

Assurance Review: Travel and subsistence

Summary of expenditure 2010-2015

Assessment of compliance 2015-2016





Independent Parliamentary Standards Authority

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July 2016 (updated June 2017)

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Introduction

1. This report summarises and reviews the evidence about expenditure on travel by MPs and their staff, under the rules set out in the *Scheme of MPs' Business Costs and Expenses* ("the Scheme").
2. It seeks to establish:
 - the levels and trends of expenditure by MPs and their staff on travel over the 2010-2015 Parliament; and
 - the level of compliance risk resulting from IPSA's rules and their operation, based upon a detailed review of claims paid in 2015-16.
3. This work is part of IPSA's wider programme of assurance to ensure that all MPs' claims for business costs are made and paid within the rules. Where mis-claims or double payments are found as a result of MPs' misunderstandings or non-compliance, IPSA takes action to recover sums owed and to further strengthen our regulatory framework.
4. This assurance work has fed in to two wider pieces of work:
 - A review of the Scheme in 2016, resulting in revised rules for 2017-18; and
 - IPSA's improvement programme, the focal point of which is a new online claims system which is due to be fully implemented in 2018.

Background

5. The Scheme underpins IPSA's regulatory approach and its business processes. The online system, which MPs use to make claims for business costs, is based on it. It is intended to ensure that MPs are reimbursed for the costs necessarily incurred in the performance of their parliamentary functions.
6. The rules and guidance related to travel and travel-related subsistence expenditure for parliamentary purposes are set out in Chapter Nine of the Scheme. In order to be paid, claims must be supported by the evidence required by IPSA.
7. The Scheme is now in its ninth edition. It was most recently revised and re-published in March 2017. A number of travel rules which were in force when this review was undertaken have since changed. Where this is the case, we have noted it in this report.
8. As part of our routine assurance process, we carry out comprehensive reviews of categories of expenditure, looking for examples of significant expenditure, statistical outliers and other unusual patterns. We select areas of concern for further investigation, and where necessary seek repayments from MPs. This report provides a comprehensive analysis of the claims made under our travel rules from 2010-2015 and compliance with the travel rules of the Scheme in the financial year 2015-16.

Summary of IPSA's rules on travel:

9. Expenditure on travel and subsistence is not capped because of the wide variety of working patterns and geographical circumstances faced by MPs and their staff. Levels of expenditure are largely dependent upon the constituency MPs represent and the distance they must travel to attend Parliament in London.
10. The 554 MPs who represent constituencies outside of the London Area, as defined in the Scheme, can claim to travel between any point in their constituencies and London.
11. All MPs can claim for travel to locations that are within their constituency, as well as to locations up to 20 miles outside the constituency boundary, for parliamentary work. Mileage rates are the same as those set by Parliament and administered by HMRC.
12. MPs can also claim for 'extended' travel elsewhere in the UK where it is for parliamentary purposes. If they are required to stay overnight in these circumstances, they can claim for a hotel and subsistence costs to purchase food and drink, up to a specified limit. Where an MP has to divert on their journey for a non-parliamentary reason, they can claim for the nominal journey between the origin and final destination (known as a 'diverted journey'). They can also claim for journeys necessarily incurred from anywhere in the UK to Westminster or the constituency (known in earlier Schemes as 'Other MP travel under 9.3c').
13. At the time the review was undertaken, the funding of overseas travel was limited to three return journeys a year to national parliaments of Council of Europe member states, or to institutions and agencies of the European Union. These restrictions on travel to Europe were removed in April 2017.
14. Journeys by train and other public transport are reimbursed up to the cost of an anytime standard class fare. Value for money, rather than the class of the journey, should be the main consideration for the MP. MPs can claim for taxis when no other reasonable method of transport is possible. At the time of this review, they could also claim for taxis where the House of Commons sat beyond 11pm. Since April 2017, MPs can claim for taxis if they are working late past 10 p.m., at their discretion.
15. At the time the review was undertaken, many of the travel and subsistence rules for MPs were mirrored for their staff, but the latter faced additional restrictions. Staff could not claim for extended travel in the UK or for overseas travel and there was an overall cap of 96 staff journeys per MP between the constituency office and Westminster each year. Since April 2017, the Scheme has been amended so that we apply the same rules to MPs and their staff (with a small number of exceptions).
16. Non-London Area MPs can claim for travel between their constituency and London for their dependants. At the time of the review, this was limited to 30 single journeys a year, and MPs' spouses/partners could also claim for travel when it was related to their caring responsibilities for dependants. Since April 2017, MPs can claim for journeys for their dependants and spouses/partners at their discretion.
17. Further information on recent changes to the Scheme can be found at the end of this report.

Scope

18. This review considered all claims paid by IPSA categorised as travel and subsistence expenditure. It included all forms of journey and methods of transportation, including mileage claims. Alongside travel personally undertaken by the MP, travel costs for MPs' staff, volunteers and dependants were examined. Any subsistence costs incurred when travelling were within scope; these are claimed within the travel category because they are only eligible as a result of the journey being undertaken. The following are excluded from the scope of the review:
 - We did not report on any travel undertaken by MPs which was not funded by IPSA. Examples are journeys for party political purposes, travel undertaken in a Ministerial capacity, or where the cost was met from personal or other funds. This applies even if the purpose was parliamentary.
 - The review specifically excluded travel expenditure paid from the separate Disability Assistance budget. This cost £107,660 from 2010-2015 and was directed towards any additional travel costs, including for support staff, required to provide 'reasonable adjustments' defined by the Equality Act 2010.
 - It also excluded approved claims which would normally not be covered by the Scheme, but which were paid through the contingency budget. This requires a panel of IPSA's senior managers to assess an application by the MP to agree that the circumstances were exceptional and the cost was wholly necessary to fulfil their parliamentary role. These contingency claims cost £114,270 from 2010-2015.
19. The summary of travel expenditure assesses patterns and trends over the 2010-2015 Parliament. This is based upon claims paid between May 2010 and 31 March 2015. Claims for the full 2015-16 financial year are not included in this element of the review. This is partly because the turnover of MPs following the May 2015 General Election means a comparison would not be like-for-like, as new MPs' spending differs in the early months of the Parliament and because of travel restrictions in place during the dissolution period ahead of the General Election.
20. Aggregate costs for 2010-11 are not for the full year, as the Scheme only started to operate in May 2010. On occasion, 2010-11 costs have been annualised, and we note in the report where this has been done.
21. The assessment of compliance risks within the current rules is based on a statistically valid sample of claims made between 1 April 2015 and 31 March 2016. Previous assurance reviews have already checked compliance in the 2010-2015 Parliament, including annual mileage reports and air travel. The compliance element of this review is therefore intended to assess the system as it operated during 2015-16.
22. When carrying out some elements of the review, data from 1 April 2015 – 8 May 2015 were excluded due to the aforementioned dissolution restrictions being in effect. In these cases, an assessment of compliance had already been made through our separate assurance review of expenditure related to the 2015 General Election, which was published in May 2016. It is stated within this report where this exclusion applies.
23. Our compliance reviews ensure that we are fully satisfied that our rules and systems provide an effective safeguard to public money, whilst allowing MPs to perform their parliamentary

function. To this end, we make recommendations where we find any concerns related to MPs' expenditure or to the rules or operation of our Scheme. This may include issues requiring further investigation, proposals for improvements to the Scheme or our processes and identifying individual ineligible claims where repayment should be sought. This report notes where changes have been implemented as a result of the findings of this review.

24. The potential to simplify existing travel rules was discussed in our May 2016 consultation on the Scheme. The findings of this review formed part of the overall evidence that was considered. Further information on changes that were made as a result are provided later in this report.

Key Findings

The overall cost to the taxpayer of travel expenditure:

25. **The total nominal cost of travel and subsistence expenditure for MPs and their staff between May 2010 and May 2015 was £22.2 million¹.** The majority of this – £17.8 million – was for the purpose of travel between London and MPs' constituencies. £2.3 million was spent on travel within the constituency boundary, with the remainder accounted for by other categories of travel.
26. **Travel and subsistence costs accounted for 4% of the total cost of MPs' business costs.** This makes travel and subsistence the fourth largest category of expenditure, accounting for a lower proportion of the budget than staffing, office costs and accommodation.
27. **Aggregate expenditure on travel since 2011-12 has seen real terms increases of 2.5% or less per year.**
28. **£1.8 million (8%) of overall expenditure was paid directly to travel suppliers, with £11.3 million (51%) of travel purchases made with MPs' payment cards.** These direct suppliers are Trainline, which can be used for the purpose of booking rail travel (including Eurostar), and Chambers Travel², which can be used for any rail or air travel. Chambers replaced Hillgate Travel, who did not have a direct payment arrangement with IPSA, as the House of Commons' official travel office provider in 2014-15.

The components of travel expenditure:

29. **The majority of travel expenditure was on journeys between London and MPs' constituencies, accounting for between 79% and 83% of the costs claimed for each year.** This includes journeys made for MPs, their staff and dependants. Travel within the constituency made the next greatest contribution, consistently accounting for 10% of costs.
30. **Although the most common method of transport from 2010-2015 was travel by car, which accounted for 62% of journeys, the greatest proportion of expenditure was on rail travel.** £8.8 million was spent on rail travel, with £7.1 million for travel by car, as journeys by car were

¹ This figure relates to the Parliamentary calendar and is not comparable to figures relating to financial years.

² After this review was completed, Chambers Travel changed their name to CTM.

generally shorter and less expensive. For similar reasons air travel cost £4.9 million, equivalent to 22% of expenditure, despite only accounting for 5% of journeys.

31. **The amount claimed for travel between London and the constituency varied significantly by region.** On average, MPs spent £5,500 each year for these journeys. Those in Scotland and Northern Ireland faced much higher costs because of the distances they were required to travel. On average they spent £15,500 and £12,000 each year respectively. The impact can be seen when comparing aggregate expenditure on all travel over 2010-2015, with Scotland's 59 MPs incurring £5.1 million in travel costs as opposed to £360,000 for the 96 London Area MPs.
32. **Expenditure on travel within the constituency generally increased in line with constituency area, but the variation was less significant than for expenditure on travel between London and the constituency.** Despite the fact that we place no upper limit on travel expenditure within the constituency, 88% of MPs who claimed these journeys incurred costs under £10,000 in total for travel within their constituency over the entire Parliament.
33. **Staff travel and subsistence accounted for 12% of travel and subsistence expenditure from 2010-2015.** 610 MPs made claims for staff travel and subsistence. At the time of conducting this review, staff were subject to greater restrictions on their travel than MPs. The 2017-18 edition of the Scheme reduced a number of those restrictions. Further information on these changes can be found at the end of this report.
34. **Travel by MPs' dependants accounted for 1% of 2010-2015 travel and subsistence expenditure.** 139 MPs made use of the provision over the duration over the Parliament.
35. **European and Extended UK Travel cumulatively accounted for 3.6% of total travel expenditure, but the majority of MPs made some use of the provision over the course of the Parliament.** 305 MPs undertook at least one journey to Europe in the 2010-2015 Parliament, costing a total of £277,000. 541 MPs made use of Extended UK travel, undertaking a total of 17,000 journeys at a total cost of £555,000.

Level of compliance risk:

36. **We identified few compliance concerns.** In a sample of travel expenditure claims from 2015-16 the vast majority were paid in accordance with the rules. We are particularly confident our controls are robust where supporting documentation evidences expenditure, as is the case for travel by rail, air and for overnight hotel stays when travelling. The majority of expenditure was either incurred in this way or was part of a routine travel pattern, such as regular weekly mileage between London and an MP's constituency. The regional variation in travel expenditure matched the profile we expected to see. These factors combine to assure us that we understand how public money is being spent and that it is in line with the central principles of the Scheme, enabling us to provide strong assurance to the public in this area of expenditure.
37. **All spending identified as significantly above the average when compared to other MPs led to a review of the relevant pattern of claims, and in the majority of cases we were able to establish that the travel was for legitimate reasons.** For 76% of such claims reviewed, we required additional contextual information from the MP.

38. **The criteria defining UK Extended Travel – in particular Diverted Travel and Other MP Travel (under 9.3c) – were poorly understood.** Almost all claims submitted in these categories were allowable under the Scheme, but most were misallocated and were actually for a different type of journey, such as travel within the constituency. This was the situation for 63% of diverted travel journeys and 77% of 'Other MP Travel' in the sample. This high rate of error in the allocation of journeys to a category is unusual, because in samples taken for the other journey types, the rate of misallocation was below 2%. It was evident that the definition of Diverted Travel and Other MP Travel was unclear.
39. **We identified that safeguards relating to travel claims by MPs from outside the London Area who chose to receive the London Area Living Payment (LALP) were not in place.** By opting to receive LALP, these MPs became subject to the same travel rules as London Area MPs. They should have been able to claim for travel between London and their constituency office, but not when they were going elsewhere in the constituency, as the LALP partially compensated for their additional travel costs. After submitting these claims, the MPs had not been alerted to this restriction, or required to confirm they were traveling from an office when recording the journey, so we did not effectively enforce the rule. We have resolved this matter to ensure compliance with the Scheme, and have also changed the rules from April 2017 to eliminate further risk.
40. **44.2% of the total expenditure for journeys by air and rail in 2015-16 related to first, business class and flexible economy travel, at a cost of £1.05 million.** This is within the rules. We are confident that strong system controls are in place to ensure that any first class train travel selected is cheaper at the time of booking than if the MP obtained a Standard Anytime fare at the point of travel. We expect MPs to always have regard to value for money when booking their travel.

Conclusions

41. The rules which cover MPs' travel allow for diverse practice amongst MPs. Each MP has specific travel needs which partly depend on the geography of their constituency. The most significant influence on an MP's total expenditure is the distance from their constituency to London. This differs substantially between individual MPs and is outside their direct control. Our current approach of allowing uncapped expenditure on travel is consistent with this fact.
42. The evidence shows that MPs are compliant with the travel rules of the Scheme and that IPSA's current controls are sufficient. There is a low level of compliance risk associated with the majority of MPs' routine travel claims.
43. For less routine journeys, evidence showed that MPs were sometimes unfamiliar with the criteria defining these journeys, and consequently allocated the journey type incorrectly on the online claims system. The Scheme needs to make provision for 'non-typical' journeys, but the current level of incorrect allocation by MPs poses a small risk for IPSA when we analyse our data and validate claims.
44. MPs should be encouraged to make better use of the online claims system to provide IPSA with brief contextual information on the purpose of non-routine travel. This is an efficient way of

providing assurance when claiming for journeys which diverge from typical travel patterns or for European Travel.

45. The review identified a small number of ineligible claims, which have since been resolved. In almost all cases the ineligibility resulted from a poor understanding by the MP or their office of non-standard travel rules or the interplay between the accommodation and travel rules in the Scheme, rather than because of deliberate mis-claiming. We are satisfied that the purpose of the vast majority of expenditure reviewed was legitimate. We have taken appropriate measures to ensure that these issues are addressed, as described in the report.
46. The findings of this review were considered in conjunction with responses to the consultation on the Scheme which ran between May and October 2016. The new Scheme for 2017-18 was published on 16 March 2017. We have made a number of changes to simplify the rules relating to travel, to ensure greater clarity for MPs on what claims are eligible, further detail of which can be found at the end of this report.

Expenditure on Travel, 2010-2015

47. This first section surveys travel and subsistence expenditure over the 2010-2015 Parliament. This includes aggregate claims by MPs, staff and dependants, and how these costs were distributed according to the type of journey and the method of transport in each financial year.
48. It then considers the degree of diversity in MPs' travel arrangements, looking at the relationship between factors within the constituency and expenditure on travel by the MPs representing them. The purpose is to provide assurance that the flexibility provided by uncapped travel budgets is appropriate to support MPs' routine practices and their associated travel needs.

Aggregate expenditure and change over time

49. 656 MPs³ made claims for travel and subsistence between May 2010 and March 2015. The total cost was £22.2 million. **Figure 1** shows both the annual and inflation-adjusted expenditure on travel for each financial year between May 2010 and March 2015, alongside the percentage change in both nominal and real terms. **Figure 2** presents this information as a graph.
50. There was a significant real-terms increase of 25.1% in the amount claimed for travel in 2011-12. We cannot conclusively establish why spending was substantially lower in 2010-11 when compared to the remainder of the Parliament. It may result from MPs' unfamiliarity with the new claims system and the proximity of the expenses scandal resulting in MPs not submitting legitimate claims. But it may also be that spending is always slower in the first year of a Parliament whilst newer MPs settle into their roles and establish their offices. This also happened in 2015-16.
51. Whatever the reason, this relatively low expenditure during the first year of the Parliament means that the annualised cost of travel has risen overall by 31% in real-terms since 2010-11. But this masks the fact that expenditure remained stable in the latter part of the Parliament, with real-terms increases not exceeding 2.5%. This is broadly in line with increases in rail fares during the period.

³ This exceeds the total number of constituencies due to by-elections in the 2010-2015 Parliament.

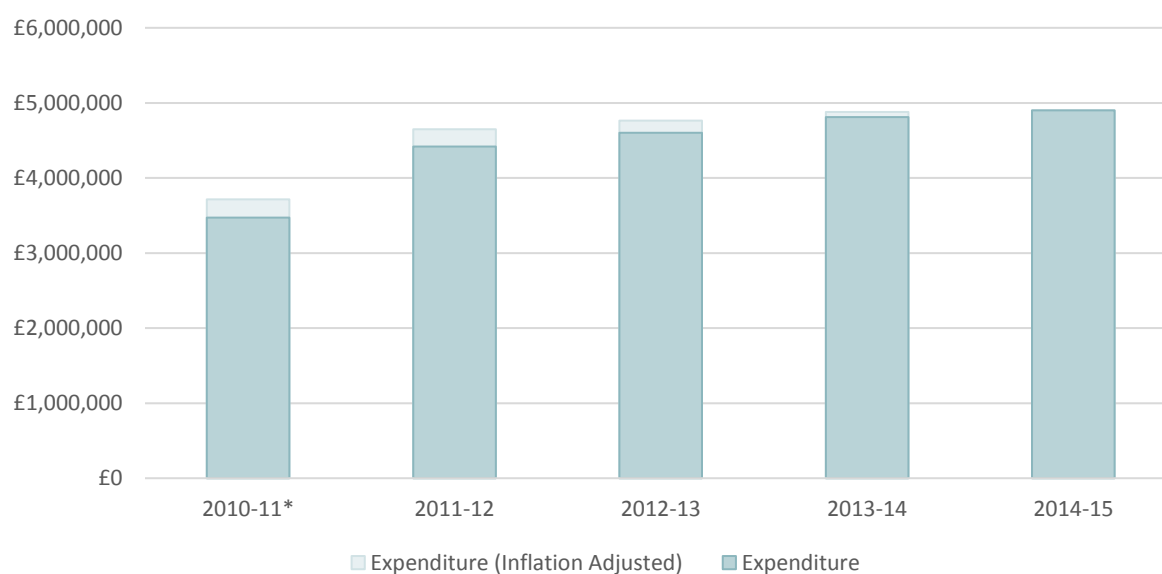
Figure 1 – nominal and inflation adjusted aggregate travel expenditure costs by financial year

Financial Year	Total Cost (Nominal)	Change (Nominal)	Total Cost (Inflation Adjusted [^])	% Change (Real-Terms)
2010-11*	£3,472,000	-	£3,716,000	-
2011-12	£4,420,000	+27.3%	£4,648,000	+25.1%
2012-13	£4,604,000	+4.2%	£4,764,000	+2.5%
2013-14	£4,813,000	+4.5%	£4,880,000	+2.4%
2014-15	£4,900,000	+1.8%	£4,900,000	+0.4%

* 2010-11 has been annualised to show the change in annual expenditure accurately.

[^] Costs were adjusted for inflation using the government GDP Deflator June 2015 update.⁴

Figure 2 – annual change in nominal and inflation adjusted aggregate travel costs



* 2010-11 has been annualised to show the change in annual expenditure accurately.

⁴ HM Treasury, June 2015, *GDP deflators at market prices, and money GDP* (<https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-june-2015-quarterly-national-accounts>)

Breakdown of costs:

52. Travel and subsistence expenditure is broken down according to the following journey types:
- London to constituency travel;
 - Within-constituency travel;
 - Extended UK travel;
 - European travel;
 - Travel for the recall of Parliament;
 - Other staff and volunteer travel; and
 - Other costs⁵.
53. **Figure 3** shows the breakdown of costs, for both travel and subsistence, associated with each journey type in each financial year.
54. Travel between London and the constituency was the largest category of spend by journey type, accounting for between 79% and 83% of expenditure on travel each year. This included costs for journeys undertaken by MPs' staff and dependants between London and the constituency, in addition to those made by the MP. The figures for all travel by staff and dependants are discussed separately in paragraphs 61-63.
- Journeys in the 'London to constituency' category are the most likely to be routine in nature. This is both in terms of distance travelled, and travel patterns, as many MPs are consistent in how they split their time between Westminster and constituency engagements.
55. Within-constituency travel consistently accounted for 10% of the total cost of travel each year. The relative proportions of the total accounted for by each journey type remained unchanged across the five years of the 2010-2015 Parliament.
56. £858,000 of the 'other costs' from 2010-2015 relate to historic claims made by MPs for food and drink when required to work late in the House which, although not associated with a specific journey, was submitted through the travel and subsistence category. This provision was removed in April 2015. We examine the breakdown of all subsistence claims (hotels, food and drink) in paragraphs 134-136.
57. **Figure 4** shows the breakdown of costs and claims associated with each method of transport for each financial year. The car was the most common method of transport used by MPs and their staff, accounting for 304,000 journeys, or 62% of those made over the Parliament. However, travel by rail accounted for £8.8 million (40%) of costs, compared with £7.1 million (32%) for car travel. This difference was due to the fact that 90% of journeys by rail were between London and the constituency, whereas most journeys by car (58%) were within the constituency, and

⁵ For example, 'diverted journeys' by MPs. These are discussed further in paragraphs 113-122.

therefore shorter. For similar reasons, air travel cost £4.9 million, equivalent to 22% of the expenditure, despite only accounting for 5% of journeys.

58. 18,200 journeys (4% of the total) were made by taxi from 2010-2015, but the annual number of taxi journeys fell each year after 2013. The total cost of taxi journeys was £287,800. Taxi fares can only be reimbursed where no other reasonable transport is available, or if circumstances such as an injury means a taxi is the only practical option. Assurance was carried out on a sample of taxi journeys from 2015-16 as part of the compliance review, and discussed in paragraphs 131-133 of this report.
59. The proportion of total travel expenditure accounted for by each method of transport remained broadly consistent from 2010 to 2015. Rail travel increased from a 40% to 43% share between 2013-14 and 2014-15, due to a reduction in journeys undertaken by car.
60. Travel choices are inevitably influenced by geography. £1 million was spent on air travel in 2014-15, and all accounted for by MPs in the six regions furthest from London. Journeys on the Underground accounted for the greatest proportion of London MPs' travel.
61. **Figure 5** shows the proportion of expenditure allocated between the MP, their staff and travel by dependants. Travel personally undertaken by the MP accounts for the vast majority of costs, at 87%. Staff travel was 12% of the total travel and subsistence expenditure, with just under 80,000 journeys undertaken over five years. Staff were subject to greater restrictions on travel than their MP, as they could not claim for Extended UK Travel, or for travel to Europe.
62. Only 139 MPs made a claims for dependant travel over the 2010-2015 Parliament. The cumulative cost was £308,000, or 1% of expenditure. Dependants made 4,800 journeys in total.
63. Initial figures from 2015-16 suggest the uptake of dependant travel has remained relatively consistent after the General Election of 2015, with 126 MPs having submitted a claim since.

Figure 3 – travel expenditure broken down annually by journey type

Journey Type	2010-11*	2011-12	2012-13	2013-14	2014-15
London to Constituency	£2,879,000	£3,555,000	£3,720,000	£3,762,000	£3,873,000
Within Constituency	£357,000	£469,000	£481,000	£479,000	£495,000
Extended UK Travel	£100,000	£181,000	£124,000	£69,000	£62,000
European Travel	£20,000	£53,000	£65,000	£64,000	£67,000
Recall of Parliament	-	-	-	£45,000	£23,000
Other Staff Travel**	-	-	£20,000	£170,000	£148,000
Other Costs	£116,000	£158,000	£185,000	£196,000	£206,000

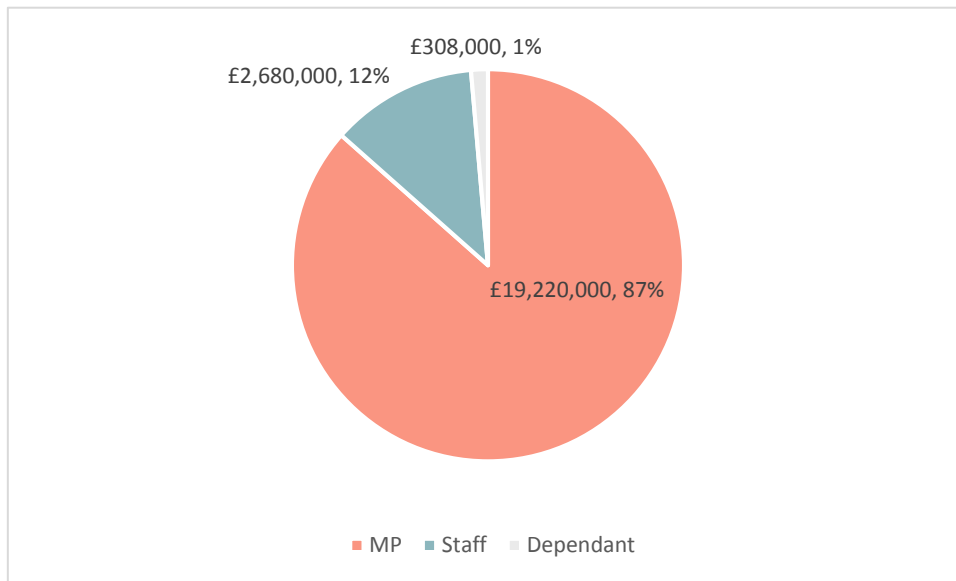
* 2010-11 costs do not represent a full year in this table. ** Not captured as a separate journey category until 2013.

Figure 4 – travel expenditure and number of claims broken down by method of transport for each financial year

Transport Method	2010-11*	2011-12	2012-13	2013-14	2014-15
Rail	£1,400,000 19,400	£1,725,000 24,200	£1,774,000 25,300	£1,840,000 26,400	£2,044,000 29,700
Car (mileage and hire)	£1,125,000 48,600	£1,436,000 59,800	£1,482,000 63,000	£1,554,000 67,000	£1,533,000 65,400
Air	£747,000 4,200	£978,000 5,000	£1,034,000 5,600	£1,116,000 6,000	£1,043,000 5,700
Taxi	£48,000 3,000	£66,000 4,100	£63,000 4,000	£56,000 3,600	£55,000 3,600
Underground	£24,000 1,800	£34,000 2,300	£39,000 2,700	£45,000 3,200	£45,000 3,200
Other^	£32,400 1,500	£25,000 1,400	£22,100 1,500	£22,200 1,300	£7,300 800

* 2010-11 costs do not represent a full year in this table. ^ Includes journeys by bus, bicycle, ferry and motorcycle

Figure 5 – proportion of travel expenditure on MP travel, staff travel and dependant travel, 2010-2015



Variation in Travel Expenditure:

64. **Figure 6** shows the breakdown of aggregate expenditure on travel within each region. As expected, MPs representing constituencies in Scotland cumulatively spent the most on travel, totalling £5.1 million over the Parliament. The lowest regional expenditure was £360,000 for MPs in the London Area.
65. **Figure 7** provides the average annualised spend over 2010-2015 per MP in each region, to control for the fact that the sum of regional expenditure is affected by the difference in the total number of MPs. On this measure, Scotland's MPs incurred the greatest costs at an annual average of £17,000 per MP, followed by those in Northern Ireland at £15,000. With the exception of the London Area MPs, the single greatest component of total expenditure was London to Constituency travel. This is precisely the profile of expenditure we expected to see for each region, and gives us confidence that the Scheme is operating effectively.

Figure 6 – total regional travel and subsistence expenditure, highlighting London-to-constituency component

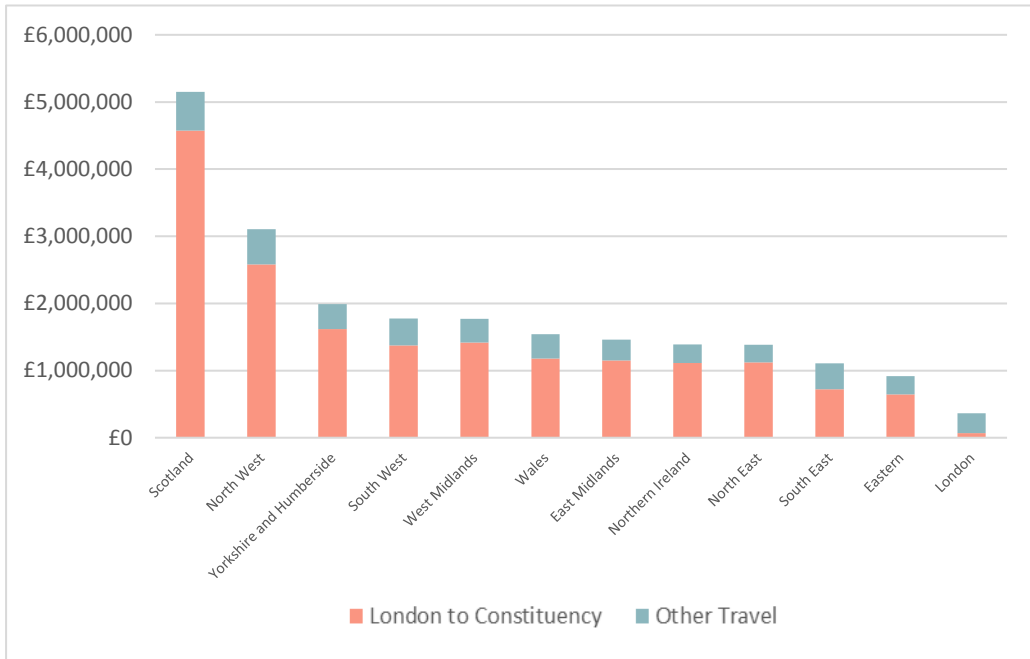
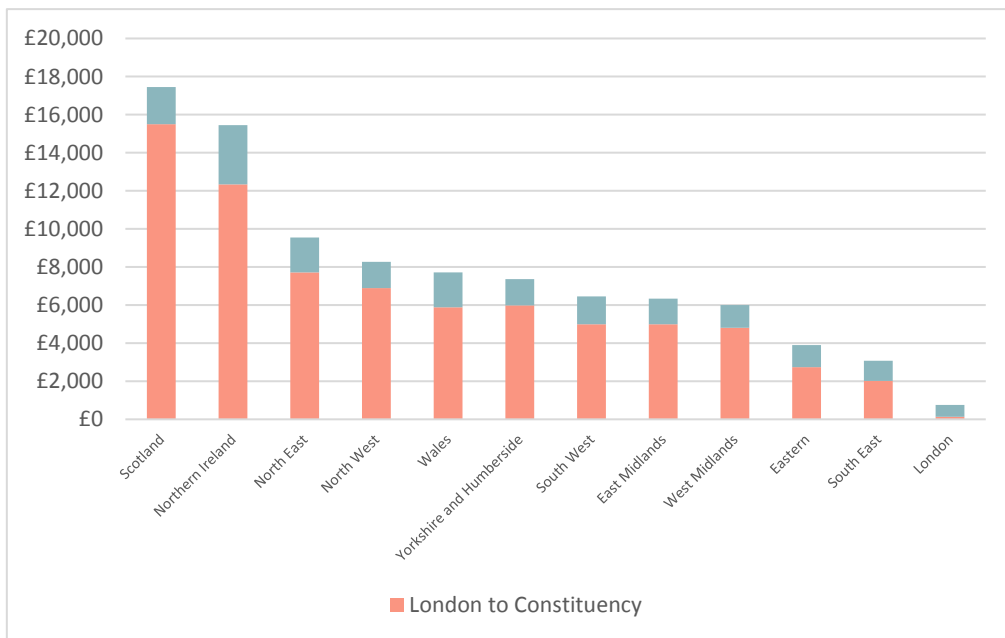


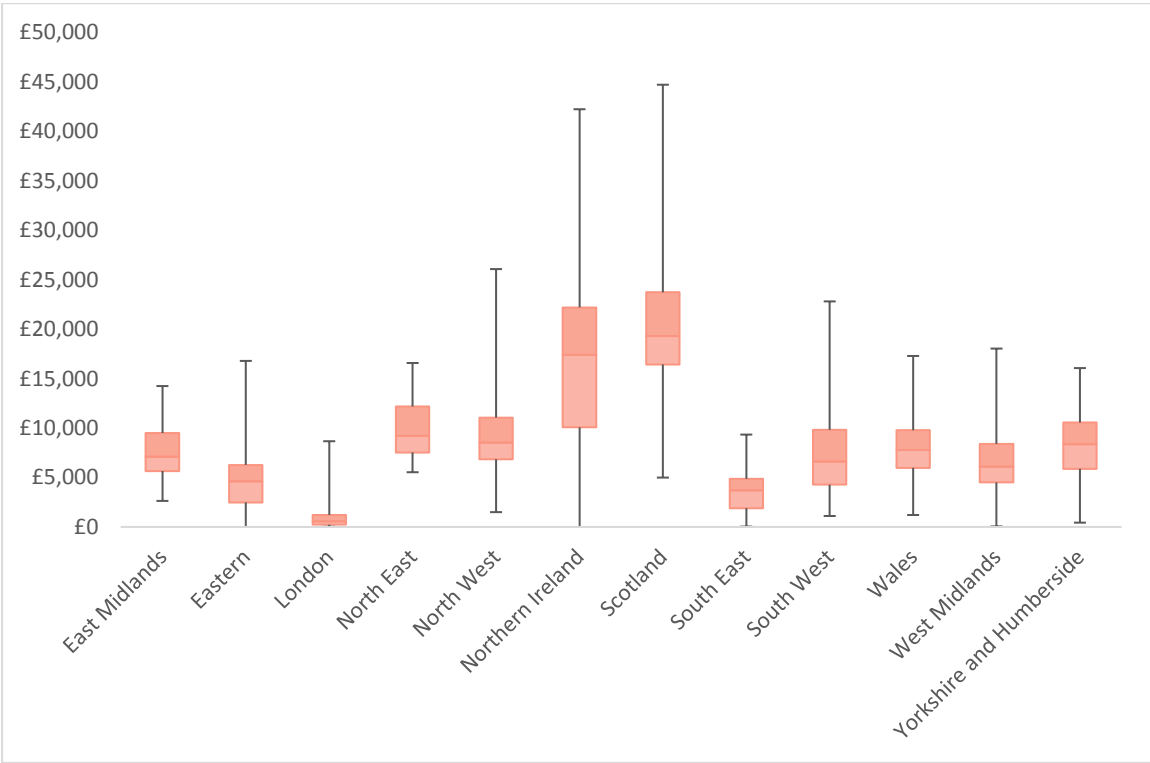
Figure 7 – average annual travel and subsistence expenditure per MP by region, highlighting London-to-constituency component



66. **Figure 8**, which shows the spread of total 2014-15 travel expenditure by MPs in different regions, demonstrates that we see significant diversity within regional spend.

- 67. This variation is partly because the cost of an average trip between London and the constituency can vary significantly within a region. **Figure 9** demonstrates this with the example of the South West region, banding MPs by average expenditure on a return journey to Westminster by rail.
- 68. In addition, there are different ways in which MPs carry out their duties. One MP may travel frequently around their constituency to carry out engagements, whilst another could primarily host constituents in their office. The result is a travel pattern which is individual to the working style of the MP. This is entirely in line with what we expect, and is not a concern as long as MPs comply with the rules of the Scheme.

Figure 8 – Spread of total travel expenditure in 2014-15 by region.



* One outlier, which has been partially repaid, has been removed as it compressed the graph.

Figure 9 – comparison of average expenditure on a return journey by rail for South West MPs

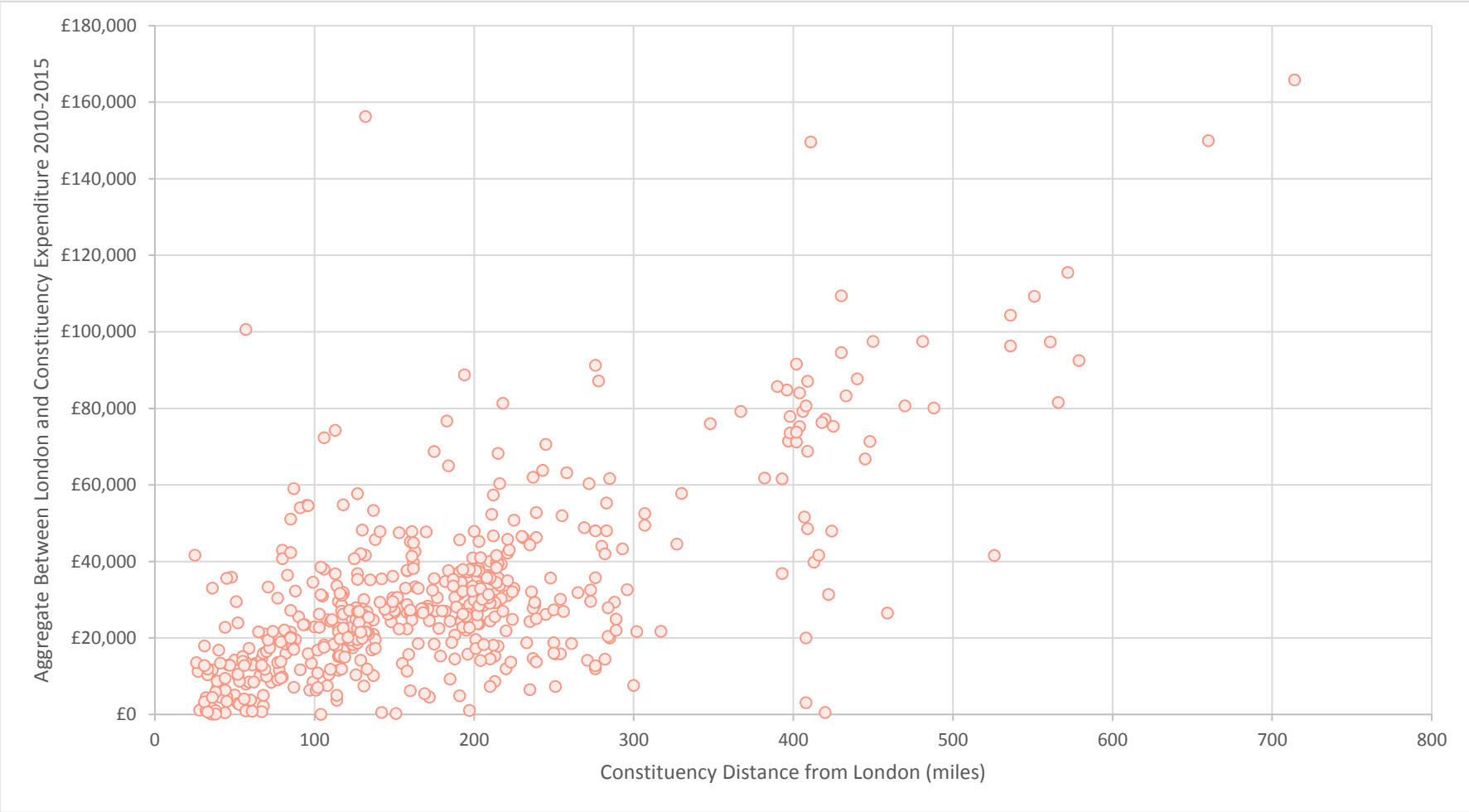
Avg. Expenditure on RTN Journey	£0.00-£49.99	£50-99.99	£100-£149.99	£150-£199.99	£200.00-£250
No. of MPs	9	23	8	7	3

- 69. Having acknowledged that we expect variation between individual MPs, and in particular the influence of geography on their overall spend, we can nevertheless identify expenditure that is significantly above the norm when compared to that of similar MPs. Through our assurance process, we seek to understand the factors that may have caused this. We then confirm with the

MP that there are necessary reasons for this pattern of expenditure before we can establish that taxpayers' money is being spent appropriately.

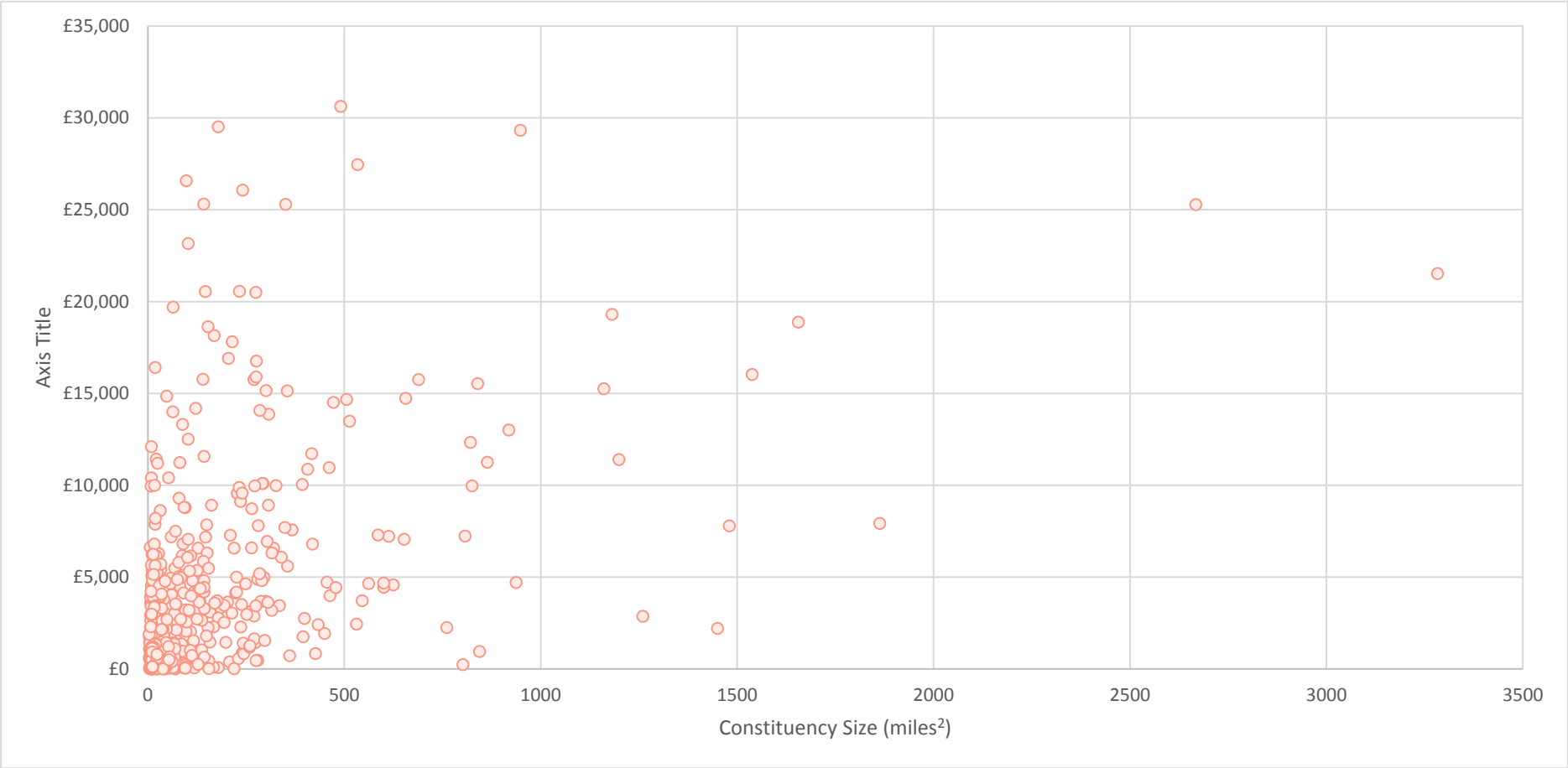
70. **Figure 10** compares aggregate expenditure by MPs for the London-to-constituency journey type from 2010-2015 against the distance of their constituency from Westminster. We see the expected correlation, but there are a number of outliers at all distances. Assurance reviews were carried out in 2013, 2014 and 2015 examining outliers for the relevant financial year. In the next section of this report we review travel patterns for the outliers from 2015-16 to check that our rules have been correctly applied.
71. **Figure 11** shows that it is also possible to identify outliers for travel costs within the constituency. When comparing MPs' constituency area to their travel expenditure for 2010-2015, there is a clear cluster towards the bottom-left of the graph. This shows that most MPs (489, or 88% of those who claimed within constituency travel) spent less than £10,000 on this type of journey during the Parliament. This includes journeys within the constituency made by their staff members. We take the same approach to assurance for any outliers as described above, and we again review 2015-16 in the next section of this report.

Figure 10 – Between London and Constituency expenditure by MPs against distance travelled, 2010-2015



This graph excludes spending by London-Area MPs, who can claim only travel from a constituency office to London, and Northern Ireland MPs.

Figure 11 – Within Constituency travel expenditure by MPs, 2010-2015



Two outliers, consisting of a claim of which a substantial portion has been repaid and the figure for the largest constituency, have been removed as they compressed the graph.

Assessment of compliance, 2015-16

72. In this part of the review we carry out a comprehensive review of areas of risk to assess compliance with our travel rules in 2015-16. We look for examples of significant expenditure, statistical outliers and other unusual patterns. This focuses particularly on:
- levels of travel expenditure between London and the constituency (because this is the greatest component of expenditure);
 - mileage claims within the constituency (because these journeys are less routine in nature, and it is not possible to use supporting documents, as we can for rail tickets, for verification); and
 - the eligibility of less routine travel claims (because our operational experience suggests MPs are less familiar with these rules, introducing potential risk).

For each of these areas we carried out initial analysis on the data we hold, followed by in-depth investigation into specific claims where needed. Our findings are set out for each of these areas below.

Travel by MPs between London and the constituency

73. A sample of mileage claims were checked to confirm that the distances submitted were within the expected range based on the distance of their constituency from Westminster. There were no submissions that fell outside the expected range in these mileage records.
74. The number of journeys taken by each MP per week was averaged across the weeks for which House of Commons was sitting in 2015-16, which was 32 once the recess periods were accounted for. Staff and dependant journeys to London were removed, with the former examined later in this report.
75. The initial data was manually cleansed to account for the fact that, for some individuals, multiple claims are necessary for one trip to London. This is because MPs from rural Scotland or Northern Ireland may separately require mileage to the airport, a flight and then both rail and underground travel to reach the House of Commons.
76. The review established that MPs undertook, on average, just under one return trip between London and the constituency per sitting week. 67% made on average one or fewer return trips per week. This was in line with our expectation prior to the review.
77. Ten MPs who averaged two or more return journeys per sitting week were identified as outliers. This represented 1.5% of MPs. We cross-referenced claims made by these MPs with their arrangements for IPSA-funded accommodation in London. This is because we expected that some MPs preferred to spend evenings in the constituency, rather than claiming to stay overnight in London. This resulted in more journeys, but is compliant with our rules and can represent an overall saving to the taxpayers when reduced accommodation costs are considered.

78. Nine of the 10 MPs did not claim for rent in London.
- Three were based outside the London Area and had informed IPSA that they would not claim for accommodation, in order to take up the provision which was available under the Scheme to receive the London Area Living Payment (LALP) instead. This is discussed in the section below.
 - Four were registered to claim for hotel accommodation in London, should they be required to stay overnight.
79. We contacted the remaining MP, who claimed for London rental accommodation but also was undertaking a high number of journeys to the constituency, in order to understand their travel patterns. We were assured that these claims were compliant with the Scheme.

The London Area Living Payment (LALP) and London to constituency travel

80. The fact that three MPs who were claiming for LALP were flagged as outliers highlighted a gap in our enforcement of the rules. By electing to receive a LALP payment instead of claiming for accommodation, these MPs also became ineligible to claim for travel between their constituency home and London. This is because the LALP is designed to make a contribution towards the increased routine travel costs that they will incur as a result of their accommodation arrangements. They could still claim for journeys when they are travelling between the constituency office and London. This ensures that they are not left out of pocket when conducting constituency business in their office.
81. Some MPs in receipt of LALP were amongst the most frequent travellers between London and the constituency. We were therefore concerned that the intended restrictions had not been adequately implemented, so that MPs receiving LALP were also claiming for routine journeys to London. This was further demonstrated in the travel patterns for the 34 non-London Area MPs in receipt of LALP in 2015-16. Eighteen of these MPs (54%) claimed a total number of journeys equating to at least one return per sitting week.
82. We discovered that IPSA had not been proactive in making sure MPs were aware of the restrictions relating to LALP and that there was no effective control within IPSA's online system to confirm that for these MPs the claimed journeys were exclusively from the constituency office, rather than other locations in the constituency. We wrote to non-London area MPs claiming LALP who travelled routinely highlighting the relevant restriction, and repayment was agreed with a small number of MPs who had inadvertently not received the right travel costs.
83. In the course of investigating this issue, we also found that the rules which related to an MP's travel to or from their home office did not give effect to our intention, particularly in combination with the restrictions on MPs claiming LALP. This affected a small number of MPs, where we accepted that they had complied with the rules as written.
84. This review highlighted that this part of the travel rules in the Scheme combined complexity (that increases the risk of misunderstanding) with a lack of robust control measures. We consulted between May and October 2016 on simplifying this and other travel rules in the Scheme. In March 2017 we announced that following the next General Election, non-London MPs would no longer be eligible to claim LALP, in order to eliminate this risk in future.

Hotels and London to constituency travel

- 85. We also analysed the claims of the four MPs in the outliers group who were registered to claim a hotel if required, by comparing their actual hotel expenditure to their pattern of travel to confirm that that these were compatible. We found that three of these MPs did not actually use the provision to book hotels, and thus did not incur accommodation expenditure. Instead, during the week, they would usually spend the day in Westminster and the evening in the constituency, necessitating frequent return journeys. This is a legitimate reason for these MPs to claim a greater number of journeys when compared to others with London accommodation. We do not dictate MPs’ working or personal arrangements, and the overall result is that higher travel costs are offset by reduced accommodation expenditure. We are therefore satisfied that these MPs were making compliant claims.
- 86. We were able to confirm that these MPs’ travel arrangements follow a routine pattern, despite the journey frequency being greater than that for the average MP. We can see this in **Figure 12**, which compares the anonymised travel patterns of one of the MPs without a London home to an anonymised example for another MP who typically spends weeknights in London. What is clear is that there is a similar degree of routine in both examples, offering us additional assurance.

Figure 12 – anonymised comparison of travel patterns between London and the constituency over a month between an MP not claiming London rent (left) and an MP claiming London rent (right.)

	<u>MP "A"</u>							<u>MP "B"</u>						
	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Sun
Week 1		Rtn	Rtn	Rtn							To Home			To Lond.
Week 2	Rtn	Rtn	Rtn	Rtn							To Home			To Lond.
Week 3	Rtn	Rtn	Rtn	Rtn	Rtn						To Home			To Lond.
Week 4	Rtn	Rtn	Rtn	Rtn							To Home			To Lond.

Rtn is a return journey between London and the Constituency, made in a single day, where the MP does not stay overnight. "To Lond." is the outward journey to London, "To Home" is the single journey from London. Parliament was sitting for the duration of the month in question.

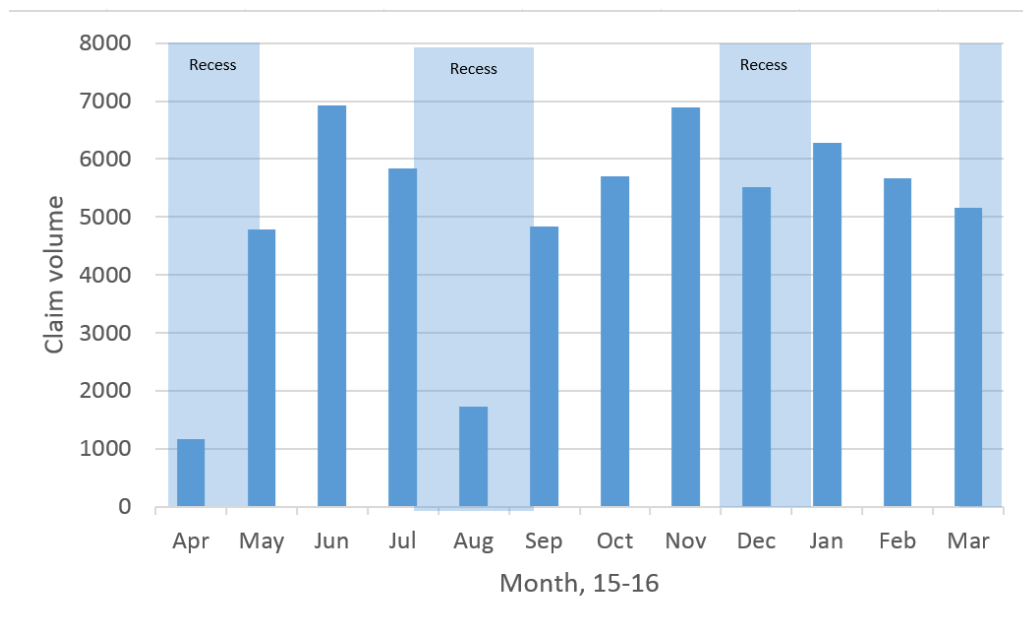
London to constituency travel in recess

- 87. The average figure for journeys across sittings weeks may be inflated when MPs travel between London and their constituencies on a regular basis during the summer recess. This is permissible, and most MPs will spend time in London during the recess to undertake meetings related to their role which fall outside of the parliamentary timetable. It is important to recognise that recess is not a period of holiday, despite sometimes being portrayed as such in

the media. It is simply a period when the House of Commons does not sit, but MPs continue to carry out their parliamentary duties.

88. **Figure 13** shows the profile of claims submitted under the London-to-constituency journey type throughout 2015-16 (excluding the General Election dissolution period). It demonstrates that the majority of MPs claimed for this journey significantly less often in the recess period. However, some individual outliers that we examined were travelling much more frequently than others through the recess. As stated above, this is within the rules.

Figure 13 – Profile of claims submitted for travel between London and the constituency, 2015-16



Mileage within the constituency by MPs

89. MPs travel by car for most journeys within their constituency. They then claim for reimbursement of the cost, calculated using HMRC's standard mileage rates (45 pence per mile). It can be impractical for MPs to use public transport within the constituency for geographical and logistical reasons, meaning public transport accounts for only 4.8% of these journeys. So car mileage is the focus of assurance of travel claims within MPs' constituencies because it has both the highest associated compliance risk and accounts for the majority of travel.
90. As Figure 11 demonstrated, there is correlation between the area of a constituency and the cost we would expect the MP to incur on travel within their constituency.
91. For this reason our compliance review identified outliers after controlling for the constituency size (by area). The initial analysis was conducted solely on the journeys where the MP themselves travelled. This is to ensure that any unusual patterns of travel undertaken directly by the MP are distinguishable, rather than being masked by journeys by their staff. The impact of staff mileage is considered separately from paragraph 95 onwards. We excluded travel in the

dissolution period, as this was already included within the scope of the General Election assurance review previously published by IPSA.⁶

92. This first stage identified 25 MPs who had submitted within constituency mileage claims that were above the average – controlling for area – to a degree that was statistically significant.⁷
- Three MPs had been contacted as part of previous mileage assurance reviews, in 2013, 2014 or 2015. They replied with a clear explanation of their specific circumstances that demonstrated a legitimate need for travel greater than that of other MPs, and these were not time-limited. So we were already aware of why their circumstances required higher expenditure on travel, with no need for further action.
 - Five MPs had included clear explanations outlining the purpose of the journeys undertaken when submitting their original claim forms online. They also offered sufficient details as to the origin and destination of each journey. This allowed us to verify the stated mileage and patterns of travel. It was clear they were carrying out normal constituency business and we were satisfied that these claims were not excessive.
 - We contacted 16 MPs to request additional contextual information and to clarify best practice for the submission of future claims. This was on the grounds that the detail they provided with their original claim did not explain the purpose of their journey, nor offer sufficient detail as to the locations between which they were travelling. We needed further information before we could assess all the relevant factors to understand why the MPs' travel within the constituency was significantly higher than average. As a result of these enquiries, we did not find any evidence of mis-claiming, but will continue to monitor MPs' mileage claims to ensure they are submitting claims with sufficient information in future.
 - We had concerns about the mileage claims of one MP. This MP had previously been subject to police enquiries due to a separate complaint from a member of the public. It would not have been appropriate for us to pursue a separate investigation on the same matter when this was already being considered by the police. We therefore passed our analysis to the police for them to take into account. (The police had not yet concluded their investigation at the time of writing.)
93. We also identified 27 MPs whose overall claims for mileage – removing the control for constituency area - were above the level indicating a statistically significant difference.
- Six of those were also outliers identified in the review controlling for constituency area, and so were covered through the actions described in paragraph 92. One MP has been the subject of a related mileage investigation by the Compliance Officer for IPSA who made his findings public in 2016. The MP is implementing the recommendations of the report.

⁶ The General Election assurance report is available on the IPSA website: <http://www.theipsa.org.uk/media/1530/general-election-2015.pdf>

⁷ This was determined by calculating the number of standard deviations the total mileage claim was from the mean for all MPs, with a figure greater than 2 standard deviations representing a statistically significant difference.

- There were no issues with the remainder of these MPs following further investigation. The higher mileage claims aligned with large, often rural constituencies, meaning the MPs often made lengthy journeys between disparate population centres to serve their constituents.
94. The lack of detail entered in the 'description' field of our online claim form, in a substantial minority of cases, increased the difficulty of our compliance checks. Because this is a free-text field, it is difficult to ensure that MPs enter enough information about their journeys for assurance purposes.

Within-constituency staff mileage

95. We determined which MPs were outliers when mileage claims attributed to the MPs' staff members were included in their total figure, again controlling for constituency area. The majority of individuals for which the difference compared to their colleagues was statistically significant had already been identified through the investigation described in the previous section. Therefore the travel undertaken by their staff members was factored into the actions described previously in paragraph 92, and was reflected where we contacted the MP.
96. Eight additional MPs whose cumulative staff and MP mileage was significantly higher than the average were reviewed.
- Three MPs included clear explanations outlining the purpose of staff travel undertaken when submitting their original claim forms online, as well as offering sufficient details as to the origin and destination of each journey. This allowed for both the stated mileage and patterns of staff travel to be studied. There were no concerns identified so we took no further action.
 - We contacted five MPs to clarify the level of detail required in future claims. Nothing in the travel patterns of their staff raised particular concerns, but the level of detail they provided us did not explain the purpose of the staff members' journeys, or offer sufficient detail as to the locations between which they were travelling. This further information is an important assurance tool. We will continue to monitor these individuals to ensure our requests are met, and will take additional steps if this is not the case.
97. As discussed earlier, one MP has already been the subject of an investigation concerning mileage claims, including for staff travel, by the Compliance Officer for IPSA who made these findings available to the public.

Daily mileage

98. We calculated an average daily mileage figure for each MP by dividing all their mileage claims by the total number of days on which they travelled. The purpose was to explore whether any MPs were consistently claiming for longer journeys than we might expect them to be able to undertake. Twenty-three MPs for whom we had calculated a high daily average figure were reviewed, with the selection again based upon where this was a statistically significant difference.
- There were no concerns after the investigation of this sample. In 21 cases the figure represented the expected London to constituency return mileage for that MP. These MPs

all represented constituencies a significant distance from Westminster. As all mileage claims those particular MPs submitted during the year were for London to constituency return journeys (none had driven within the constituency), the average miles each covered on a travelling day were understandably high.

- In two cases an MP's administrative error, which was rectified prior to the review, caused a long-distance journey to be recorded twice, resulting in an incorrectly inflated average.

99. We also identified the maximum mileage claimed on a single day for every MP. 27 cases where this distance was significantly greater than the average for other MPs were reviewed.

- In five cases a daily mileage claim exceeded the expected London to constituency return journey for that MP. Upon examination a mistaken date submission was responsible in three cases, as part of the journey had actually been undertaken on a different day. In two cases the administrative errors discussed in the previous paragraph were the cause of the anomaly.
- One MP appeared to be submitting all within constituency mileage undertaken in a given month as an aggregate figure, giving the appearance of an unusually high mileage claim for that day. We wrote to ask the MP about this, and prompted them to provide a thorough breakdown of mileage alongside the purpose of journeys undertaken in future.
- We had no concerns after reviewing the other 19 cases, as these represented long-distance trips under extended UK travel or London to constituency returns. It is likely that in some cases the journey was undertaken across separate days due to the time it would have taken to complete.

100. The incorrect use of journey types and erroneous transactions dates were relatively infrequent and were not found to be associated habitually with the same MP(s). We accepted these were likely a result of human error and did not propose additional action.

Other journey types

101. For this element of the compliance review, a statistically valid sample of less common journey types was tested to check that they were compliant with our rules and that they were also assigned to the correct journey category by the MP when they used our online expenses system.

102. These claims are less common when compared to the journeys discussed so far, accounting for less than 10% of total 2015-16 travel expenditure. As they are undertaken infrequently, and so cannot be contextualised within a routine pattern of travel, there may be additional risk. To consider the overall effectiveness of our approach to travel, it is important to have confidence that all elements are equally easy for MPs and their staff to operate in practice, as well as being sufficiently robust from a regulatory standpoint.

103. The findings of this testing process are broken down by journey type below.

European Travel

104. We sampled 71 transactions from a population of transactions of 266. No journeys were incorrectly categorised. There were no breaches of the limit of three return journeys to Europe per year. However, to check this we had to collate the data manually. Therefore breaches were

only likely to be uncovered through spot-checks or at the end of the year review, after any erroneous payment has been made. The risk overall was relatively low, as the limit was clear to MPs.

105. There was evidence that the requirement for the destination to be the national Parliament of a Council of Europe member state, or an institution or agency of the European Union, was difficult to enforce. The clearest example supporting the simplification of these rules relates to visits to the Vatican. This has been deemed allowable after review even though the country is not a member of the Council of Europe. One journey from the sample was not eligible because it was to a different destination in Europe, although it was on parliamentary business. We recovered the sum from the MP concerned.
106. MPs did not always offer details as to the purpose of their journey, and are not compelled to do so by the current claims system. This creates the possibility of an MP carrying out a visit over multiple days yet spending only one on parliamentary business. IPSA currently has no control measure for this. Some MPs had voluntarily attached their agenda as supporting evidence, which was extremely useful in understanding the reason for the journey and ensuring compliance with the Scheme.
107. On three occasions, MPs had been incorrectly reimbursed for hotel accommodation over the limit of £150 per night. We recovered the excess paid from the MPs concerned.
108. The 2017-18 Scheme no longer includes a cap of three European journeys per year, and does not require that the destination must be a national parliament of a Council of Europe country, or an institution of the European Union. Both restrictions were removed to simplify this part of the rules.

Extended UK Travel

109. Travel can be undertaken from Westminster or the constituency to elsewhere in the UK if the circumstances defined in the Scheme are satisfied. These include that travel was related to an issue before the House of Commons or a Select Committee on which the MP serves, or on a general constituency matter. Other types of extended travel are categorised separately on the online system, and thus compliance was assessed separately for the purpose of this report. Eighty-seven cases were sampled from a population of transactions of 941.
110. 16% of the sample was incorrectly categorised. This misallocation was split between journeys that should have been recorded as travel within the constituency - because the MP had not travelled 20 miles beyond the constituency boundary - and claims for taxi travel where the House of Commons had sat late into the evening. In the first case, there is likely to be confusion amongst MPs as to whether this distance is judged as the crow flies or by the actual route taken, with little consistency as to how MPs determine this, because it is not clear in the guidance. All these claims were eligible under the Scheme, so the issue to address is that of accurate data recording rather than compliance.
111. There were again occasions where details accounting for the purpose of the journey were vague or missing. This would be another area where more details during claim submission would improve assurance.

112. The Scheme rules in place at the time of the review excluded claims for 'work relating to delegations to an international assembly'. Three examples in the sample had a group of five or more MPs travelling for the same purpose, in some cases together. However, it was unclear whether they were acting as members of a delegation and we have no clearly defined criteria for when to treat them as such. This restriction has now been removed in the 2017-18 Scheme; MPs can claim for extended travel as long as it is parliamentary and complies with other parts of the Scheme.

Diverted Journeys

113. A 'diverted journey' occurs where the MP is travelling between London and the constituency and needs to make a diversion for a non-parliamentary purpose. They can claim up to a maximum of the standard open fare for the direct journey between London and the constituency. We sampled 49 transactions out of a population of transactions of 98.
114. The accuracy of recording was poor, as 63% of the sample did not meet the criteria necessary to be categorised as a diverted journey according to the definition in the Scheme. This states that where an MP deviates from their Westminster-to-constituency journey for a non-Parliamentary purpose, they are able to claim up to the nominal cost for the direct journey, had it been made. The majority of the incorrectly categorised transactions were for journeys that would not normally be permitted, but which were approved by IPSA's contingency panel due to exceptional circumstances. They should have been recorded as such.
115. In two cases where a diverted journey had taken place, the MP appeared to have claimed an amount greater than the nominal cost. These excess sums were recovered. Journeys were otherwise compliant.
116. The complexity of this rule, and the lack of correctly categorised diverted journeys, supported the intention to consult on simplifying the rules on diverted journeys. Following consultation, we instead decided to offer clearer guidance to MPs when making these claims. This was because we were persuaded by respondents that it was important to retain provision for diverted journeys within the 2017-18 Scheme. Although this area has been confusing at times, the diverted journey rule serves a purpose and supports those MPs who need to make a diversion for non-parliamentary purposes.

Other MP Travel

117. The Scheme rules in place at the time of the review enabled MPs to claim for journeys necessarily incurred in the performance of their parliamentary functions, from anywhere in the UK to Westminster or the constituency (rule 9.3c of the 2015-16 Scheme). We sampled 71 transactions in this category from a population of transactions of 267.
118. Understanding of rule 9.3c was poor. 77% of the sample did not meet the eligibility criteria for payment under 9.3c of the Scheme. This was because journeys must be to Westminster or the constituency, as the purpose is to allow MPs to return to their work location from elsewhere in the UK. Journeys which start from these locations are not eligible through 9.3c. This did not seem to be widely recognised by MPs submitting claims. The majority of journeys should have been categorised as extended UK travel.

119. Two journeys did not appear to be allowable within the Scheme and were referred for further investigation within IPSA.
120. We discussed recoding these errors to increase the accuracy of historic data held by IPSA. There are no limits on MPs' expenditure within travel categories so this would not have a practical impact on an individual MP's past or future budgets, nor require any sum to be recovered. This recoding would be resource intensive, and could introduce further errors where the MP has not submitted contextual information. Therefore we instead focused on reducing the complexity of the Scheme, lowering the risk that MPs make these errors in future.
121. Apart from the issues with these less-routine journey types, the accuracy of allocation was high, and the quality of our data was robust overall.
122. In the revised Scheme for 2017-18, we have removed the rule (formerly 9.3c) as we found it to be confusing and it was clear that understanding amongst MPs was poor. In simplifying the rules on extended UK travel, we now state that this type of journey can be claimed so long as it is for parliamentary purposes.

Other Issues

Direct travel suppliers

123. We consider it is important to offer a provision, where we are able, to ensure an MP is not left out of pocket whilst we process and pay their travel claims. To that end, IPSA paid £1.8 million (8%) of overall expenditure directly to travel suppliers, in addition to £11.3 million (51%) of travel purchases made with MPs' payment cards. These direct suppliers are Trainline, which can be used to book rail travel (including Eurostar), and Chambers, which can be used for any rail or air travel. Chambers replaced Hillgate Travel as the House of Commons' official travel office provider in 2014-15, who did not have a direct payment arrangement with IPSA. All claims submitted through these direct travel suppliers were examined as part of this review, but no further action was required.

Other staff travel

124. Staff who routinely work from a home office are able to claim for journeys to their MP's constituency office when necessary. We tested 71 such claims. There were no compliance issues, but expenditure was much higher in 2015-16 than for other years. This is because, ahead of the General Election, we allowed staff members normally based at Westminster to travel to support constituency business during the dissolution of Parliament, when they were no longer able to use the MP's office in the House of Commons. Many of these journeys were recorded in this category because they were not anticipated when the online claims system was first established and staff were not clear on where to allocate them.
125. Staff are also able to claim for travel to attend training. We sampled 90 such transactions. Compliance was very high at 97%. In two cases subsistence costs appeared to have been reimbursed above the daily limit, and in one case documentary evidence of expenditure had not been provided as it should have been. These issues were referred for further review and resolution.

126. Staff journeys from their home office to the constituency office, and from a constituency or home office to Westminster, were limited to 96 single journeys per year distributed between all members of staff employed by an MP. We checked to see if this limit had been exceeded and there was no evidence that this had occurred.
127. There was no widespread evidence that staff had incorrectly claimed for journey types which are only open to MPs, such as European or Extended travel. There were three isolated examples of extended travel claims where staff were included in the journey, which is not compliant. These were repaid. A residual risk remains because we are unable to be certain that staff travel is always correctly categorised on the online system, rather than being attributed to the MP. Following consultation, we have removed restrictions on staff travel, so that staff members are eligible for all of the same types of travel that MPs are, with the exception of European travel. This will make our monitoring and validation of staff travel claims much simpler.

Class of rail and air travel

128. The 2015-16 Scheme was clear that MPs must 'have regard to whether any particular journey is necessary and to the most cost-effective way to undertake it'. Cost-effective rail fares are sometimes first class, when booked well in advance. First class travel may be a sensible arrangement where it allows MPs to work during the journey.
129. Due to the complexity of rail fare structures, it is not possible to establish in any individual case whether an MP secured the most cost-effective journey. Instead, we have done comparative analysis of expenditure on first and standard fares over 2015-16 to increase our understanding of travel habits and demonstrate how money was spent.
- 44.2% of total 2015-16 air and rail expenditure was on premium (first, business or flexible economy) class fares. This accounts for 23% of the volume of claims made in this category. Following this review, we have clarified that flexible economy flights should not be viewed as 'premium' travel, as they allow MPs flexibility for their return journey and hence can represent good value for money.
 - The proportion of claims which were for premium class travel varied substantially by region, with those closer to London generally travelling almost exclusively in economy (Eastern and South East: 99.6% economy), with the North East's MPs claiming the greatest proportion of premium class journeys (41% first, business or flexible economy class). This may be related to differences in the length of journey and the availability of affordable first class fares.
 - The value of claims for first and standard class return tickets to London was compared for two large railway stations in the North West and North East. For the North West station, the average claim for a first class return was £245, compared to £83 for standard class travel, a difference of £162. For the North East station, the average was £168 for a first class return, as opposed to £135 for a standard class return, a difference of £33. Despite the disparity between the average costs, these journeys are all compliant, because they are below the cost of the standard anytime fare if it were purchased on the day of travel. To further highlight the complexity of this issue, in both locations there were individual first class tickets which came at a lower cost to the taxpayer than some of the standard class tickets claimed.

130. It is difficult to build a robust evidence base as to the impact on overall expenditure of our rule allowing first class travel that does not exceed the maximum standard anytime return rate. It is hard to control for other factors which influence cost in the data analysis, such as the time of day travelled. However we believe it is important that MPs should be allowed the discretion and flexibility to book travel as they see appropriate, and within a cost limit. We consulted on all travel rules as part of the 2016 consultation on the Scheme but decided to leave this rule unchanged.

Taxi journeys

131. As discussed above, 18,500 journeys (4% of the total number of journeys) were made by taxi from 2010-2015, with the annual number of taxi journeys falling after 2013. Under the Scheme, taxi fares can only be reimbursed where no other reasonable transport is available, or another method of transport is impractical due to circumstances, such as an injury. We ask MPs to detail the circumstances that necessitated travel by taxi when they submit the claim on the online system, and payment is contingent on satisfactory justification being provided.
132. We also allow claims for a taxi is where the House of Commons sits late. In 2015-16, we tightened the criteria for this expense, requiring the House to sit beyond 11pm, as opposed to our previous approach of advising MPs to use their discretion as to when a taxi claim for late working in the House was appropriate. As a result, late sitting taxi claims fell from 261 in 2014-15 (total cost £3,900) to 104 in 2015-16 (total cost £2,400).
133. To confirm that our safeguards were correctly applied, we checked all journeys from the 2015-16 samples used throughout this report where a taxi was chosen as the method of transport. This was a total of 41 journeys. In the majority of cases the explanation was clear and complete, and predominantly related to late-night travel where public transport was no longer possible, or due to disruption which would have delayed the MP beyond the start of an engagement. In one case not enough information was provided as to why public transport could not be used, and in one case an explanation was absent altogether (we subsequently obtained it from the MP). However there were no cases where, from the information provided, the claim was clearly invalid.

Subsistence expenditure

134. **Figure 14** provides a breakdown of the £1.1 million spent on subsistence costs associated with travel from 2010-2016, of which £809,000 was for hotel expenditure and £270,000 for eligible food and drink costs.
135. In 2015 we introduced revised rules for claims for an overnight hotel stay based on late working, which required that the House was sitting beyond 1am before a claim was eligible. Our previous advice to MPs had been to use their discretion as to when a claim was appropriate. As a result, expenditure on hotel claims following late sittings fell from £20,000 in 2014-15 to £5,000 in 2015-16. As discussed in paragraph 56, we also ended the practice of allowing MPs to claim an evening meal when the House sat late.
136. As the data below shows, there was a significant increase in staff subsistence expenditure in 2015-16. This is related to the need for MPs' staff to travel more during the dissolution period approaching the May 2015 General Election, when London staff were often working away from

home to support their MP's constituency work. There was also increased demand for training for new staff following the election which legitimately increased subsistence expenditure. We considered these issues as part of our 2015 General Election assurance review and were content with compliance levels.

Figure 14 – subsistence expenditure broken down annually by type

Subsistence Type	2010-11*	2011-12	2012-13	2013-14	2014-15	2015-16
Food & Drink MP (Travel)	£1,000	£2,000	£1,000	£2,000	£1,000	£1,000
Food & Drink Staff	£2,000	£3,000	£4,000	£5,000	£6,000	£15,000
Food & Drink (Late Sitting)	£46,000	£56,000	£45,000	£35,000	£23,000	N/A[^]
London Hotel Staff	£20,000	£31,000	£46,000	£62,000	£56,000	£189,000
Non-London Hotel Staff	£7,000	£22,000	£28,000	£20,000	£31,000	£54,000
Non-London Hotel MP	£1,000	£6,000	£10,000	£8,000	£11,000	£20,000
Hotel Outside UK	£4,000	£12,000	£16,000	£18,000	£16,000	£13,000
Hotel (Late Sitting)	£9,000	£20,000	£30,000	£24,000	£20,000	£5,000

* 2010-11 costs do not represent a full financial year.

[^] We ended the subsidy for food and drink when the House was sitting late from 8 May 2015 onwards.

Summary of actions taken

137. This assurance review found that the vast majority of MPs' travel and subsistence claims in 2015-16 were compliant with the Scheme rules, and that the majority of rules on travel, validation and assurance measures in place are effective in meeting our objectives to support MPs whilst safeguarding taxpayers' money. This supported maintaining our overall approach to travel claims, whilst focusing on improvements in specific areas.
138. It was apparent, however, that there was a lack of understanding among some MPs of certain rules, particularly restrictions on certain types of travel such as European travel and diverted journeys, which could have been more clearly stated. As noted above, we have made changes to the 2017-18 Scheme to make sure the rules are clear and proportionate, and sought to incorporate the conclusions of this review into the revised Scheme.
- For instance, we have retained the rule on diverted journeys but amended the wording so it is easier to understand.
 - We have removed the caps on dependant travel and staff travel. During the assurance review it became clear that these caps were difficult to validate and enforce using our current systems, and that the risk of non-compliance is low.
 - Similarly we removed the specific restrictions on European travel. The 2016-17 Scheme stated that this could only be to the national legislatures of Council of Europe member states, or to institutions and agencies of the European Union. However, in order to allow MPs more discretion to determine what travel is related to their parliamentary role – particularly in light of the forthcoming exit from the European Union – the revised rules state only that they may travel 'to Europe'.
 - Other exclusions in the Scheme, such as those relating to party political work and ministerial business, still apply.
139. We identified that in some cases MPs provided very little information when submitting claims, particularly for mileage. Whilst the 'description' field of the claim form is compulsory, it is a free-text field so it is difficult to ensure that sufficient information is entered for assurance purposes.
140. As part of IPSA's improvement programme, we will be implementing a new online system for MPs and their staff. MPs will also be offered the use of a smartphone application to track journeys being undertaken for parliamentary purposes, which we hope will improve both the accuracy and usefulness of the information being provided, as well as making it easier and less time consuming for MPs and their staff to submit mileage claims.
141. We continue to provide guidance to MPs and their staff on how to correctly claim for travel expenditure, via advice from IPSA staff and other channels such as the fortnightly IPSA bulletin emailed to all MPs and staff.
142. As mentioned throughout this report, where the assurance review identified ineligible claims, we have liaised with the MPs concerned to seek repayment as appropriate. For instance, repayment

has been sought from a small number of non-London Area MPs who had been claiming the London Area Living Payment (LALP) as well as travel between their constituency homes and London. All non-London Area MPs claiming LALP were contacted to remind them of the rules.

143. In addition, upon publishing the revised Scheme for 2017-18, we announced that from the next General Election only London Area MPs would be able to claim LALP. The rules were previously not as clearly expressed as they could have been, and this is the most effective way to simplify this part of the Scheme. Following the June 2017 Election, this has now come into effect. Non-London Area MPs are eligible to claim for accommodation and for any travel between London and their constituency (including their constituency home).
144. We have also amended the rules on constituency-to-Westminster travel in the Scheme to clarify the distinction between London Area and non-London Area MPs. They are now more simply stated and no longer framed in relation to an MP's eligibility to claim accommodation.
145. Lastly, we are looking at ways in which we can achieve further simplification of processes in the future. One possibility is to move to lump-sum advance payments for within-constituency travel. More than 90% of MPs claim less than £2,000 a year on constituency mileage. We will look to pilot an approach in the 2018-19 financial year where MPs receive advance payments for this form of travel, and reporting is kept to the essential details in order to reduce the administrative burden.