

Addendum to the Scheme of MPs' Business Costs and Expenses

2020-21

Independent Parliamentary Standards Authority

**Addendum to the Scheme of MPs' Business Costs and Expenses
2020-21**

Presented to the House of Commons pursuant to section 5(5) of the Parliamentary
Standards Act 2009

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CONTENTS

INTRODUCTION.....	5
PART 1. APPLICATION OF THIS ADDENDUM.....	6
PART 2. PROCESSES AND RULES	7
Deadline for the submission of claims.....	7
Requirement to submit supporting evidence with claims	7
PART 3. OFFICE COSTS	9
Additional funding	9
Allowance for homeworking expenses.....	9
PART 4. STAFFING COSTS	11
Additional funding	11

ADDENDUM TO THE SCHEME OF MPs' BUSINESS COSTS AND EXPENSES 2020-21

INTRODUCTION

1. The Scheme of MPs' Business Costs and Expenses ('the main Scheme') is made by the Independent Parliamentary Standards Authority (IPSA) in the exercise of the powers conferred on it by section 5(3)(a) of the Parliamentary Standards Act 2009.
2. The Twelfth Edition of the Scheme, relating to the 2020-21 financial year, was laid before the House of Commons on 12 March 2020. This Addendum to the 2020-21 Scheme sets out changes which have been made by IPSA since that date, in response to the exceptional circumstances created by the coronavirus pandemic.¹ This Addendum must be considered alongside the main Scheme.

¹ In this Addendum any references to 'coronavirus' mean severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) designated by HM Government as COVID-19.

PART 1. APPLICATION OF THIS ADDENDUM

- 1.1 The rules and provisions set out in this Addendum apply in relation to MPs' business costs and expenses from 1 April 2020, until such time as IPSA determines under paragraph 1.2.
- 1.2 IPSA may in its discretion determine when and which of the rules and provisions set out in this Addendum will cease to have effect and will provide reasonable notice – to be published on IPSA's website and to be communicated to MPs and their staff members – as to when and which of the rules and provisions of this Addendum will no longer be in effect. In making such determinations, IPSA will take into consideration Government guidance relating to the coronavirus pandemic, as well as other relevant considerations.
- 1.3 Unless specified in this Addendum, all of the rules and provisions set out in the main Scheme for 2020-21 continue to apply.

PART 2. PROCESSES AND RULES

Deadline for the submission of claims

- 2.1 As a result of the exceptional circumstances caused by the coronavirus pandemic, claims for reimbursement under the main Scheme and this Addendum must be submitted no more than 120 days after the expenditure was incurred. This relates to costs incurred from 1 April 2020.
- 2.2 Paragraph 2.1 replaces paragraph 1.1c in the main Scheme, until such time as IPSA determines under paragraph 1.2 of this Addendum.

IPSA retains the discretion to make provision in exceptional circumstances to vary the period specified for the submission of claims, under paragraph 1.6 of the main Scheme.

Requirement to submit supporting evidence with claims

- 2.3 Claims for reimbursement under the main Scheme may be submitted without supporting evidence, where it is not possible to do so as a direct result of the coronavirus pandemic.
- 2.4 Where IPSA pays a claim that is not accompanied by supporting evidence, this evidence must be provided within 120 days of the date of claim submission. If an MP fails to submit the supporting evidence in this time, the claim will be refused and the amount recovered from the MP.
- 2.5 Paragraphs 2.3 and 2.4 replace paragraph 1.1d in the main Scheme, until such time as IPSA determines under paragraph 1.2 of this Addendum.
- 2.6 IPSA may, at the end of a financial year, or in exceptional circumstances, vary the period specified in paragraph 2.4 of this Addendum for the provision of supporting evidence after claim submission.

This section does not have the effect of prohibiting the MP from requesting a review of the decision to refuse a claim, under paragraph 2.5 of the main Scheme.

PART 3. OFFICE COSTS

Additional funding

- 3.1 On 19 March 2020 in response to the coronavirus pandemic, IPSA provided an immediate increase to the office costs budget of £10,000 to cover the additional costs faced by MPs' staff and offices in moving to home-working while continuing to assist constituents. This amount has been made available until 31 March 2021. For individual MPs, any unspent amount from the £10,000 increase to the 2019-20 office costs budget will be rolled forward to the 2020-21 office costs budget.
- 3.2 Therefore:
- a. For London Area MPs, the annual office costs budget is £28,800 for 2020-21, plus the unspent amount from the £10,000 increase to the 2019-20 office costs budget.
 - b. For non-London Area MPs, the annual office costs budget is £25,910 for 2020-21, plus the unspent amount from the £10,000 increase to the 2019-20 office costs budget.

Unspent amounts from the £10,000 increase to the 2019-20 office costs budget will be confirmed following closure of the 2019-20 financial year.

- 3.3 Paragraph 3.2 replaces the budgets set out in paragraphs 6.10 and 6.11 respectively of the main Scheme. Subject to paragraph 1.2 of this Addendum, this change will remain in place for the entirety of the 2020-21 financial year, regardless of the duration of the other rules and provisions of this Addendum.

Allowance for homeworking expenses

- 3.4 An allowance ('the homeworking allowance') is payable to MPs' staff members who are working from home, to cover homeworking expenses such as telephone, internet, electricity and gas usage, subject to paragraph 1.2 above and 3.5 through 3.8 below. These amounts will be paid from the office costs budget.

- 3.5 The homeworking allowance amount is £26 per month. Payment of this amount will be back-dated for eligible staff members to 1 April 2020 and will be pro-rated for staff members who start or end their employment during a month after the homeworking allowance is made available.
- 3.6 In respect of a staff member in receipt of the homeworking allowance, IPSA will not accept claims (or will seek repayment of claims already paid) under paragraphs 6.6 and 6.16 of the main Scheme for costs which are incurred as a result of homeworking and are additional to those which are part of the normal cost of living in the home, including:
- a. Energy and water bills;
 - b. Contents insurance; or
 - c. Rental and usage costs for telephone and internet access.

The homeworking allowance is an alternative to making individual claims under paragraph 6.6 and 6.16 of the Scheme. Staff members must be working from home to be eligible for the allowance but do not have to register their home as an office.

The homeworking allowance will be administered through the payroll, along with the staff member's salary.

IPSA has produced guidance on the homeworking allowance, which is available on the IPSA website. Our expectation, in line with HMRC guidance is that, generally, the allowance should not be taxable, but a staff member's individual circumstances may mean that they should seek further advice from HMRC.

- 3.7 If individual staff members are not working from home, or do not wish to be in receipt of the homeworking allowance, the employing MP must notify IPSA by the normal monthly deadline for payroll changes. This also applies where staff members who were previously in receipt of the homeworking allowance have returned to their normal place of work (the constituency or Westminster office).
- 3.8 IPSA will make payments in relation to the homeworking allowance until such time as it determines under paragraph 1.2 of this Addendum.

PART 4. STAFFING COSTS

Additional funding

- 4.1 In order to respond to a rise in constituency workload as a result of the coronavirus pandemic, MPs may request an increase to their staffing budget for 2020-21. IPSA will agree to this additional funding, subject to paragraphs 1.2 above and 4.2 through 4.6 below. Agreed amounts would be added to the budgets set out in paragraphs 7.12 and 7.13 of the main Scheme.
- 4.2 The maximum amount of increase to the staffing budget is as follows:
- a. For London Area MPs, £18,270.
 - b. For non-London Area MPs, £16,480.
- 4.3 Subject to paragraph 1.2 of this Addendum, any agreed increase applies to the 2020-21 financial year only; no increases will be agreed if they commit the MP to costs beyond the end of the 2020-21 financial year.
- 4.4 MPs may decide how best to meet any additional demand faced by their office as a result of coronavirus (which could be by taking on new staff on a fixed-term basis, or by increasing the contractual hours or overtime payments in respect of existing staff members), subject to the normal rules on staffing costs set out in Chapter 7 of the main Scheme.
- 4.5 In order to apply for this additional funding, MPs are required to submit the relevant documentation, accompanied by a statement that the additional funding is needed as a direct result of coronavirus-related demand.

Relevant document includes:

- *For a new fixed-term staff member, a contract, job description and other required new starter documentation*
- *For additional contractual hours, a completed salary and hours amendment form*
- *For overtime claims, timesheets*

- 4.6 MPs may make more than one request for an increase to the staffing budget during the 2020-21 financial year, so long as the total amount requested does not exceed the maximum amounts set out in paragraph 4.2.

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