



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

7 March 2025

Dear Mr Speaker,

INDEPENDENT BODIES MAIN ESTIMATES 2025-26

1. My officials have advised me on the Independent Parliamentary Standards Authority (IPSA), Electoral Commission (EC) and Local Government Boundaries Commission for England (LGBCE) Mains Estimates for 2025-26.
2. I am writing to you in my advisory role in the Estimates process.

Independent Parliamentary Standards Authority

3. Of IPSA's 8% increase compared to their 2024-25 Main Estimates, I am not advising on the element of this uplift increase relating to MPs pay (where an interim 2.8% award has been assumed in line with the Government's recommended affordability level for 25-26), given that IPSA is currently reviewing MP's salaries this year in line with its requirements under the Parliamentary Standards Act 2009.
4. Regarding the other elements of IPSA's funding increases – if IPSA were a central government department, and noting the challenging fiscal context we face:
 - a. HMT would seek to reduce the **10% increase in MPs staff costs**, noting that the assumed 5% uplift for MPs staff is significantly higher than the affordability figures put forward by the government to Pay Review Bodies to consider for public sector workforces in 25-26. No additional funding will be made available for pay awards to central government departments in 2025-26, meaning that IPSA would be expected to absorb any additional pay costs if they were a central government department.



- b. HMT would seek to reduce the **7% increase in MPs accommodation & office costs** and **17% increase in MPs uncapped budgets** (e.g. travel and subsistence), noting that this is higher than any funding provided to central government departments to cover increases in BAU office costs.
- c. HMT would not fund the requested **£2.7m additional support funding that fall outside or exceed a particular budget**, noting that this budget was underspent significantly in 24-25 (by 70% of the £2.5m allocated by IPSA). 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.
- d. HMT would welcome the **1% decrease in funding for central IPSA operations**.

Electoral Commission

- 5. The Electoral Commission is seeking no uplift at its Main Estimates in 25-26 compared to its £48m budget at Mains 24-25. However, £9m of funding was provided to the Electoral Commission at Mains 24-25 to reflect one-off costs relating to the 2024 General Election. We would therefore expect to see a corresponding decrease in Electoral Commissions' Main Estimates for 25-26.
- 6. On the 5-Year Corporate Plan, I note that the Electoral Commission forecasts its costs in relation to the UK Parliament to increase from £48m in 25-26 to £61m in 29-30. Given the challenging fiscal context, the Electoral Commission would be expected to fund its priorities through efficiencies and cuts to wasteful spending over the next five years rather than through increased budgets.

Local Government Boundaries Commission for England

- 7. Of the LGBCE's requested 32% uplift, a significant portion of this relates to anticipated costs related to increased staffing requirements following the English Devolution White Paper. Given the limited supporting information in what these requirements will be or



how the funding uplift reflects these requirements, I am unable to advise on this element of the uplift.

8. The 5% assumed pay award for LGBCE staff is significantly higher than the affordability figures put forward by the government to Pay Review Bodies to consider for public sector workforces in 25-26. No additional funding will be made available for pay awards to central government departments in 2025-26, meaning that the LGBCE would be expected to absorb any additional pay costs if they were a central government department.
9. I hope these reflections on how HMT would respond to governmental departments is helpful to you in agreeing main estimates for 2025-26.

Yours sincerely,

A handwritten signature in black ink that reads 'Darren Jones'.

THE RT HON DARREN JONES MP

THE CHIEF SECRETARY TO THE TREASURY