements for new Members, returning Members and departing Members that prioritises the particular information that they need from us and that we need from them. We have significantly enhanced training packages, both face to face and online, for new Members when they take office for the first time, so that we can support them in getting up and running, renting offices and recruiting staff, and in dealing with IPSA directly through the IPSA Online system.

We have already undertaken test events in relation to both new and departing Members, where we have run scenarios in the rooms we will actually be using to ensure that process works effectively. It is a big call on our resource to be able to deal with that. Effectively, where you have MPs winding up their offices and you have new offices, our cohort increases from 650 to potentially the best part of 1,000 individuals, depending on the degree of turnover that happens at the next election. We are confident that we have a resourcing plan. We understand what activities we can stop or slow down to be able to deliver that effectively. We are absolutely confident that we are well placed to deal with the election. Were Sir Charles to have a report on the upcoming general election, I am very confident that he would be able to frame our position far more positively than he was last time.

Q20 **Sir Desmond Swayne:** You have an increase of £284,000 on consultancy. What are they for?

**Ian Todd:** It is absolutely normal for any organisation to rely on consultancy where you require specialist expertise. We are a small organisation; we only have 100 staff. We do not necessarily employ people in every specialist area. We do not have a call for them to be employed full time on an ongoing basis. There are probably three areas where we have particular consultancy requirements relating to the transformation



## HOUSE OF COMMONS

programme, and then another two in particular that relate to ongoing business as usual.

The constituency office proof of concept—the accommodation pilot we have already talked about—requires some external specialist resource. The development of the IPSA Online front end and marketplace tools also require external support; it is beyond our capability to do that and it would not be cost-effective to employ someone in-house to deliver it for us. We also need to do some work around the new strategic pillar and supporting trust in democracy, which Richard has already alluded to. Those are three particular new areas under the new corporate plan, which we need to rely on some external resource for.

There are two ongoing, business as usual requirements. One is specialist cybersecurity, where it simply would not be viable to employ that kind of expertise in-house on an ongoing basis. We have also had some support in the procurement and commercial space, where we have been unable to recruit in the past, but we have now made progress in that direction so I think that will be coming to an end. I do not think the consultancy budget is one that we would consider to be a one-off for this year. Some of it may roll over into subsequent years, but equally they are not ongoing commitments that will be unlimited in duration. They are things that are likely to last between one and three years at a maximum, I would suggest.

**Q21 Sir Desmond Swayne:** Will the consultants be agency staff, or will they be people who you will take on on your own terms for a fixed-term contract? Or, God forbid, will a firm of consultants borrow your watch to tell you the time?

**Ian Todd:** Indeed. I have been in that space once myself. These are predominantly outsourced commercial arrangements. We go through a full, proper and open procurement process to recruit companies. These are not consultants in the traditional sense. They are property experts around the accommodation pilot and its provision of IT support in relation to the marketplace. They are commercial arrangements with corporate entities but for very specific skillsets.

**Chair:** To conclude, Richard and Ian, thank you for the constructive way that you have worked with us. We are light-years from where we were. Thank you for that, and thank you for moving it in the right direction. It is appreciated. That concludes our public session.