

IPSA Written Submission to the Northern Ireland Assembly Ad Hoc Committee on the Assembly Members (Remuneration Board) Bill

The Independent Parliamentary Standards Authority (IPSA) was established in 2009 by the Parliamentary Standards Act, which was in turn amended by the Constitutional Reform and Governance Act 2010. The creation of IPSA led to a new system for safeguarding public money while also providing MPs with the resources they need to represent their constituents. We are independent of parliament and the government, allowing us to make impartial decisions about MPs' pay, pensions, and business costs.

The legislation gave us three main responsibilities:

- To regulate MPs' staffing and business costs, through a Scheme
- To determine MPs' pay and pension arrangements
- To provide financial support to MPs in carrying out their parliamentary functions.

THE SCHEME OF MPS' STAFFING AND BUSINESS COSTS

IPSA is responsible for the regulation of MPs' staffing and business costs, which is managed through 'the Scheme'. Under the terms of the legislation, we must ensure the Scheme is reviewed and revised regularly. Supplementary guidance is provided on our website.

The Scheme sets out the fundamental principles and rules that MPs must operate within in terms of their staffing and business costs, whilst allowing for appropriate discretion and flexibility.

MPs must have regard to our regulatory principles in making decisions about the use of funding that is provided to them:

- **Parliamentary:** MPs can only claim for expenditure for parliamentary purposes.
- **Value for Money:** MPs must have regard of value for money when making claims.
- **Accountability:** MPs are legally responsible for all money claimed, for managing their budgets, and their staff.
- **Probity:** When making claims, MPs must adhere to the MPs' code of conduct, including the seven principles of public life.

In line with the requirements set out in legislation and our transparency objectives, we publish details of individual claims on our website every two months, as well as the annual total expenditure of each MP.

MPS' PAY

IPSA is responsible for setting MPs' pay independent from parliament and the government. We use guiding principles to ensure the level of MPs' remuneration enables Members to fully and effectively carry out their parliamentary duties and is fair for all MPs given the diversity of parliament, ensuring that good value is obtained from public funds. Our pay principles are:

- MPs should be fairly remunerated for the work they do and the total cost to the taxpayer should be affordable and fair.
- MPs' overall remuneration should be considered as a whole package reflecting the breadth and nature of their responsibilities.
- The package should have a clear rationale linked to the intended outcomes and be cost effective and efficient to administer.

- The package should be sustainable in the medium term without the need for frequent, major changes.
- As far as practical, MPs' remuneration and reward should reflect the experience of other working citizens.

Within the first year of a new parliament, we are required to review MPs' salaries, which may include the way we determine future adjustments. From late spring this year, we will carry out a wide-ranging consultation on MPs' remuneration – including consideration of other pay and economic metrics, domestic and international comparators, non-pay benefits, and aspects of the MPs' pension scheme in relation to the wider pensions landscape. The determination arising from this review will take effect from 2026 onwards.

MPS' PENSION SCHEME

The Parliamentary Contribution Pension Fund (PCPF) is the fund for the pensions of MPs and Ministers which is managed by the Board of Trustees. Under the Constitutional Reform and Governance Act 2010, IPSA is responsible for setting the rules and terms concerning the MPs' pension scheme, which is overseen and administered by the PCPF.

MPS' STAFF PAY

IPSA provides funding for the salaries and on-costs of MPs' staff. To ensure that all staff are remunerated fairly, we set out the pay ranges for MPs' staff job types, which are benchmarked against market rates approximately every three years. In 2022 IPSA benchmarked the salary ranges post-COVID and revisited this in light of the volatile employment market and cost of living pressures in 2023.

6 March 2025