



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Sir Lindsay Hoyle MP
Speaker of the House of Commons
Houses of Parliament
London

1 March 2024

Dear Lindsay,

THE INDEPENDENT PARLIAMENTARY STANDARDS AUTHORITY MAIN ESTIMATES

1. My officials have advised me on the Independent Parliamentary Standards Authority (IPSA) and Local Government Boundaries Commission for England (LGBCE) Mains Estimates requests for 2024/25.
2. I am writing to you in my advisory role in the Estimates process.

Independent Parliamentary Standards Authority

3. Regarding IPSA's Estimate – of the constituent parts of the total 3.6% rise I am not advising on:
 - a. **MPs pay increases of 5.5%** - given the mechanism has previously been agreed and the rise is in line with that mechanism.
 - b. **MPs Offices' Staffing Budgets of 6.2%** - as neither the pay review processes for workforces with an independent pay review body nor the Civil Service Remit have been announced and prejudging these processes by commenting would be inappropriate. However, I would note that we assumed pay rises for 24/25 of 2% at SR21 and typically expect departments to absorb the cost of any pay increases above that
4. Regarding the three other elements of the total rise – if IPSA were a central department:



- a. **The decrease in overall office costs of 1.8%** - would be welcomed, whilst noting that this decrease has occurred due to a low take up of the 8.2% increase offered in 23/24, which is much higher than any funding offered central government departments to cover increases in BAU office costs.
- b. **The increase in MPs uncapped office budgets of c.4.6%** - would be expected to be absorbed by central government departments.
- c. **The retention of the contingency budget of 1%** - in line with Treasury guidelines, central government departments cannot request additional funding for contingency spend, and instead would be expected to stagger funding across the year to absorb any shock.

Local Government Boundaries Commission for England

5. Regarding LGBCE's Estimate – I am not advising on:
 - a. **Pay increases of 5%** - as neither Pay Review Process nor the Civil Service Remit have been concluded/announced and prejudging these processes by commenting would be inappropriate. However, as mentioned with IPSA, assumed pay rises for 24/25 of 2% at SR21 and I typically expect departments to absorb the cost of any pay increases above that.
6. Regarding the other relevant costs – if the LGBCE were a central department then:
 - a. **The 4% increase to match inflation effects** – may be accepted given that costs are expected to rise each year, however, central government departments have been expected to absorb many of these rises within their current budgets.
 - b. **The retention of the contingency budget of 4%** - in line with Treasury guidelines, central government departments cannot request additional funding for contingency spend, and instead would be expected to stagger funding across the year to absorb any shock.



Yours ever,

A handwritten signature in black ink, appearing to be 'L Trott'.

THE RT HON LAURA TROTT MP