

# **Policy review: MPs' constituency offices**

August 2018



## **Independent Parliamentary Standards Authority**

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#### **Contents**

Executive summary.....	3
Introduction.....	4
Key findings.....	5
Identifying issues in renting office space .....	6
Spending trends .....	8
Rental costs .....	13
Number of offices.....	16
Sharing offices.....	21
Types of landlords .....	23
Office suitability .....	26
Recommendations.....	32
Appendix A - Survey responses.....	34
Appendix B – Scope and methodology .....	45
Appendix C – London Area constituencies .....	48
Appendix D – Rental costs across the UK, 2017 .....	50

## Executive summary

IPSA's role is to resource MPs appropriately to carry out their parliamentary functions and to ensure the claims they make are eligible under the rules outlined in the *Scheme of MPs' Business Costs and Expenses*.

We have received feedback from MPs and their staff that the office costs budget available to MPs is not always sufficient to allow MPs to rent suitable office space. In the first section of this report we outline the key issues around renting office space, drawing on a survey of MPs and their staff and on applications to IPSA for contingency funding. High rent costs in particular areas has been a big issue for some MPs.

In the second section of this report, we explore trends in how MPs spend their office budget on rent. We look at factors such as spend by constituency size, location of the constituency in the UK, number of electors and population density. Whilst we see that MPs in London claim more for office rent, no other determinant of office rent spend was found.

In the third section, we look at the actual cost of office properties across the country. Information about this is limited, and is not broken down by constituency, so there is no clear-cut guide as to what MPs should pay. Costs of renting in London are higher than in the rest of the UK but, due to the variation in costs outside London, it is difficult to determine which non-London constituencies have high market rental costs. Further to this, otherwise low-cost areas with few suitable properties can lead to high rental costs for MPs.

In addition to local market rental costs, the variety of arrangements MPs have for their constituency office can affect the levels of their rent claims. We explore some of these arrangements in a number of sections. The fourth section explores MPs who claim for more than one office, or no offices. A small number of MPs in constituencies of all sizes rent two offices, and tend to spend more overall on office rent. In the fifth section we find that most MPs who share their offices do so with their local political party, and sharing MPs claim less on office rent. In the sixth section we look at the type of landlords MPs rent from. Most MPs rent from private landlords, with local party groups making up the next largest group of MPs' landlords. MPs renting from local party groups tend to claim less on rent.

As some MPs have told us they cannot rent suitable office space using the current budget, we look at the suitability of MPs' current offices. However, other than anecdotal evidence we do not have sufficient information about the current quality of MPs' offices or whether they meet the needs of MPs.

Due to the variation in rental costs and the number of factors that affect claims for office rent, it is difficult to determine in which constituencies MPs' budgets will be pressured. We do not have clear information on the quality of MPs' offices or a set of standards to measure this quality against. This report therefore recommends that IPSA draw up recommended standards for MPs' offices. IPSA has not previously produced such recommended standards, in order to give MPs the flexibility to rent an office to suit their needs. However, recommended standards may help to clarify what IPSA believes to be reasonable standards for an MP's office. It could also be used to help MPs to provide evidence that suitable properties in their constituency cannot be funded with their standard office costs budget.

# Introduction

## Background

1. All MPs are provided with an office cost budget from the Independent Parliamentary Standards Authority (IPSA) for the costs of renting, equipping and running their constituency offices, surgeries, and other activities which support their parliamentary functions. The purpose of this review is to understand how MPs use their office costs budget to pay for constituency office premises, what factors they consider when doing so, and whether the budget is set at an appropriate level to allow MPs across all parts of the UK to secure suitable premises.
2. In 2017-18, the annual office costs budget for London Area MPs was £26,850 and the budget for Non-London Area MPs was £24,150. This is to cover costs such as IT equipment, stationery, office utilities and other running costs, as well as office rent and business rates.
3. We have received feedback on MPs' offices from MPs and their staff, discussions with police and House of Commons security staff, requests by MPs for contingency funding, and from our own visits to MPs' offices. We have been told that in some parts of the UK, IPSA's office costs budget is not always sufficient to allow MPs to rent suitable office space, either in terms of its quality, accessibility, or security.
4. This review therefore explores MPs' expenditure on their constituency offices, and how the local rental market can impact the availability of suitable and affordable office space for MPs. The findings from this review will contribute to IPSA's future decisions on the level of office costs budget available to MPs.

## Scope and methodology

5. We conducted a survey of all MPs and their staff about their office arrangements and their priorities when selecting office space. We received 145 responses. The questions and responses are in Appendix A.
6. We also visited the offices of six MPs across the UK and interviewed them or the staff member responsible for selecting and managing the office. We included MPs from a variety of regions, from different types of constituencies, from different parties, and with a variety of office set ups. The purpose of the visits was to gain a deeper understanding of what MPs value in their office space and the issues surrounding renting office space. It also allowed us to observe and hear views (though anecdotal) on the nature, quality and suitability of their offices.
7. We have included excerpts from these case studies throughout the report where relevant. Details of the sampling for these case studies can be found in Appendix B, but throughout we have omitted information where it would identify the MP.
8. We used the survey and visits, as well as MPs' applications for additional contingency funding, to identify issues that MPs experience when renting office premises. We then explored these issues by looking at trends in office spending across MPs, as well as associated issues such as whether MPs shared offices with others and who they rented their offices from. Full details of the scope and methodology for this review are in Appendix B.

## Key findings

9. **The biggest issue in renting office space, according to MPs, was high local market rental costs in their constituencies.** This affected other issues such the size, layout and location of their constituency offices.
10. **Half of MPs spend between around £5,500 and £9,800 a year on office rent;** however there is considerable variation outside this.
11. **London Area MPs claim for the highest amount of rent per office compared to MPs in the rest of the UK.** On average, London Area MPs claim around 10% more per office than the next highest group, MPs from Scotland.
12. **London is the most expensive area of the UK for office rent, but there is considerable variation in rent prices across the UK.**
13. **Due to the variation of rental costs outside London, and because the data is insufficiently exact, it is difficult to determine which non-London constituencies have high market rental costs.**
14. **MPs who claim for two constituency offices pay more overall, but claim less per office.**
15. **There are no other clear determinants of the amount that MPs spend on renting offices.** We examined other factors such as constituency size, urban or rural nature and type of landlord but were unable to draw further conclusions.
16. **80% of MPs' offices are under 1,000 square feet.**

## Identifying issues in renting office space

17. In this section we look into what issues exist for MPs renting office space within the existing office costs budget. We have taken views from a survey of MPs and their staff and visits to MPs' offices. We have also taken guidance on pressure points in the office costs budget from contingency fund applications to IPSA, feedback from MPs, our experience in supporting MPs, and data analysis of past claims. We have taken the issues raised by these methods and explored them in detail throughout the rest of this report.
18. In the survey, respondents were asked whether they think the office costs budget is at an appropriate level for them to rent suitable office space. 47% thought it was appropriate, whilst 53% said it wasn't. The reasons given in the latter responses were in three main areas: high rent costs in particular areas; compromising on the size or layout of the office; and compromising on location. However, these issues overlap considerably. High rent areas mean that compromises will need to be made on size, layout and location. Many respondents discussed several interconnected issues that impacted on their budgets, and it is not possible to completely reduce the issues of an individual MP's office down to a single factor. As high rent areas was the mostly commonly cited issue, and because it will impact the other issues, it is likely that this is the primary issue pressuring MPs' budgets.
19. A small number of respondents in the survey raised the affordability of running two offices using their allocated budget. This also something that we know from experience and past contingency applications can impact on the budget.

### High rent costs in particular areas

20. The largest single reason given in the survey that the office costs budget was not suitable was high rent costs in particular areas of the country, town and city centres, and in London. Comments from the survey included:

"It's extremely challenging to rent office space in a city centre constituency on the budget available."

"The office cost budget makes no allowance for areas of high rent"

"[The budget] bears no relation to regional property costs"
21. This is also an issue that has been cited as a reason for past contingency applications. In 2015/16 one MP applied for contingency where the main issue was local rent market for offices. The MP was asked to provide more information to enable IPSA to make a decision, but the MP did not resubmit an application.
22. In 2016-17 three MPs applied for contingency where the local rent market was cited as the need for additional funding. Two of those MPs, who had urban city centre constituencies, cited it as the main factor, and we granted both budget increases upon the provision of suitable evidence.

23. In 2017-18 two applications were received where local market rental costs were given as a contributing factor, for MPs in urban city centre constituencies, and one MP was granted an uplift.
24. In these applications there has been no single standard of evidence requested of MPs to demonstrate that they cannot rent a suitable office within the standard budget. This has led to IPSA requesting further information from MPs before making decision on their application.
25. In order to explore the issue of high rent costs in particular areas, the next section looks at the relationship between the value of the claims MPs make for office rent and their constituencies.

### **Compromising on the size or layout of the office**

26. Some respondents to the survey said they were unable to rent an office with the size or layout they wanted on their budget. Many expressed frustration with the compromises that they had to make in terms of the size and layout of office space within the budget available. One MP's member of staff said:

"We rent a modest office that suits the most basic needs of the Member of Parliament but the office cannot accommodate all of the functions of [the MP's] office. However, obtaining an office that would have been big enough to do this would have been a significant burden on the office costs budget so this was not possible."

27. We also know from the expenses data and responses to the survey about office alterations that some MPs make claims for the installation of partition walls to offices in order to create private meeting rooms when they rent properties without meeting space.
28. While MPs and staff have expressed frustration about the size and layout of their office, IPSA currently has no clear guidelines about sufficient office size, based on staff numbers and office functions, in order to compare against MPs' existing offices.

### **Compromising on location**

29. Some survey respondents expressed frustration at the compromises they had to make on location within the constituency. Many said they would have preferred to rent somewhere more central in town or city centres, or on a high street, but they were not able to find suitable properties within the budget available. Comments include:

"We would like to be in a more central location but office costs are too high to stay within budget"

"If [the office costs budget] was slightly increased we could move to a more prominent location in the town centre which would greatly assist political engagement with local residents."

### **Running two offices**

30. A small of respondents commented on the ability to rent two offices using the office costs budget. One MP said:

"It is a struggle to be able to run two offices from [the office costs budget]. It would be fine for one Office".

31. Another said:
- “No account has been taken account of MPs with vast constituency geographies who may need an additional office.”
32. This is an issue that affects a small number of MPs. The *Scheme of MPs’ Business Costs and Expenses* includes provision for MPs renting two offices, stating that if the MP “can demonstrate exceptional circumstances, they may be eligible for contingency funding to allow for the operation of more than one office”.
33. In 2016-17, 35 MPs ran more than one office in their constituencies, due to the size of their constituency, or its geography and transport infrastructure.
34. In 2016-17 we received five applications for contingency funding where running two offices was one of the contributing factors to them requiring additional funding. In two of those cases it was the main factor given, and both MPs were granted an uplift to their budget. In 2017-18 two MPs applied for costs associated with running two offices, and it was the main issue in one.

## Spending trends

35. As MPs have told us the biggest issue for them renting office space is high rent costs in particular areas, in this section we look at the relationship between MPs’ claims for rent and the nature of their constituency. We look at the percentage of the budget MPs spend on rent, how this varies across the UK, and how it is affected by constituency size, number of electors, population density, and the rural or urban nature of a constituency.
36. Due to the varying circumstances and practices of MPs, there is no clear determinant for how much MPs spend on office rent. However, MPs in the London Area claim the highest amount of rent per office out of all areas in the UK.
37. The office costs budget for MPs representing constituencies in the London Area<sup>1</sup> is around 11% higher than for non-London MPs to account for higher costs in London. For example, in 2016/17 non-London Area MPs had an office costs budget of £23,450 whereas London Area MPs had a budget of £26,100. London Area MPs claim on average 10% more on office rent than the next highest claiming area and, as shown in the section of this report on rental costs, the median cost of office space in London is at least 10% higher than non-London areas.
38. Due to these two different budgets, in some places in this report we have given the office rent claims as a percentage of the total office costs budget for the relevant MP, rather than as a monetary amount, as an alternative way of being able to compare the spending of London Area and non-London Area MPs.

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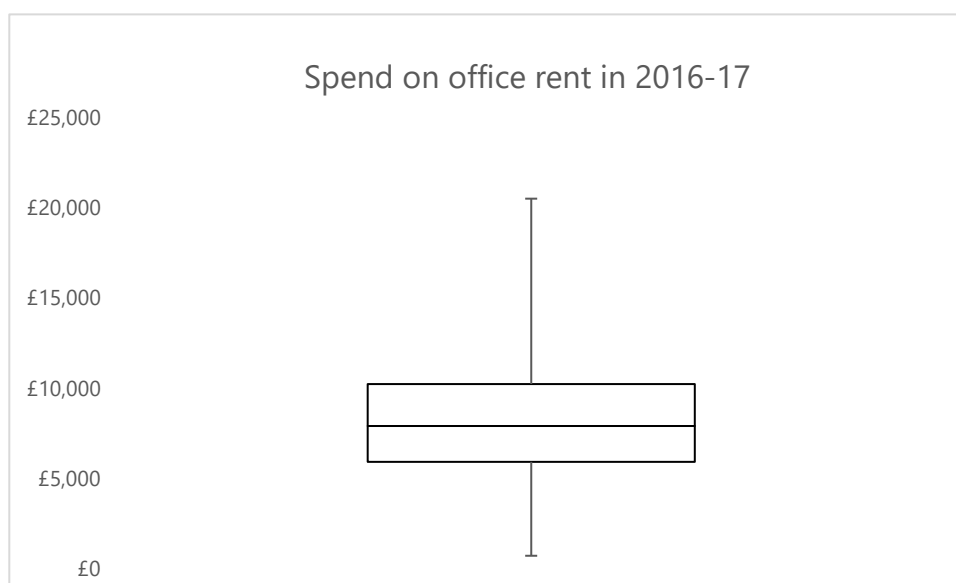
<sup>1</sup> MPs representing any constituency listed in Schedule 1 of the *Scheme of MPs’ Business Costs and Expenses* have the higher London Area budget (See Appendix D). The determination of London Area constituencies is any constituency where the majority of the area is within 20 miles of Westminster.



## How the office costs budget is spent

39. MPs are a group of 650 individuals with differing priorities and working practices. As such, the way they spend their office costs budget will vary from MP to MP. An MP may prioritise other costs that need to be funded from the same budget — such as stationery, surgery venue hire, or advertising — rather than on office space. However, we explore here some general trends.
40. In 2016-17, 577 MPs claimed for office rental costs from the office costs budget. There was a large variance of the proportion of the office costs budget used for office rental costs. The amount claimed for a full 12 months' rent ranged from 2% of the budget (£500) to 77% of the budget (£20,100). The extent of the variation in the spending is shown in the box plot below.

The table below shows the spend in office rent in 2016-17.



41. Half all MPs claiming for office rent claimed between £5,511 and £9,824 on office rent in 2016-17, but with considerable variation outside this. 90% of MPs claimed £12,300 or less on office rent.
42. This equates to half of all MPs claiming between 23% and 41% of their budget on rent. Respondents to our survey reported slightly higher percentage spends, with only 39% of respondents reporting allocating between 20% and 40% of their budget to office rent. Just over half said they allocated over 40% of their budget to office rent.

## Spend by region

43. We looked at how the percentage spend on office rent varies across different areas of the UK<sup>2</sup>, as can be seen in the table below. As some MPs rent two offices, we looked at the claims per office rather than the total annual claim per MP. This was so that we could exclude the effect of MPs renting multiple offices whose higher annual rent costs may be due to their second office rather than their geographical location.

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<sup>2</sup> Please note these areas do not contain the same number of constituencies as each other.

The table below shows the region/area of MPs making claims and the office rent claims per office in 2016-17.

<b>Region/area of MP making the claim</b>	<b>2016-17 office rent claims per office</b>			
	<b>Average claim value</b>	<b>Average claim value as a percentage of the office costs budget</b>	<b>Median claim value</b>	<b>Median claim value as a percentage of the office costs budget</b>
London	£9,224	35%	£8,929	34%
Scotland	£8,407	36%	£7,713	33%
North West	£7,496	32%	£7,800	33%
North East	£7,247	31%	£7,495	32%
East Midlands	£7,241	31%	£7,200	31%
Northern Ireland	£7,229	31%	£6,976	30%
West Midlands	£7,216	31%	£7,150	30%
Yorkshire and Humberside	£7,081	30%	£6,650	28%
South West	£6,921	30%	£6,447	27%
South East	£6,682	28%	£6,600	28%
Wales	£6,518	28%	£5,931	25%
Eastern	£6,449	28%	£6,053	26%

*Please note: Claim values are given to the nearest whole pound.*

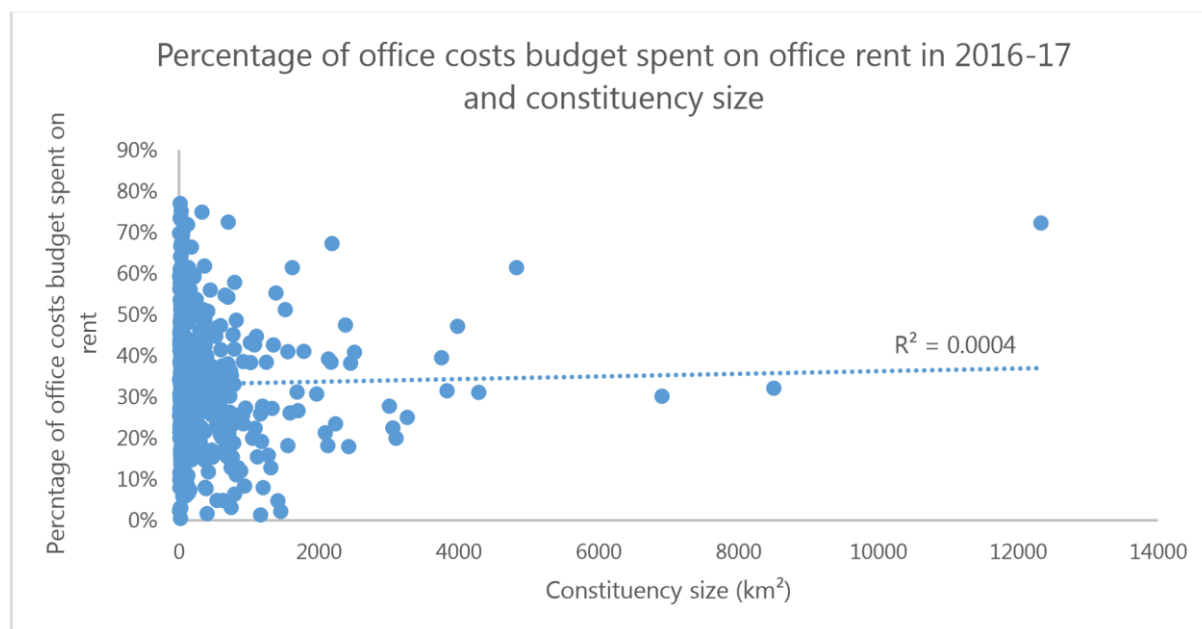
44. London MPs have the highest rent claims per office. The average claimed by London MPs is 10% higher than the next highest claiming average, Scotland. The North West has the highest median value outside London, with the London median value 15% higher. The difference is larger compared with other areas of the UK. Though London Area MPs have a higher budget, claims for office rent by London MPs were also high as a percentage of their budget compared to other regions. There is variation and outliers in each region, but the closeness of the mean and median spend shows that this does not skew the average too much.

45. We also looked at the total annual spend for MPs in these areas; this included the aggregated rent claims for MPs who claimed rent for two offices. Due to the high number of MPs in Scotland who claim for a second office, MPs in Scotland have the highest average aggregate claims for rent. London Area MPs have the second highest.

### Spend by constituency size and number of electors

46. Parliamentary constituencies vary in size depending on the population density of the areas<sup>3</sup>. The size difference between the largest and smallest constituencies in the UK is over 12,000km<sup>2</sup>, the largest being Ross, Skye and Lochaber at 12,328km<sup>2</sup> and the smallest Islington North at 7.38km<sup>2</sup>. However, Ross, Skye and Lochaber is a huge outlier. 90% of all constituencies are below 820km<sup>2</sup>, and 75% are below 371km<sup>2</sup>.
47. With a high population density, London consistently has the smallest constituencies and a relatively small range between its largest and smallest constituency. Other regions have large variances. As most regions have a mix of densely-populated cities and more rural areas with sparser populations, this frustrates any attempt to generalise about constituency size by region or area of the UK, although Scotland and Northern Ireland both have a disproportionate number of geographically large constituencies compared to the rest of the UK.
48. The chart below shows the percentage of the office costs budget spent on office rent for all MPs claiming office rent in 2016-17 in relation to constituency size. As can be seen from the graph there is no correlation between these two measures. Separating London and non-London MPs gave similar results.

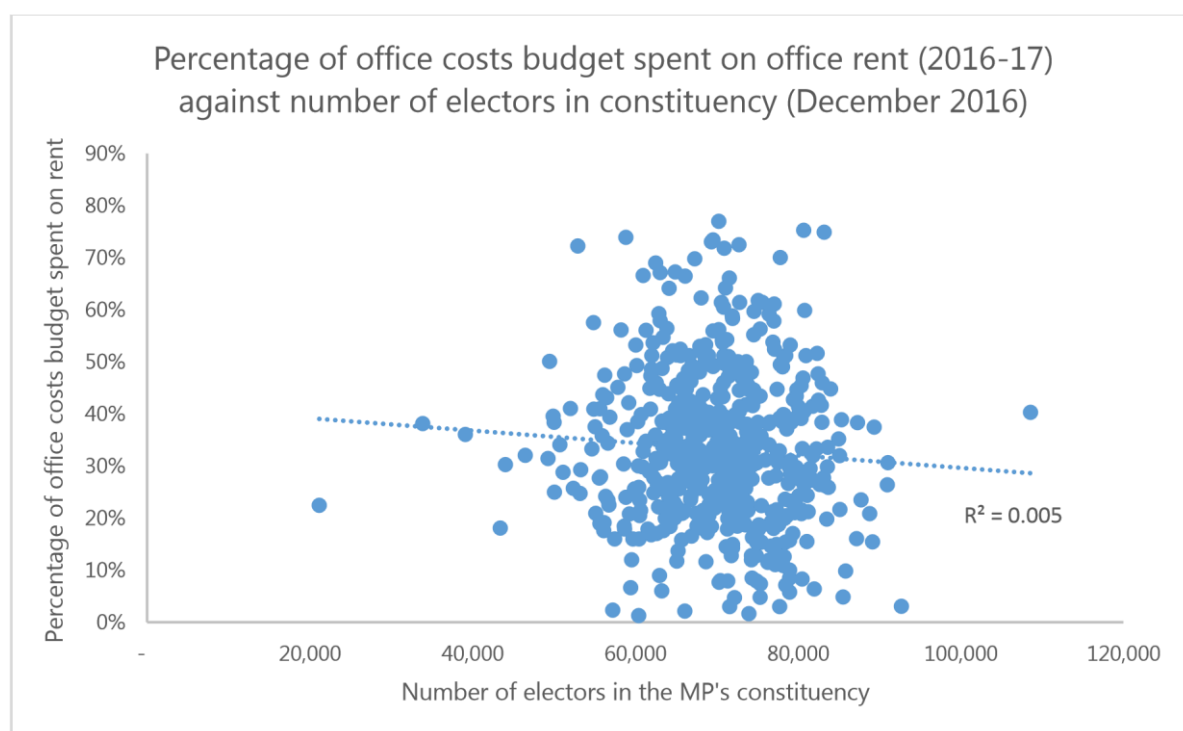
The table below shows the percentage of office costs budget spent on office rent in 2016-17 and constituency office size.



<sup>3</sup> Constituency area data taken for England, Scotland and Wales taken from <https://ons.maps.arcgis.com/home/item.html?id=b00fee2e607848138039fc436f9e2499>, and data for Northern Ireland is from <https://www.opendatani.gov.uk/dataset/osni-open-data-50k-admin-boundaries-parliamentaryconstituencies-20081/resource/ed8875ea-56c9-4f79-9175-4069b822f5f8>

49. Similarly there was no meaningful correlation between the number of electors in a constituency and percentage spend on office rent as shown on the graph below<sup>4</sup>.

The table below shows the percentage of office costs budget spent on office rent in 2016-17 against the number of electors in the MPs' constituency.



## Rural and urban constituencies

50. The Boundary Commissions for England, Scotland, Wales and Northern Ireland classify constituencies as either borough (burgh in Scotland) constituencies if they are predominantly urban, or county constituencies if they are partly or mostly rural. These classifications affect some aspects of electoral law such as candidates' electoral expenses<sup>5</sup>. Due to generally higher rental costs in urban areas the urban or rural nature may have an effect on the office requirements or costs for MPs.
51. 43% of constituencies in the UK are classified as borough or burgh constituencies, with the rest classified as county constituencies. Of the 35 MPs who fund two constituency offices through IPSA, 8 (23%) represent a borough/burgh constituency, whilst 27 (77%) represent a county constituency.
52. As has been shown elsewhere, there is a large variance in MPs' spending patterns so the borough and county constituencies similarly vary. MPs representing borough/burgh constituencies spent a slightly higher percentage of their office costs budget on office rent (mean 36%, median 34%) than county constituencies (mean 31%, median 30%). Excluding London Area MPs, who have a larger budget, does not significantly affect the results.

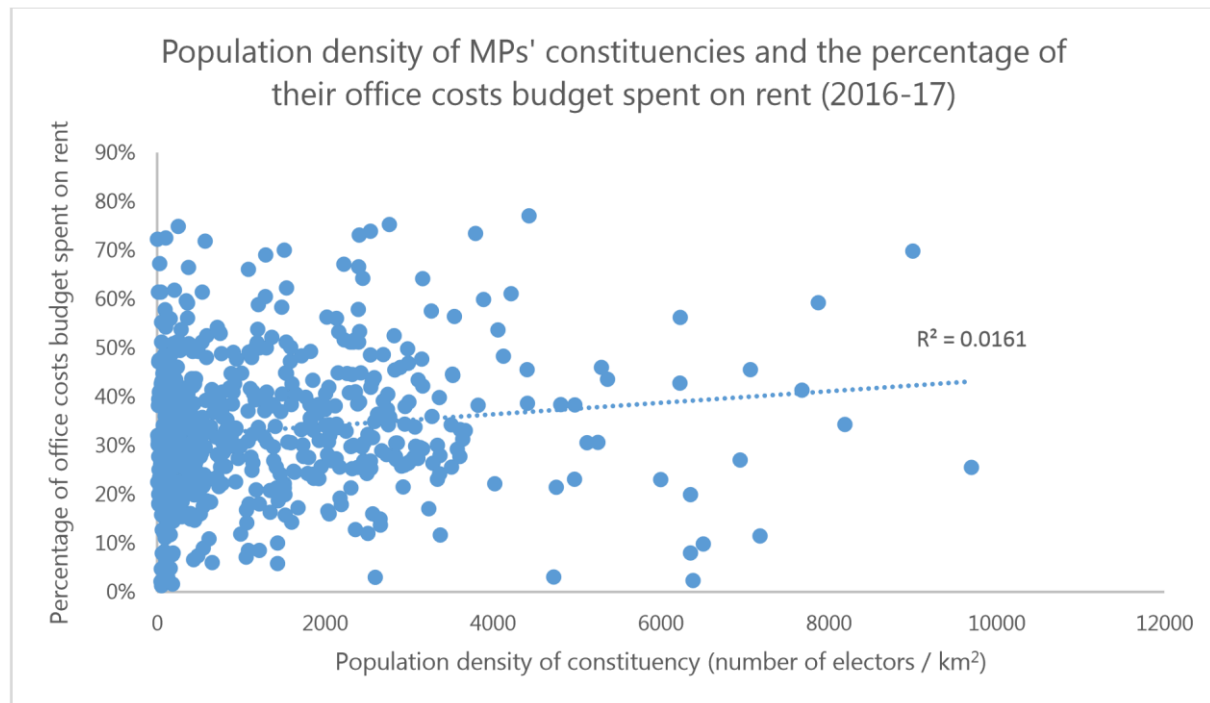
<sup>4</sup> Data on number of electors taken from <https://www.ons.gov.uk/peoplepopulationandcommunity/elections/electoralregistration/datasets/electoralstatisticsforuk>

<sup>5</sup> <https://www.ordnancesurvey.co.uk/election-maps/useful-facts.html>

## Population density

53. Another measure of the urban or rural nature of constituencies is population density<sup>6</sup>. However, as can be seen from the graph below there does not appear to be a strong correlation.

The table below shows the population density of MPs' constituencies and the percentage of the office costs budget spent on rent in 2016-17.



54. Exploring the relationship between MPs' claims for office rent and the location or nature of their constituency shows there is no major determinant of MPs' claims for office rental costs, except that London MPs spend more per office on average. As we could not find a major determinant of spend, we looked at the actual cost of office properties across the country, as outlined in the following section.

## Rental costs

55. In this section we explore rental costs across the UK to attempt to determine where MPs' budgets are pressured by areas of high local market rental costs. Due to the variation of rental costs across the country, this section outlines why regional banding for the office costs budget would not be effective in addressing the issue of high local market rental costs. However, it is clear that the cost of renting in the London area is generally considerably higher than outside of London.

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<sup>6</sup> We calculated population density from the constituency size and number of electors data.

## Rental costs across the UK

56. Unlike residential rents, there is no central register of commercial rent statistics. The Valuation Office Agency (as well as similar organisations in Scotland and Northern Ireland) gives the average notional annual rent for non-domestic properties. However, as these include all nondomestic properties without indication of size or purpose, it is not a reliable indicator of office rent in different constituencies.
57. In order to look solely at office space, we took data from a real estate advisory organisation<sup>7</sup> and looked at office rent estimates for different towns and cities in the UK. The estimates are for achievable open market rents (£ per square foot) for an office in a prime location as at June 2017. Although this does not encompass the variety of premises MPs rent, the figures give a general indication of the range of office rent costs across the UK.
58. We looked at 50 towns, cities, and out-of-town areas across the UK. Due to the size of the London area, the rental data given for London was broken down into 22 individual locations, which we looked at in addition to the 50 non-London areas. A full list of the areas and rental costs can be found in Appendix D. Intra-city rental costs were not available for cities other than London and we acknowledge that rental costs can vary considerably within cities. However, the data given was for a prime location in each area, so should give the upper end of the rental market in those areas.
59. The rental costs data shows the high degree of variance across the UK. Non-London rental costs ranged from £27 per square foot (psf) in Manchester to £7psf in Reading and in Preston. There was also considerable variance within regions. For example in the South West of England, Bristol rent rates are £25psf whilst in Plymouth they were £11psf. This shows that, while it is possible to look at regions in which MPs have claimed more for office rent, the variation in rental costs within the region mean that this cannot be used as a reliable indicator of which areas will pressure MPs' budgets with high local rental costs.
60. Furthermore, while cities have higher rental costs than the 'out of town' areas that surround them, this difference also varies. For example, office rent in Bristol is £25psf and £15psf in the Bristol out-of-town area, whilst in York it is £12.50psf and only moderately different at £11psf out of town. In Reading the out-of-town rental cost (£25psf) was considerably higher than the cost within Reading itself (£7psf).
61. The areas within London ranged from £83.50psf in the West End to £15psf in Harrow. Due to this range, it is difficult to generalise about the London area as a whole. The average figure for all London Area locations is £34.89psf, and the median £29.75psf. The median figure is 10% higher than the highest non-London area rental cost we looked at – Manchester at £27psf – and the difference is much greater for the vast majority of areas. This indicates the higher budget for London Area MPs is appropriate. If we exclude the top three most expensive London locations (the West End, 'Midtown' and the City) the median for London is £25psf, and the average £28.16psf, which is still considerably higher than the majority of non-London areas.

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<sup>7</sup> <http://www.colliers.com/en-gb/uk/insights/offices-rents-map> We have taken the figures for 'Grade B' rents, which apply to second-hand units built during the 1990s, rather than new units.

## Regional banding

62. Due to this variation in office rent prices across the country, one option for IPSA would be to have regionally banded budgets for MPs' office costs. Regionally banded budgets were in place for MPs' accommodation costs until April 2017 but were replaced by the current system (a London Area and a non-London Area budget) in order to simplify the Scheme and allow MPs more flexibility<sup>8</sup>.
63. The idea of regional banding for office costs was explored by IPSA as part of a review of the Scheme in January 2011 but there was not a strong call from MPs for this<sup>9</sup>. Further, IPSA's consultation document stated that "from the evidence of applications to the contingency panel, it is difficult to predict where, outside of London, there will be pressure to exceed the budget"<sup>10</sup>. This consideration remains relevant. As seen above, rental costs vary considerably within regions, and the available data ignores intra-city variance outside London and is not broken down by constituency. For this reason it is difficult to predict exactly in which constituencies MPs will have their budgets pressured by areas of high rent.
64. Further to the variety of rental costs across the country, other considerations mean local market rental rates do not affect all MPs equally. The 2011 Scheme consultation document stated:
- "Some [MPs] have no office, a few own their premises, a good number have arrangements with local party associations, often in the form of serviced office charges which cover staff as well as office space. Others have a relationship with the local authority, and many have rental agreements with commercial organisations. Much, in the latter case, depends on supply and demand in the local area – if there is a shortage of office space in the relevant town centre then rents will be pushed up."
65. Some of these complicating factors are explored in the next few sections which cover the number of offices MPs have, MPs who share their offices, and the type of landlord they have.
66. However, though it is difficult to give an accurate picture of areas where MPs' budgets will be pressured by rent, there is a clear trend that London rental costs are more expensive and as a result London Area MPs have access to a larger budget.

## Office costs budget over time

67. We also looked at how the office costs budget has increased over time, and if it has grown in line with the rise in office rental costs. The rate of the budget increase is generally based on the Consumer Price Index (CPI) increase on the previous year but sometimes also takes into account other factors such as Bank of England inflation forecasts. At its current level (the 2018-19 budget), the office costs budget has increased to accommodate CPI inflation since 2010.

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<sup>8</sup> <http://www.theipsa.org.uk/media/1606/2017-03-16-ipsa-review-of-scheme-of-mps-business-costs-web.pdf>

<sup>9</sup> <http://www.theipsa.org.uk/media/1403/march-2011-annual-review-report-on-the-consultation.pdf>

<sup>10</sup> <http://www.theipsa.org.uk/media/1402/january-2011-annual-review-consultation-document.pdf>

68. The Property Industry Alliance<sup>11</sup> reported in 2017 that “Commercial property rents, overall, have increased at a much slower rate than other business costs over the last 10 years and below the rate of RPI (and CPI) inflation”<sup>12</sup>. MPs’ office costs budget are therefore likely to have accommodated office rent increases since IPSA’s establishment in 2010, although there will, of course, be variations around the UK.

## Number of offices

69. Most MPs claim for the rent of one office in the constituency, and in addition have some staff working in their Westminster office. But MPs can claim for more than one office. In this section we explore the reasons why MPs may run more than one office, the number of MPs with two offices, and how these MPs are spread across the UK, as well as how this varies by constituency size and constituency population. We also look at the impact of renting two offices on MPs’ budgets.
70. Most MPs who claim for second offices do so in order to serve different geographical areas in their constituency. This includes MPs in large constituencies, but also MPs in smaller constituencies where one office would not be easily accessible by all constituents by public transport.
71. Compared with MPs who only claim for one office, MPs who claim for two tend to spend less per office, but more overall on rent. Most MPs with second offices are in Scotland, which may be partly due to the high number of geographically large constituencies in Scotland. There is no correlation between constituency population and second offices.

## Reasons for second offices

72. In our survey, 12 MPs said they rented two offices using their IPSA budget. This included four who said they rented two offices either in the same or adjacent buildings. Seven said that their second office was to serve different geographical areas in the constituency. One MP did not give a reason.
73. One MP said the different geographical areas in their constituency included two conurbations over an hour’s drive from one another but that would take two and a half hours to travel between by public transport. Another MP said that they claim rent for two offices due to the rural nature of their constituency.
74. The need for a second office was not always due to the large geographical nature of the constituency. One MP in a smaller urban city constituency said:
- “There are very few parts of the constituency that are accessible by every part on public transport - we therefore have two so that everyone can get to one by a single bus journey.”

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<sup>11</sup> The Property Industry Alliance is a group of nine leading UK property bodies including the Royal Institution of Chartered Surveyors and the British Property Federation.

<sup>12</sup> <https://www.bpf.org.uk/sites/default/files/resources/PIA-Property-Data-Report-2017.PDF>



### Case study – MP 3

The MP represents a rural constituency with two main towns. Due to the shape of the constituency the MP felt it was necessary to have one office in each town. They aimed to spend a similar amount on rent as MPs in the surrounding constituencies.

One of the towns is inexpensive, so they had lots of options to rent. The other is more expensive to rent in and has less available property so sharing with the local party was the only option. The MP felt that generally they were in an inexpensive constituency in general so the current budget was right for them, but felt it may not be for MPs in other areas.

### Number of MPs that have two IPSA-funded offices

75. Of the 593 MPs currently (as at May 2018) renting offices funded by IPSA, 35 MPs have two offices. For the purposes of analysis, where an MP has two separate leases for the first and ground floor of a building, or separate rooms within the same building, this is not counted as having multiple offices.
76. No MP currently rents more than two offices through IPSA. The table below shows how MPs renting second offices are spread across the UK.

The table below shows the regions of the UK and the number of MPs with one or two offices.

Region/area	MPs with one office	MPs with two offices	Total
East Midlands	39	3	42
Eastern	50	1	51
London	56	1	57
North East	28	1	29
North West	67	5	72
Northern Ireland	14	3	17
Scotland	48	11	59
South East	66	1	67
South West	48	3	51
Wales	37	3	40
West Midlands	55	1	56
Yorkshire and Humberside	50	2	52
<b>Total</b>	<b>558</b>	<b>35</b>	<b>593</b>

*Note: This table only shows IPSA-funded offices*

77. Eleven MPs with two offices represent Scottish constituencies, with far fewer instances in the other areas. This may be partly due to the high number of geographically large constituencies in Scotland.

In Northern Ireland, though there are fewer MPs claiming for a second office, the proportion of all MPs in that area claiming office rent is similar to that in Scotland. Northern Ireland also has a high number of geographically large constituencies. However, as already noted, constituency size is not always the reason why MPs rent second offices.

78. The table below shows that, while the absolute number of MPs renting multiple offices is higher in smaller constituencies, a higher proportion of MPs in larger constituencies rent second offices. Of MPs claiming office rent, 5% of MPs in constituencies under 1,500km<sup>2</sup> (26 MPs) claim for a second office. In contrast, 23% of MPs in constituencies over 1,500km<sup>2</sup> (9 MPs) claimed for a second office.

The table below shows the size of the constituency and the number of MPs claiming rent for one or two offices.

Size of constituency (km <sup>2</sup> )	MPs claiming rent for constituency offices		
	Claiming rent for one office	Claiming rent for two offices	Total number of MPs
Under 500	451	19	470
501 - 1,000	64	6	70
1,001 - 1,500	19	1	20
1,501 - 2,000	7	3	10
2,001 - 2,500	7	3	10
2,501 - 3,000	1	0	1
3,001 - 3,500	3	1	4
3,501 - 4,000	2	1	3
4,001 - 4,500	1	0	1
4,501 - 5,000	1	0	1
5,001 - 5,500	0	0	0
5,501 - 6,000	0	0	0
6,001 - 6,500	0	0	0
6,501 - 7,000	1	0	1
7,001 - 7,500	0	0	0
7,501 - 8,000	0	0	0
8,001 - 8,500	0	0	0
8,501 - 9,000	1	0	1
9,001 - 9,500	0	0	0
9,501 - 10,000	0	0	0
Over 10,001	0	1	1
<b>Total</b>	<b>558</b>	<b>35</b>	<b>593</b>

*Note: This table only shows IPSA-funded offices*

79. We also looked at how MPs' second offices are distributed in relation to the number of electors in the constituency. Due to the lack of great variation in constituencies by this measure, it is difficult to draw any great meaningful conclusions about how the number of electors impacts on MPs renting multiple offices.

The table below shows the number of electors in the MPs' constituency and the number of MPs claiming rent for one or two offices.

	<b>MPs claiming rent for constituency offices</b>		
<b>Number of electors in the MP's constituency (December 2016)</b>	<b>Claiming rent for one office</b>	<b>Claiming rent for two offices</b>	<b>Total number of MPs claiming rent for offices</b>
20,001 to 30,000	1	0	1
30,001 to 40,000	0	2	2
40,001 to 50,000	6	0	6
50,001 to 60,000	44	4	48
60,001 to 70,000	198	15	213
70,001 to 80,000	251	11	262
80,001 to 90,000	55	3	58
90,001 to 100,000	2	0	2
101,000 to 110,000	1	0	1
<b>Total</b>	<b>558</b>	<b>35</b>	<b>593</b>

### **MPs who don't claim office rent**

80. Not all MPs make claims for constituency office rent. This does not necessarily mean these MPs do not have constituency offices, as they may have offices funded from other sources. For example, MPs may have access to rent-free premises from another organisation.
81. In our survey, 14 MPs said they had an office that was not funded by IPSA. However half of these respondents clarified that this was the office on the Parliamentary Estate in Westminster. These offices are provided to MPs by the House of Commons, and the rent is not funded by IPSA. Four MPs said their unfunded offices were home offices, where rent cannot be claimed but a proportion of bills (such as phone bills) can be.

### **MPs without constituency offices**

82. Many MPs use home offices for themselves or their staff in addition to a main office. However, some may also choose not to rent a conventional constituency office and instead have their staff work either in Westminster, or in home offices. To host surgeries and events in the constituency, these MPs can claim for venue hire, for example a room in a community centre for a day.
83. In our survey, seven respondents said they did not rent any offices using the IPSA budget (not including home offices). We asked why, allowing MPs to select multiple reasons. Four MPs said they only use their Westminster office.

Three MPs said they had a home office, and three said their staff had home offices. One said that the local party owns its own building in the constituency which they use as their office.

84. One MP who didn't rent a constituency office and instead claims for the costs of a home office said "I am trying to save the taxpayer money, and having an office through IPSA will take too much admin time for my team".

#### Case study – MP 5

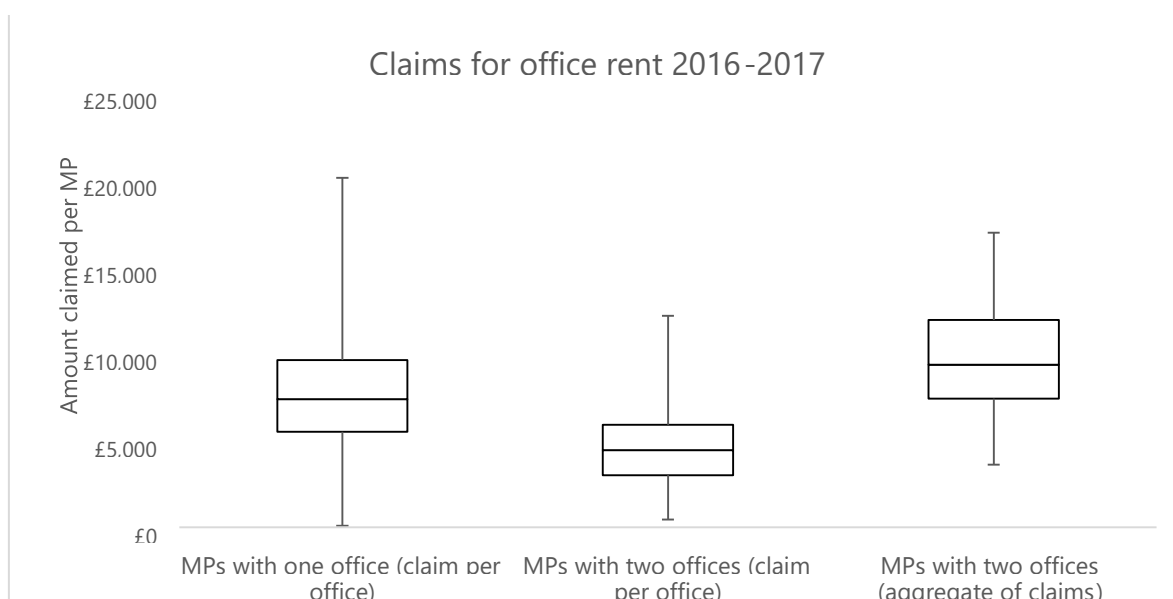
The MP represents a large constituency made up of villages and towns. Due to the shape of the constituency it is hard for the MP and constituents to travel around it. The MP could choose to have one office but, due to the shape of the constituency, they felt this would 'cut off' some constituents. The MP also felt that parliamentary work would be affected if two offices were set up in the constituency as the staff would need to be split over the two offices.

As a result of these considerations, the MP does not have a constituency office and all their staff work in Westminster. The MP currently uses only temporary office space when it is needed, and conducts most constituency work by visiting constituents' homes and hiring venues on an ad hoc basis for surgeries.

### Cost of two offices

85. MPs who claim rent for two offices tend to spend more overall on office rent than MPs who only claim rent for one office. However, they claim less for each office, as can be seen in the boxplot below. If MPs can demonstrate exceptional circumstances, they may be eligible for contingency funding to allow for the operation of more than one office.
86. Though renting two offices has an impact on an MP's office budget, it is difficult to predict which MPs will choose to rent a second office as some MPs in smaller constituencies choose to do so.

The table below shows the amount claimed per MP with one or two offices.



## Sharing offices

87. MPs can share their offices, which can help reduce costs. MPs can rent a large office and sublet part of it, paying back the subletting fee to IPSA. Alternatively, an MP may have another tenant who is co-named on the lease or who has their own separate lease entitling them to use of part of the office. Some MPs also rent offices within a shared building, which may include shared facilities like a kitchen and toilets, but do not share the office space.
88. This section explores how many MPs share their office, who they share with and why. We find that most MPs who share do so with the local party, and those who share their office spend a slightly lower percentage of their budget on rent.

### How many MPs share their office?

89. We estimate around 10% of MPs share office rent or costs, based on our records of lease arrangements and agreements for utility claims. However, where sharing arrangements are not reflected in the office lease or do not affect utility claims, they are not recorded by IPSA. This can involve the MP and another tenant such as a political party holding two separate leases for space within a shared office. It can also include MPs who have offices within the same building as separate tenants, with some communal areas such as kitchen space.
90. In the survey, just under 40% of respondents said the MP shared their IPSA-funded offices<sup>13</sup>. This included both rent-sharing arrangements where office space is shared, and MPs who occupy the same building as other separate tenants, for example in a business centre.

### Who do MPs share their offices with?

91. In response to a question asking if they share their IPSA-funded office, the most common response, with 16 respondents, was sharing with a local party group (such as Conservative Associations or the local Constituency Labour Party). Other responses included four MPs who shared with other MPs, including an MP who had a "separate office with another MP in the same building". The responses also included MPs who rented offices in a shared building, but didn't co-habit the same office space.
92. The results of the survey are shown in the table below.

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<sup>13</sup> In response to the question 'Do you share your IPSA office(s)?', around 20% of respondents chose a 'Yes' response, and around 20% selected 'Other' and gave their sharing arrangements. See table of survey responses for detail of the breakdown.

The table below shows the percentage of responses to the questions 'Do you share your IPSA Office?'

<b>Do you share your IPSA office(s)?</b>		
	<b>Response Percent*</b>	<b>Response Total</b>
Yes - with a devolved government member	7.30%	10
Yes- with another political office holder	2.19%	3
Yes- with a local authority/council	1.46%	2
Yes – with another company or organisation (non-political)	8.76%	12
No	70.07%	96
Other (please specify):	18.98%	26

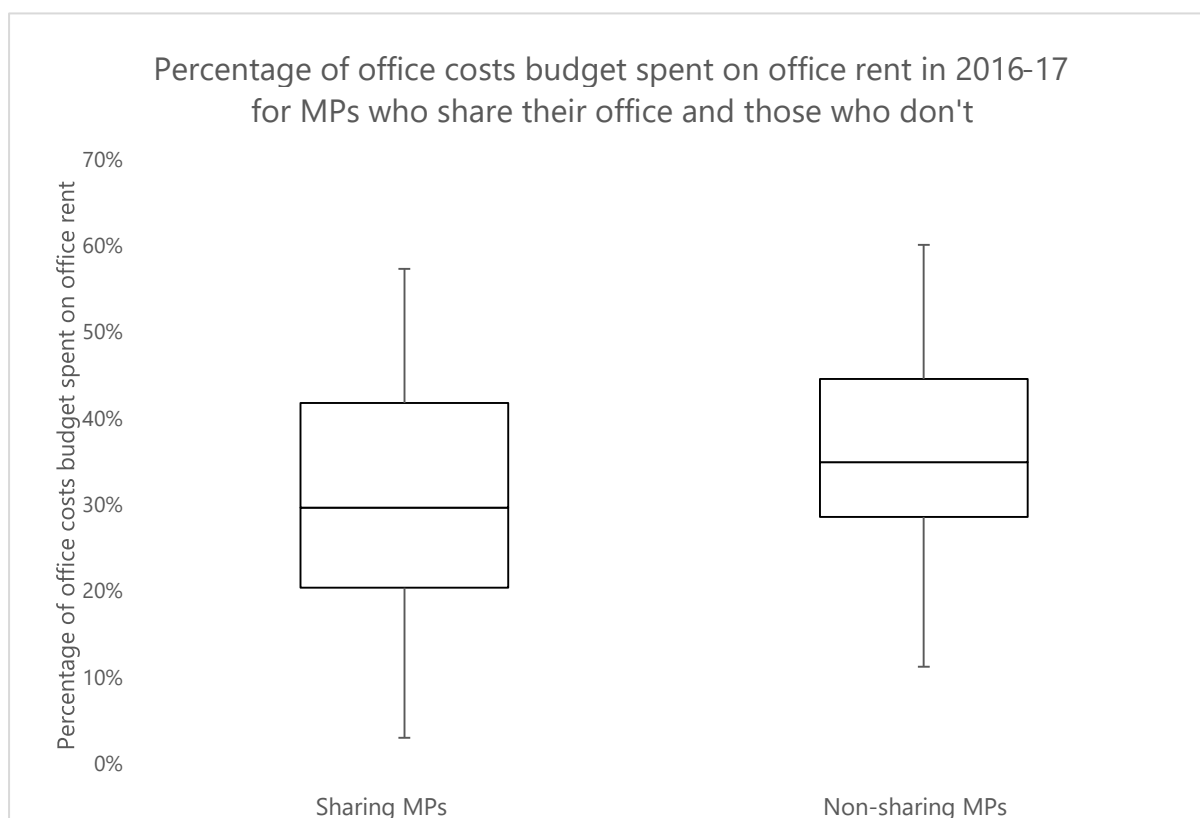
\*Respondents could choose more than one option (for example where MPs have two offices with different sharing arrangements), so the sum of the percentages exceeds 100%.

93. Sharing with another (non-political) company or organisation was another common response. One respondent specified that the office is in a shared building with the Citizens Advice Bureau.
94. Based on the results of the survey, as well as the sharing arrangements which IPSA has on record, the majority of MPs who share their offices share with local party groups. Those who share with the local party commented in the survey that it helps reduce cost. Many respondents said it helped them pay the rent and that it helps make running the office more affordable. Others also said that it is operationally convenient. One MP said "people call the local Party office trying to get hold of me all the time".
95. One staff member said that the sharing arrangement was set up when the MP only had a single member of staff working in the office. They said that "having other people in the building meant there were other people to call on for assistance if any problem were experienced with a violent or difficult constituent".
96. Where MPs share with other companies or organisations, this is usually a separate office within a shared building such as a business centre. For example, one MP's staff member said "We share the building, including communal areas, but not our office itself".

## **How sharing affects spend on rent**

97. We examined the relationships between MPs sharing offices and the percentage of the office costs budget they spent on rent. We looked at the percentage spend on rent from a sample of 120 MPs, made up of 34 MPs who share their office and 86 who do not.
98. As with data on office rent spend in this report, there is a high degree of variance, as seen by the outliers in the boxplot below. However, MPs who share their office do appear to spend a lower percentage of their budget on rent. The median percentage that sharing MPs spend on rent is 29% (30% average), whereas with non-sharing MPs the median is 34% (36% average).

The table below shows the percentage of office costs budgets spent on office rent in 2016-17 for MPs who share their office and those who don't.



## Types of landlords

99. MPs can rent from a variety of landlords, including political parties. This section explores whom MPs rent from, and issues around renting from political parties and local authorities.
100. A majority of MPs rent from private landlords, with local party groups making up the next largest group. Whilst local authorities may provide cheap suitable office space, some MPs are opposed to it on neutrality grounds, and in the survey most MPs and staff said there was nothing suitable available from local authorities.

### Who do MPs rent from?

101. In the survey we asked respondents from whom they rent their IPSA-funded offices. A majority (69%) of respondents said they rented from a private landlord. The next most popular response was the local party (12%). Other responses included local authorities, charities, unions and agents.

102. We also looked at a 10% random sample (58 MPs) of the leases of the 577 MPs renting offices funded by IPSA in 2016-17<sup>14</sup>. The results from the survey and sample broadly agreed with each other. The majority of the MPs in the sample rented from private landlords (55%), with the local party or party organisations making up the next largest group (16%). The proportions of MPs with less common landlord types varied more between the survey and sample, but this was expected due to the small sample size.

The table below shows the type of landlords that MPs rent from as reported in the survey and taken from a sample.

Reported in survey			Taken from sample		
Type of landlord	Count	Percentage	Type of landlord	Count	Percentage
Charity	6	4.4%	Charity	1	2%
Union	2	1.5%	Union	0	0%
Local authority	6	4.4%	Council / Local Authority	7	12%
Agent	1	0.7%	Estate Agent	3	5%
Local party	16	11.8%	Party political organisation	9	16%
Private landlord	95	69.9%	Private Landlord	32	55%
Other (please specify):	10	7.4%	Other	6	10%

### Renting from political parties

103. The Scheme allows MPs to rent from political parties or constituency associations as long as the rent does not exceed the local market rate, as determined by a valuer regulated by the Royal Institution of Chartered Surveyors<sup>15</sup>.
104. Where MPs rent from political parties they often share the space. As mentioned previously, this is often operationally convenient and reduces costs. Either the party owns a building in the constituency and rents it to the MP, or the party sublets to the MP.

### Renting from local authorities

105. MPs who rent in public buildings have potential benefits in terms of suitability and cost. As these public buildings are usually serviced, there are also advantages for security, as there is often a manned reception, and for utilities, including heating costs in winter. However, while a third of survey respondents said they rented a serviced office, only a small number said they rented in a public building.

<sup>14</sup> Of the random selection of 58 MPs, 5 were SNP, 2 Liberal Democrats, 25 Labour and 25 Conservatives. There was some overlap between the randomly-selected sample and those who responded to the survey. <sup>15</sup>*Scheme of MPs' Business Costs and Expenses* (2018-19) paragraph 6.20.



106. As renting from local authorities may enable MPs to rent suitable office space using the existing budget, we wanted to explore further the thoughts and experiences of MPs in this regard. In the survey, respondents were asked if they had considered renting from a local authority. 38% said they had considered it. Two survey respondents who said they rented from local authorities gave a reason. One said that it was the only space they could afford, and the other that it was due to the good state of repair of the building, relationship management and reasonable costs. Respondents who said they had considered renting from local authorities, but who didn't, mostly gave the reason that no suitable properties were available.
107. 62% of survey respondents said they had not considered renting from a local authority. Over a third of those gave the reason that there were limited suitable local authority-owned properties available. This suggests it is something they were open to, but that they were not able to consider it seriously due to lack of suitable properties available. Others said they had not considered it because they were happy with their current office.
108. Other reasons for not considering it included cost concerns, and that they wanted to rent a shop front-style office, which would not be available from a local authority. One respondent said their local authority does not rent to politicians.
109. Many of the reasons for not considering renting from a local authority are practical in nature. However, a number of respondents were opposed to the idea in principle. Some respondents said that they did not want to rent from a local authority in order to maintain independence. As MPs receive casework which can involve the local authority, they considered it an advantage to be separate from them. Some responded it could be seen as a conflict of interest if the local authority was the MP's landlord, especially in cases where the MP may need to challenge the local authority.

### **How the type of landlord affects spend on rent**

110. We explored how the type of landlords MPs rent from affects the percentage of the budget they spent on office rent in 2016-17. We looked at a sample of 138 MPs who rented offices in 2016-17, based on the sample of leases used above, and MPs who responded to the survey with the type of landlord they rented from<sup>15</sup>.
111. The results are shown in the table below. For some landlord types there were too few MPs in the sample to draw any overall conclusions, and for all types of landlord there was a large range of values, making it difficult to generalise. The variation was particularly pronounced for private landlords and party political organisations, where the difference between the highest and lowest claimed values was over £13,000. For this reason we looked at the median values in an attempt to reduce the impact of outliers on the data.

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<sup>15</sup> We removed MPs where they both appeared in the sample and responded to the survey, or where they had not claimed a full 12 months' rent in the period.

The table below shows the type of landlord and the number of MPs and the median claim value for annual office rent.

	Type of landlord					
	Private landlord	Party political organisation	Council / Local Authority	Charities	Estate Agent	Other
<b>Number of MPs</b>	86	23	9	6	4	9
<b>Median claim value for annual office rent</b>	£8,290	£7,750	£7,584	£8,892	£7,931	£7,150

Please note: Claim values are given to the nearest whole pound.

112. There are various other factors, such as the local market rate or size of office rented, that determine how much of the budget MPs use for office rent. This obscures any effect the type of landlords may have. However, it appears that MPs who rent from a party political organisation or a council/local authority claim less for rent. Similarly, IPSA's 2016 review of the Scheme found that, on average, the rents paid to political party landlords were about £2,000 lower than other arrangements<sup>16</sup>.

## Office suitability

113. Alongside high local rental costs, the other issues cited by MPs were around office suitability, such as the need to compromise on the size, layout or location of the office. These issues are likely to be connected, as high local market costs can impact on the suitability of the offices MPs are able to rent. However, even for MPs in low rent areas, they may be restricted by the limited supply of offices to choose from in the constituency. In this section we look at how MPs define suitability, and attempt to find out to what extent MPs are having to rent unsuitable offices due to factors such as high local rental costs.

### MPs' views on suitability

114. In choosing offices, as in other ways of doing their jobs, MPs have varying preferences and priorities which shape their requirements for office space. For example, some may wish to have their staff predominantly based in the constituency, while others may want them based in Westminster. Some may want their offices to support a drop-in service for constituents, whilst others may prefer to hire external venues for such events. However, we wanted to see the broad priorities when MPs select office space.
115. The results of the survey question are shown below, with overall preferences ranked from 1 (most important) to 11 (least important).

<sup>16</sup> <http://www.theipsa.org.uk/media/1233/2016-05-10-scheme-consultation-document-web-accessible.pdf>

116. Location in the constituency and accessibility to constituents were reported as the most important factors when selecting an office. In contrast, acquiring a known location (such as a former MP's office) was a low priority.

The table below shows the factors most important to an MP when selecting an office premises.

<b>In order of preference, with 1 being most important and 10 being least important, what factors were important to you when selecting an office premises?</b>		
<b>Factor</b>	<b>Total Score*</b>	<b>Overall Rank</b>
Location in the constituency	1085	1
Accessibility for constituents	1075	2
Security	869	3
Suitable for accommodating surgeries/confidential meetings	779	4
Amenities/environment for staff	683	5
Low rent	665	6
Footfall [the number of members of the public who pass by the office]	644	7
Square footage	589	8
Exposure [the visibility of the office to casual passers-by]	536	9
Lack of renovation needed	502	10
Known location (for example taking over former MPs' office)	295	11

\*Score is a weighted calculation. Items ranked first are valued higher than the subsequent items. The score is a sum of all weighted rank counts.

#### **Case study – MP 4**

The MP represents a rural constituency and rents an office in a residential location. The location of the office was the main priority. Another elected official had an office in the most populated area of the constituency, so the MP wanted to be in a different location within the constituency to give as many constituents access to the help they provide. The MP also wanted to be close to the town centre and on a route that makes travel to London easier to make best use of their own time during their travel to Westminster.

**Case study – MP 6**

The MP represents an urban city centre constituency. A central location for the office was a priority to ensure presence and exposure for the MP. The MP also wanted to seek out an office with low rent as their constituency is an expensive area for office rent. The MP said that there were almost no suitable options within the budget, and the staff were asking libraries and local businesses for space because they could find nothing available.

The MP believes the current budget does not account for expensive constituencies in which there is high demand for office space. They are considering applying for an uplift to the office cost budget through the contingency process due to the high cost of rent in the constituency.

117. Due to the nature of their work, MPs and their staff face a higher security risk than many other professions. This could impact on MPs' ability to rent low-cost office space. There may be some structural aspects of the building, such as limited exits, which make otherwise suitable properties less desirable to an MP.

**Case study – MP 1**

The MP's constituency comprises a city with surrounding towns and villages. The MP was not involved in selecting the office as it was selected by two members of the local party, with assistance from the MP's office manager.

Two agreements fell through because landlords were not willing to take on the security risks associated with MPs, particularly in respect of the threat it might pose to other companies renting space in the building. The landlords explicitly said no to taking them on as tenants when they found out it was to be used as an MP's office.

**Office size**

118. In considering the quality of MPs' offices, we wanted to look at their size in terms of floor space. Though MPs may each work differently, more staff members will tend to require larger offices. However, we are not aware to what extent MPs rent offices that are of a sufficient size. To do this, IPSA would need to seek professional advice on what is a suitable office size in relation to staff numbers, and take into account the way that MPs work, with regular visits from constituents and the need for privacy in conversations with them.
119. IPSA does not routinely record the size of MPs' offices, but we have taken data from the survey of MPs and staff, and from a sample of 140 MPs' office leases. Office size, as reported by MPs and staff, will only be an estimation. The size of the offices was not included in almost 80% of office leases looked at, and communal areas were not included consistently in the size given, so the data from leases is only an indication of office size.
120. Looking at both the sample of leases and the reported office size from the survey, about 80% of the MPs' offices are under 1,000 square feet. There was a lot of variation in office size in both

the survey and the sample, with the greatest variation from the survey. Office size was reported as higher in the survey than the sample.

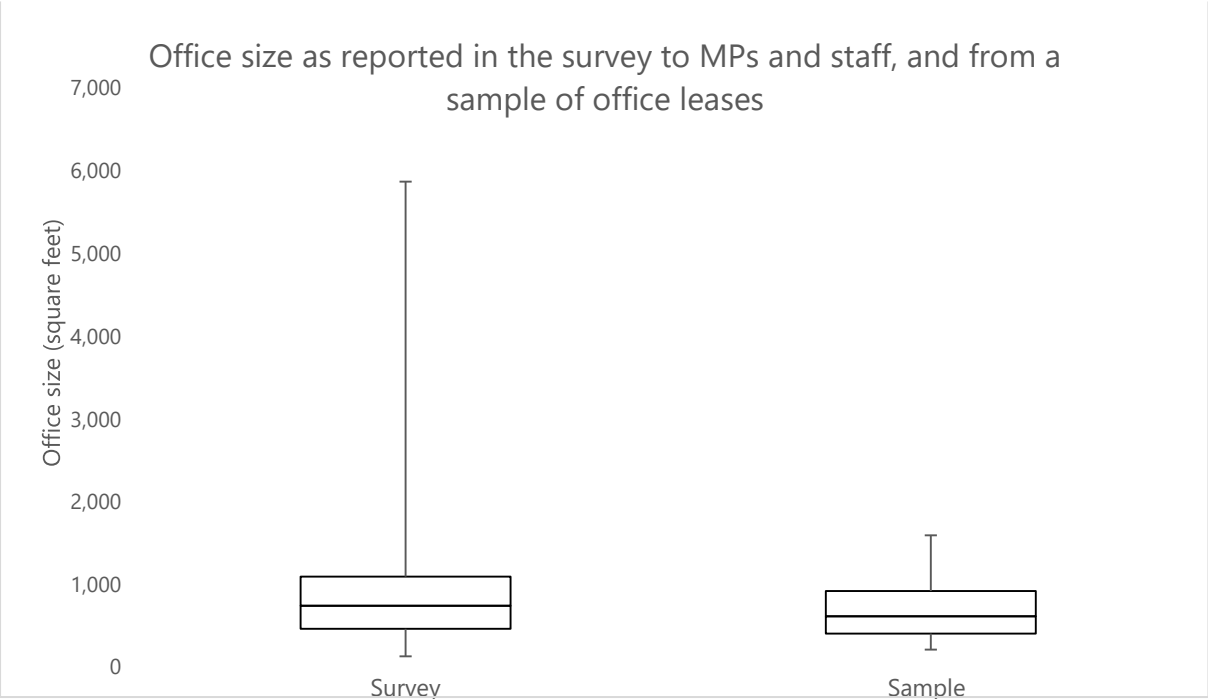
121. In the survey, we asked “Approximately how many square foot/metres is your IPSA funded office(s)?” We received 67 responses where the respondent gave an estimate with a unit<sup>17</sup>. The results from the survey, as compared with the sample, are shown in the table below.

The table below shows MPs’ office size as reported in the survey and taken from a lease sample.

	Office size (square foot)	
	Reported in survey	Taken from lease sample
Average	784	588
Median	646	519
Range	5,747	1,383

122. Despite the discrepancies between the reported sizes from the survey and the lease sample, excluding the outliers, the majority of the data – as show on the boxplot below – is consistent.

The table below shows MPs’ office size as reported in the survey to MPs and staff, and from a sample of office leases.



<sup>17</sup> Where respondents gave their estimate as a range (e.g. 350-400 sq ft) we chose the midpoint. We converted all responses to square feet.

### Case study – MP 2

The MP is in an urban city centre constituency, which they say has limited commercial properties due to high demand and because they are in an expensive city. The constituency office is a base for all staff, and who fit “at a push” with no space for interns or volunteers, which would be desirable for the MP.

The office is used for meetings, drop-ins and appointments. The MP does not have a private working space in the office and there is no separate space for meetings, disturbing the functioning of the office. It is not possible to have private conversations, so these have to be conducted out-of-hours in local cafés. Surgeries are held in a number of areas across the constituency, in a venue dependent on local availability.

There is limited natural light in the office and the staff report feeling cramped. They thought there is a general need for more support to MPs when selecting offices such as guidance on minimum requirements, for example floor space for specified numbers of staff and working conditions.

### Office alterations

123. Where MPs rent office space, they sometimes make alterations to the space to make it more fit for purpose. As seen from the survey question on priorities when renting office space, lack of renovation needed is a low priority for MPs when selecting an office, with low rent a higher priority. By looking at what alterations were made, it may give an indication as to what compromises MPs have had to make when selecting an office due to cost constraints, which they sought to address with alterations to the office.
124. In the survey, we asked “Have you claimed for any alterations to your IPSA funded office premises, to make it fit for purpose?” 43% of respondents said they had, representing 48 MPs<sup>18</sup>.
125. Respondents were asked about the details of their adjustments. Around a quarter of those who had made adjustments said it was for security measures. Certain security measures are taken from a separate IPSA security budget, and do not need to be budgeted for by MPs.
126. Another quarter said their adjustments were largely redecoration costs. These most often included painting and carpets/flooring. All offices will need to undergo routine maintenance, repainting and replacement of carpets and equipment every few years. However, these costs are sometimes necessary as soon as MPs move into their office. Renting a property which requires significant redecoration may be the result of high local rental costs. Some are not able to obtain purpose-built office space within their budget that meets all these requirements, and therefore make adjustments to less suitable properties. Comments from the survey include “It is almost impossible to find suitable serviced offices in [my constituency]. I had no choice but to take on a retail premise which required extensive renovations in order to provide an office that was accessible for my constituents.”

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<sup>18</sup> We have excluded instances where multiple staff members have responded on behalf of a single MP.

127. New MPs are entitled to a £6,000 supplement to their office costs budget in their first year to help meet the costs of setting up one or more constituency office. This supplement is intended to help towards the costs of 'big-ticket' start-up items, such as computers, desks and redecoration. For newly-elected MPs at the 2015 general election, the £6,000 was available as a discrete start-up budget, and these new MPs spent on average 72% of this budget. At the 2017 general election, in an effort to simplify the support given the MPs, the amount was simply added to the office costs budget for newly-elected MPs.
128. Ten of those who said they had made alterations to their IPSA funded office said it was for the installation of walls, doors and partitions. These were most often to create private meeting space. The lack of meeting space appears to be an issue for some MPs. One respondent to the survey said:
- "We would like an office that is more suitable for surgeries/meetings with constituents - at present we cannot hold these here and have to rent other space at community halls for surgeries. But it has also to be affordable and we cannot at present find anywhere."
129. Seven said the adjustments were for equipment or installation, including network cabling, electrical work, air conditioning, and heating.

#### **Case study – MP 2**

The MP is in an urban city centre constituency. They said the constituency was a high rent area and it was very difficult to find suitable space given the demand for and cost of commercial space. The office was described as "basically a shell" when they took it on. The start-up budget was used to install a kitchenette and central heating. Carpeting was also fitted as the floor was previously bare concrete, but floor covering for the kitchenette and toilet areas could not be afforded.

### **Other suitability issues**

130. Elsewhere in the survey MPs and their staff have told us of instances where their office is not suitable. Comments include:
- "we have looked for better office space suitable to our needs for a number of years but the cost is too high. [...] There is no disabled access to the office and only one door in and out. We have very bad lighting that is not suitable for working with computers"
- "At present, our office is inaccessible to disabled constituents as we are upstairs (no lift). We have tried unsuccessfully to find suitable level-access premises within the office budget"
131. We currently do not have sufficient detailed evidence to demonstrate whether unsuitable offices are a widespread issue, nor do we have a metric against which to determine if an office is suitable for MPs' purposes.

## Recommendations

132. High local rental costs are the biggest issue for MPs when renting office space, which impacts on the suitability of the offices they rent, such as the size and layout. However, it is difficult to predict in which constituencies, outside London, MPs will be affected by high rental costs, especially as a limited supply of suitable office space can increase costs for MPs in otherwise low-rent areas. Further to this, except for anecdotal evidence, we do not have detailed information on the current suitability of MPs' offices. Nor do we have a standard against which to measure this suitability.
133. This report recommends that IPSA develops a set of recommended standards for MPs' office premises. This could include aspects such as office size, layout, fire safety, and disability access. The recommended standards would not be a list of requirements that MPs had to adhere to, nor would it impose restrictions on the type of office MPs rented within the standard budget. This would remain at the individual MP's discretion. Instead it should set out the issues that MPs could consider when renting new offices, and clarify what IPSA believes are reasonable standards for an MP's office.

### Defining suitability

134. IPSA will need to seek external expertise on what the guidelines there should be for a suitable office. These might include floor space per staff member, security, quality, disability access, fire safety, and suitability for surgeries or private meetings.
135. In the survey, one MP suggested a standard of "a minimum square footage, or a minimum specification (e.g. one public and one private room within facility, basic kitchen/toilet amenity, step-free accessibility)". They added "Rents can vary widely across the country, but there is a need for a certain amount of space per staff member and some space for private working or meeting with constituents (or even to take private/sensitive phone calls)."
136. IPSA can also learn from other legislatures which set minimum requirements for offices. The Australian Special Minister of State determines the offices which Australian parliamentarians are provided, taking into account a range of considerations including size, and whether there's a personal office for the parliamentarian, or private rooms for meetings<sup>19</sup>. It will be instructive to examine these requirements in more detail in drawing up our own recommended standards.

### How this will support MPs

137. For all MPs, especially those newly-elected, the recommended standards could act as guidelines when selecting their new office. This would provide advice on what MPs could look for in their offices.
138. The recommended standards could be also used by MPs to evidence the need for an increased budget in a more structured and proactive manner than putting forward ad hoc contingency applications. MPs have previously submitted contingency applications where they have said the local market for office rent has meant they cannot rent suitable offices within the standard

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<sup>19</sup> [https://maps.finance.gov.au/Guidance/Office\\_Accommodation/Electorate\\_Offices/Selection\\_and\\_Use\\_of\\_Offices](https://maps.finance.gov.au/Guidance/Office_Accommodation/Electorate_Offices/Selection_and_Use_of_Offices)



budget. However, there has not previously been a single standard of evidence for MPs to demonstrate this. This has resulted in more protracted process as IPSA is required to go back to

the MP to ask for more information. The recommended standards could be used as a clear, consistent basis for providing MPs with a suitable office cost budget to reflect rental costs.

139. One respondent to the survey made the case that: "having a centrally located, accessible office could make savings elsewhere. We may need to have fewer surgeries at hired premises, e.g. libraries, at cost to the taxpayer." There may be other non-financial benefits including improved disability access and greater security.
140. IPSA would need to establish clear guidelines for how MPs demonstrate that no suitable properties are available within the standard budget. Effort should be made to ensure MPs, especially those who are newly-elected, are supported and guided in such circumstances.
141. This approach would be a similar to that which the Scottish Parliamentary Corporate Body<sup>20</sup> offers to Members of the Scottish Parliament (MSPs) when setting up their constituency offices. MSPs can apply for an increase to their budget where "local variations in the market for office accommodation make it impracticable for the member to establish and run a suitable local parliamentary office within the limit of [the standard budget]"<sup>21</sup>.

## **Next steps**

142. This policy review provides an analysis of how MPs currently spend their office costs budget to rent office space to support their work in their constituency. IPSA's Board will consider the findings in this report, alongside other evidence, when determining IPSA's policies and MPs' budgets in future.

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<sup>20</sup> The Scottish Parliamentary Corporate Body is responsible for a range of issues regarding the running of the Scottish parliament, including MSP expenses.

<sup>21</sup> [http://www.parliament.scot/Allowancesandexpensesresources/Members\\_Expenses\\_Scheme\\_without\\_text\\_of\\_the\\_resolution\\_for\\_website\\_v2.pdf](http://www.parliament.scot/Allowancesandexpensesresources/Members_Expenses_Scheme_without_text_of_the_resolution_for_website_v2.pdf) 4.2.8

## Appendix A - Survey responses



143. Below are the responses to the survey. We have removed free text responses as these would identify respondents.

1. MP name:			
		Response Percent	Response Total
1	Open-Ended Question	100.00%	145
		answered	145
		skipped	0






2. Name and title (if not MP):			
		Response Percent	Response Total
1	Open-Ended Question	100.00%	79
		answered	79
		skipped	66



3. Please enter your constituency name:			
		Response Percent	Response Total
1	Open-Ended Question	100.00%	145
		answered	145
		skipped	0




4. At the 2017 General Election were you:			
		Response Percent	Response Total


1	Returned		91.03%	132
2	Newly elected		8.97%	13
			answered	145
			skipped	0



### 5. In which of the following region constituency?

			Response Percent	Response Total
1	Northern Ireland		0.69%	1
2	Scotland		13.10%	19
3	Yorkshire and Humberside		4.83%	7
4	North East		1.38%	2
5	North West		17.93%	26
6	East Midlands		4.14%	6
7	West Midlands		11.03%	16
8	South East		13.79%	20
9	South West		13.79%	20
10	London		9.66%	14


				
11	Wales			8.28% 12
				
12	Eastern			1.38% 2
			answered	145
			skipped	0



6. How many offices, not including home offices, do you rent using your IPSA budget?				
			Response Percent	Response Total
1	0		5.52%	8
2	1		84.83%	123
3	2		9.66%	14
4	3		0.00%	0
			answered	145
			skipped	0

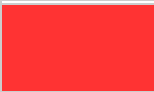


7. If you are not renting office premises using your IPSA budget, why?				
			Response Percent	Response Total
1	I use my Westminster office only		50.00%	4



2	I fund my rent personally		0.00%	0
3	I have a home office		37.50%	3
4	My staff have home offices		50.00%	4
5	I have access to rent-free office premises from a company		0.00%	0
6	I have access to rent-free office premises from a local authority		0.00%	0
7	I have access to rent-free office premises from a political party		0.00%	0
8	I have access to rent-free office premises from another political office holder		0.00%	0
			answered	8
			skipped	137

8. Did you inherit your office from a standing down or defeated MP?				
			Response Percent	Response Total
1	Yes		0.00%	0
2	No		0.00%	0
			answered	0
			skipped	145

9. In what sort of area is your IPS funded office(s)?				
			Response Percent	Response Total
1	Rural, e.g. village		5.11%	7

2	Urban, e.g. town centre		72.26%	99
3	Suburban/outskirts		18.98%	26
4	Other (please specify):		3.65%	5
			answered	137
			skipped	8

10. In what type of building is your office(s)?				
			Response Percent	Response Total
1	Serviced office		34.31%	47
2	Public building		3.65%	5
3	Shop front		32.85%	45
4	Other (please specify):		29.20%	40
			answered	137
			skipped	8

11. Have you considered renting from a local authority?				
			Response Percent	Response Total
1	Yes		37.96%	52
2	No		62.04%	85




	answered	137
	skipped	8

## 12. Who do you rent your IPSA fur from?



		Response Percent	Response Total
1	Local party	11.68%	16
2	Local authority	5.11%	7
3	Union	1.46%	2
4	Private landlord	69.34%	95
5	Agent	0.73%	1
6	Charity	4.38%	6
7	Other (please specify):	7.30%	10
		answered	137
		skipped	8

## 13. Do you share your IPSA office(s)?

		Response Percent	Response Total
1	Yes - with a devolved government member	7.30%	10
2	Yes- with another political office	2.19%	3

	holder			
3	Yes- with a local authority/council		1.46%	2
4	Yes – with another company or organisation (non-political)		8.76%	12
5	No		70.07%	96
6	Other (please specify):		18.98%	26
			answered	137
			skipped	8

14. If you do share your IPSA funded office(s), why?				
			Response Percent	Response Total
1	Open-Ended Question		100.00%	23
			answered	23
			skipped	122

15. Do you have any offices that are not funded by IPSA?				
			Response Percent	Response Total
1	Yes		10.22%	14
2	No		89.78%	123
			answered	137














	skipped	8
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### 16. Approximately how many square foot/metres is your IPSA funded office(s)?

		Response Percent	Response Total
1	Open-Ended Question	100.00%	134
		answered	134
		skipped	11

### 17. How many IPSA staff work in your IPSA funded office(s)?

			Response Percent	Response Total
1	1		5.22%	7
2	2		15.67%	21
3	3		26.12%	35
4	4		27.61%	37
5	5		20.15%	27
6	6		5.22%	7
7	7		0.00%	0
			answered	134

			skipped	11
<b>18. What percentage of your office costs budget do you allocate to office rent each financial year?</b>				
			<b>Response Percent</b>	<b>Response Total</b>
1	0-10%		2.36%	3
2	10-20%		6.30%	8
3	20-30%		19.69%	25
4	30-40%		19.69%	25
5	40-50%		21.26%	27
6	50-60%		15.75%	20
7	60-70%		9.45%	12
8	70-80%		2.36%	3
9	80-90%		1.57%	2
10	90-100%		1.57%	2
			answered	127
			skipped	18

**19. In order of preference, with 1 being most important and 10 being least important, what factors were important to you when selecting an office premises?**

Item	Total Score <sup>1</sup>	Overall Rank
Location in the constituency	1085	1
Accessibility for constituents	1075	2
Security	869	3
Suitable for accommodating surgeries/confidential meetings	779	4
Amenities/environment for staff	683	5
Low rent	665	6
Footfall	644	7
Square footage	589	8
Exposure	536	9
Lack of renovation needed	502	10
Known location (for example taking over former MPs' office)	295	11
<sup>1</sup> Score is a weighted calculation. Items ranked first are valued higher than the following ranks, the score is a sum of all weighted rank counts.	answered	117
	skipped	28

**20. Have you claimed for any alterations to your IPSA funded office premises, to make it fit for purpose?**



		Response Percent	Response Total
1	Yes	41.88%	49
2	No	58.12%	68

	answered	117
	skipped	28

**21. Please provide more detail on the alterations, and whether you claimed from the Office Costs budget or applied to the Contingency Fund.**

		Response Percent	Response Total
1	Open-Ended Question	100.00%	45
		answered	45
		skipped	100

**22. Do you think the Office Costs budget is at an appropriate level for you to rent suitable office space?**

			Response Percent	Response Total
1	Yes		46.79%	51
2	No		53.21%	58
			answered	109
			skipped	36

**23. Please let us know if you have any additional comments on your office arrangements that you think might be helpful.**

		Response Percent	Response Total
1	Open-Ended Question	100.00%	37
		answered	37
		skipped	108

## **Appendix B – Scope and methodology**

### **Scope**

144. We use data we have collected to carry out quantitative analysis on the following;

- trends of office rent spending for MPs in 2016-17
- MPs with no office, more than one office, shared office or home office □ the size of MPs' offices

145. We also look at qualitative analysis in the following areas;

- views from MPs and their staff about issues related to renting office space
- contingency applications relating to office rent costs
- alterations MPs have made to their offices
- MPs who share their offices
- the types of landlords MPs are renting from

146. Using external data we look into the following areas;

- size, population and population density of constituencies
- office rent prices for different areas of the country
- changes in office rental costs over time

## Methodology

147. The review is conducted using both qualitative and quantitative data analysis. It takes the views of MPs from the survey and case studies.
148. The survey was created using Smart Survey and ran from 11/01/2018 to 12/02/2018. It was to all MPs and their staff. There were 145 complete responses. The vast majority of respondents (91%, 131 respondents) were from offices which returned following the 2017 General Election.
149. The survey was advertised in IPSA's bulletins to MPs and their staff, the House of Commons intranet, in Account Manager and Payroll Officer email signatures, and proactively when issues arose during conversations with MPs' offices. We are grateful to all those who took the time to respond to the survey and the number of respondents indicates that this topic is one that is important to MPs and their staff.
150. Both MPs and their staff could respond to the survey, and in some instances both the MP and one of their staff members did so. When we analysed arrangements of offices, so as not to have duplicate data, for a small number of cases we removed the responses of staff members from the analysis where the MP had also responded to the same question.
151. The site visits and interviews were held with MPs and/or the staff member responsible for selecting and managing the office premises. The visits took place from November 2017 – January 2018.
152. The interviews were qualitative and between half an hour and an hour and a half long. A work instruction was used to guide discussion, and to ensure maximum consistency in the data collected. For the same reason, the questions asked were broader versions of those asked in the survey. The MPs' Account Managers were engaged before site visits were requested and carried out, to ensure awareness of specific issues affecting the MP or with his or her relationship with IPSA.
153. The site visits and interviews were in order to understand what factors MPs deem valuable when securing office space and therefore why they chose their office arrangement. We were interested in the real experiences of MPs and staff when they are selecting office space. We were also able to observe and hear views on the nature, quality and suitability of their offices.
154. It was decided, based on capacity and resourcing within the team, that six MPs should be asked to take part. We were not able to select a representative sample as a result of this. We used a combination of selective sampling methods. Maximal variation and purposive, in that the group selected was intentionally diverse in terms of the following variables:
  - Political party
  - Length of service
  - Region
  - Number of offices
  - Shared
  - Type of landlord
  - Type of constituency (i.e. rural, urban)
  - Marginal/safe seats

155. Summaries of the issues raised during these visits are written-up throughout the report where relevant, but we have omitted details which could identify the MP.
156. We also look at applications for contingency funding to identify issues in renting office space. MPs can make an application for contingency funding for an uplift to their budget where their spending has exceeded or may exceed the budget limit for the year and they consider this to be the result of exceptional circumstances. Looking at the applications in regards to issues regarding office rent is instructive as it demonstrates where MPs' budgets are stretched by issues surrounding office rent.
157. We look at the contingency applications since April 2015, covering two elections and therefore two contingents of newly-elected MPs, as an indication of budget stress. When an MP applies for additional funding there are often multiple factors that contribute to budget stress, so it is not always possible to attribute an application to one factor. For example, high rent can mean the MP is less able to absorb other unexpected costs into their budget, and the unexpected nature of the cost may form the basis of the application, not the high rent costs.
158. This review also looks at trends in spending on office rent and attempt to account for pressures on renting offices with reference to the location, size, density and population of MPs' constituencies.
159. The review also explores the trends and reasons for MPs sharing office space, the type of landlords they have, and the size of MPs' offices.
160. We draw on the following data sources to gather information on a sample of MPs:

#### Internal

- Online expenses system ('Expense@Work') data
- IPSA's internal database of MPs' lease arrangements ('the Gateway')
- A sample of leases from MPs
- Feedback
- Survey of MPs
- Applications for contingency funding

#### External

- Size and population of constituencies
- Office rent across the UK
- Office rent trends over time
- Case studies, involving on-site visits and interviews with MPs and their staff.

## Limitations

161. MPs can choose to carry out their parliamentary functions in a variety of ways. Having different priorities means they have different needs and spending patterns. It is not easy to make generalisations as outliers impact on arithmetic means. This report has therefore made use of boxplot graphs to show where the broad range of the data lies.

162. We do not have detailed information on the nature, quality and suitability of MPs' offices. Whilst we had experience of this through the case studies, due to their small number this can only be anecdotal.
163. IPSA's internal database of MPs' lease arrangements only shows current arrangements, so it is not possible to explore office sharing arrangements for previous years.
164. Almost 80% of office leases we looked at did not include the size of the office, and those who did included communal areas inconsistently. We asked MPs and staff to estimate the size of their offices but this will be imprecise.
165. IPSA sought the views and experiences of MPs and their staff through a survey and received 145 responses. This equates to around a quarter of the 593 MPs currently claiming office rent, so the views in the survey will not be representative of the MPs claiming rent but give an indication of the issues, views and experiences related to claiming for office rent.
166. There is no central register of commercial rent statistics for offices, and data sources available from real estate agencies will vary and often only comment on cities, without addressing more rural areas and intra-city variation.

## Appendix C – London Area constituencies

### SCHEDULE 1. LIST OF CONSTITUENCIES IN THE LONDON AREA

1	Barking	40	Finchley and Golders Green
2	Battersea	41	Greenwich and Woolwich
3	Beaconsfield	42	Hackney North and Stoke Newington
4	Beckenham	43	Hackney South and Shoreditch
5	Bermondsey and Old Southwark	44	Hammersmith
6	Bethnal Green and Bow	45	Hampstead and Kilburn
7	Bexleyheath and Crayford	46	Harlow
8	Brent Central	47	Harrow East
9	Brent North	48	Harrow West
10	Brentford and Isleworth	49	Hayes and Harlington
11	Brentwood and Ongar	50	Hendon
12	Bromley and Chislehurst	51	Hertford and Stortford
13	Broxbourne	52	Hertsmere
14	Camberwell and Peckham	53	Holborn and St Pancras
15	Carshalton and Wallington	54	Hornchurch and Upminster
16	Chelsea and Fulham	55	Hornsey and Wood Green
17	Chingford and Woodford Green	56	Ilford North
18	Chipping Barnet	57	Ilford South
19	Cities of London and Westminster	58	Islington North



20	Croydon Central	59	Islington South and Finsbury		
21	Croydon North	60	Kensington		
22	Croydon South	61	Kingston and Surbiton		
23	Dagenham and Rainham	62	Lewisham East		
24	Dartford	63	Lewisham West and Penge		
25	Dulwich and West Norwood	64	Lewisham, Deptford		
26	Ealing Central and Acton	65	Leyton and Wanstead	27	Ealing North 66
	Mitcham and Morden				
28	Ealing, Southall	67	Mole Valley		
29	East Ham	68	Old Bexley and Sidcup	30	East Surrey 69
	Orpington				
31	Edmonton	70	Poplar and Limehouse		
32	Eltham	71	Putney		
33	Enfield North	72	Reigate		
34	Enfield, Southgate	73	Richmond Park		
35	Epping Forest	74	Romford		
36	Epsom and Ewell	75	Ruislip, Northwood and Pinner		
37	Erith and Thamesmead	76	Runnymede and Weybridge		
38	Esher and Walton	77	Sevenoaks		
39	Feltham and Heston	78	Slough		
79	South West Hertfordshire				
80	Spelthorne				
81	St Albans				
82	Streatham				
83	Sutton and Cheam				
84	Thurrock				
85	Tooting				
86	Tottenham				
87	Twickenham				
88	Uxbridge and South Ruislip				
89	Vauxhall				
90	Walthamstow				
91	Watford				
92	Welwyn Hatfield				
93	West Ham				
94	Westminster North				
95	Wimbledon				
96	Windsor				

*NOTE. All other constituencies are classified as non-London Area.*

## Appendix D – Rental costs across the UK, 2017

Region	Area	Office rental costs per square foot
London	West End	£83.50
London	London City	£52.50
London	Midtown	£52.50
London	Farringdon	£49.50
London	Southbank	£45.00
London	Hammersmith	£41.00
London	Richmond	£37.50
London	Chiswick	£37.50
London	Ealing	£32.00
London	Vauxhall	£30.00
London	Wimbledon	£30.00
London	Heathrow - Stockley Park	£29.50
North West	Manchester	£27.00
Eastern	Cambridge	£25.00
South East	Reading out-of-town	£25.00
South West	Bristol	£25.00

London	Uxbridge	£25.00
London	Staines	£25.00
Eastern	Cambridge out-of-town	£23.00
Yorkshire and Humberside	Leeds	£23.00
West Midlands	Birmingham	£22.50
Scotland	Edinburgh	£22.00
South East	Slough	£22.00
South East	Brighton	£22.00
London	Twickenham	£22.00
Scotland	Glasgow	£21.00
London	Croydon	£20.00
London	Wembley	£20.00
London	Brentford	£20.00
London	Kingston Upon Thames	£19.50
London	Docklands	£18.50
Wales	Cardiff	£18.00
London	Heathrow	£18.00
North East	Newcastle	£16.00
Scotland	Aberdeen	£16.00
South West	Bristol out-of-town	£15.00
London	Harrow	£15.00
Scotland	Glasgow out-of-town	£14.00
Yorkshire and Humberside	Sheffield	£14.00
South East	Maidstone	£13.50
South East	Southampton	£13.00
South West	Exeter	£13.00
Wales	Cardiff out-of-town	£13.00
East Midlands	Nottingham	£12.50
North West	Liverpool	£12.50
Scotland	Edinburgh out-of-town	£12.50
Yorkshire and Humberside	York	£12.50
East Midlands	Derby	£12.00
Northern Ireland	Belfast	£12.00
South East	Portsmouth	£12.00
South West	Bournemouth	£12.00
North West	Manchester North	£11.00

South West	Plymouth	£11.00
West Midlands	Coventry	£11.00
Yorkshire and Humberside	York out-of-town	£11.00
North East	Newcastle out-of-town	£10.50
North West	Chester	£10.50
Yorkshire and Humberside	Sheffield out-of-town	£10.50
East Midlands	Leicester	£10.00
Eastern	Norwich	£10.00
Eastern	Peterborough	£10.00
North East	Durham	£10.00
Wales	Swansea	£10.00
Yorkshire and Humberside	Hull	£10.00
Yorkshire and Humberside	Doncaster	£9.50
East Midlands	Northampton	£9.00
West Midlands	Worcester	£9.00
North East	Middlesbrough	£8.00
North East	Sunderland out-of-town	£8.00
Northern Ireland	Londonderry	£8.00
South East	Reading	£7.00
North West	Preston	£7.00

Data taken from <http://www.colliers.com/en-gb/uk/insights/offices-rents-map> (2017)