

Paper 2: Employment of connected parties and financial support for MPs' families

Introduction

1. This paper presents findings from the comprehensive review of the *MPs' Scheme of Business Costs and Expenses* ('the Scheme'), including consultation responses, relating to the employment of connected parties and financial support provided to MPs' families. It also discusses options for the Board and further considerations for changes to the Scheme in these areas.

Background

2. Part of the comprehensive review of the Scheme has been focused on two issues which remain the subject of debate amongst IPSA's stakeholders: the employment of 'connected parties' by MPs and the financial support provided to MPs' families.
3. Although the employment of connected parties and the financial support provided to MPs' families are dealt with in different parts of the Scheme, it is difficult to fully separate these issues (indeed, we consulted on them in tandem as set out below). They are sometimes seen as two parts of the 'package' of support provided by IPSA to enable MPs to do their jobs as well as manage their personal and family lives.

[...]

Rules on financial support to MPs' families

10. IPSA currently provides financial support to MPs' families in two main ways: by funding travel of their dependants between their constituency and London (and, in certain circumstances, their spouses and partners when exercising their caring responsibilities); and by allowing MPs who are eligible for a rental accommodation budget to claim an uplift for each dependant who is routinely resident with them.
11. A dependant is defined as anyone in the MP's care who is also:
 - In receipt of one of the following: Attendance Allowance, Disability Living Allowance at middle or highest rate for personal care, Personal Independence Payment at the standard or enhanced rate for daily living; or Constant Attendance Allowance at or above the maximum rate with an Industrial Injuries Disablement Benefit, or basic (full day) rate with a War Disablement Pension;
 - Under 16 years old;
 - Under 18 years old and in full-time education; and/or
 - Under 21 years old, in full-time education and the MP is their sole carer.
12. MPs are currently permitted to claim for travel made by their dependants between the MP's constituency and their London accommodation. This is limited to 30 single journeys per year per dependant. The MP is also allowed to claim for the travel of a

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carer, as long as the carer's travel is directly related to caring responsibilities for the dependants. MPs most commonly claim for their spouse or partner's travel as a carer.

13. MPs are able to register dependants with IPSA and then claim a rental accommodation budget uplift of £2,425 per year per dependant. This increases the available budget to allow MPs to find larger accommodation to enable family members routinely to reside with the MP. The dependants must be 'routinely resident' but the Scheme does not specify exactly how often they must stay.

[...]

Consultation responses on financial support for MPs' families

28. A number of MPs who responded to the consultation expressed the view that IPSA could do more to support MPs' families.

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- Concerning the dependant uplift, several MPs have complained about IPSA's requirement that an MP's dependant must be 'routinely resident' for an MP to receive a budget uplift. They argued it was open to too many different interpretations which made adhering to it more 'difficult', and MPs requested that we either remove this wording or provide clearer supporting guidance. *'That vagueness means that MPs inadvertently but honourably claim outside the rules, or worse choose not to claim for something for fear of falling foul of the rules despite it being allowable'*.

[...]

34. [name redacted] MP argued that we should go further in checking whether MPs are complying with this 'routinely resident' requirement, suggesting IPSA undertake checks on MPs' accommodation arrangements involving dependants (but it is not clear how she envisages this working in practice).

[...]

74. ***Should the Scheme be amended to remove the requirement that a dependant is 'routinely resident' in order for the MP to receive the uplift to their accommodation budget?***
75. The Scheme does not define the phrase 'routinely resident' or quantify the requirement in terms of the days or weeks per year that a dependant must reside with the MP. MPs' family situations and living arrangements vary widely, and the rules should not be written in such a way that disadvantages certain MPs based on their family situations.
76. It is also not practical (or desirable) for IPSA to check whether the 'routinely resident' requirement has been met. This could only be achieved by intrusive and inappropriate actions by IPSA.

[Head of Policy]

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