

# Consultation report: A new Funding Scheme for MPs

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IPSA

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## Consultation report: A new Funding Scheme for MPs

### Summary and background to the consultation

1. IPSA's Corporate Plan for 2024-27 describes our new approach to how we regulate, making the system stronger and simpler, more efficient and effective.
2. A key part of the new approach is a shift toward greater reliance on principles rather than simple mechanistic rule-following to achieve IPSA's regulatory objectives. The other key element is improving our ability to identify, understand and act on regulatory risks. This will allow IPSA to tailor support to MPs who need it most and to intervene proportionately where the risk justifies it.
3. The consultation on a [new Funding Scheme for MPs](#) launched on 3 November 2025, setting out proposed changes to the Scheme and supplementary guidance to align with this new approach. As prescribed within the Parliamentary Standards Act 2009, we contacted all statutory consultees. We also communicated with other senior stakeholders, our customers and the public. The consultation ran for six weeks, closing on 12 December 2025. We are grateful to those who took the time to share their views with us during this engagement, as well as those who responded formally to the consultation. This report summarises the responses we received and the decisions that were made as a result.
4. The Scheme that came into effect from April 2026 represents a significant departure from the past. It is simpler, more streamlined and clearer. It sets out the absolute requirements and exclusions that apply to IPSA's funding of MPs' parliamentary activities while also signifying IPSA's direction of travel away from prescriptive rules in favour of proportionate decision-making.

### Responses to the consultation

5. We received 130 responses – 122 via the online survey and eight as written responses received by email. Of the online responses, 96 (79%) were from MPs' staff members, 25 (20%) were from MPs and one response (1%) was self-described as 'other'. Written responses included submissions from MPs, MP staff members and members of parliamentary committees.
6. The online survey allowed for the opportunity to provide comments on the wider questions. Answers were not mandatory for each question, and in many cases the comments received related to more than one question or included wider issues.
7. Response figures quoted in this report are based on the number of respondents that answered or provided comments for the category in question.

8. Most respondents wished for their response to remain confidential.

## Section 1: A new-look Scheme aligned to IPSA's regulatory approach

9. While the Scheme has changed somewhat over time since its inception in 2010, many of the rules within it represent longstanding policy and the document itself has remained fairly static in its organisation, format and length.
10. We provided a draft version of the new Scheme with the consultation. This was significantly shorter than previous iterations in line with IPSA's strategic shift toward a principles-based approach, with greater scope and accountability of decision-making for MPs and less reliance on prescriptive rules. We proposed a new title 'The Funding Scheme for MPs' to reflect IPSA's dual statutory role of supporting MPs' parliamentary work through funding and setting a regulatory scheme by which to administer it. Much of the content from previous versions of the Scheme was removed, including explanatory information on IPSA processes, operational requirements such as deadlines and required documentation, and specific figures including budgets, cost limits and staff salary ranges. We suggested that this should mean the Scheme itself will not need to be updated as often and that IPSA would be able to use supporting guidance in a more dynamic way to better support MPs and their staff.
11. The consultation sought views on the overall approach to the draft new Scheme. We received a total of 45 comments online to this question and an additional three email responses. Some respondents commented on specific rules and/or policies rather than the approach to the draft Scheme overall.
12. Most comments were positive about the overall approach. Respondents liked the increased flexibility, the separation of the rules from the more detailed guidance that can now evolve with different requirements and the use of clear and simple language. Others requested further support with the transition to principles-based regulation and the new Scheme, such as clear published guidance and support from and access to IPSA staff.
13. Respondents highlighted two key risks for them: financial and reputational. If funding requests are rejected where MPs believe they are acceptable under the principles, but IPSA disagrees, MPs could be out of pocket. Reputational damage could also arise from media criticism. Respondents also expressed some concerns about IPSA's move to principles-based regulation and the reduction in prescriptive rules that comes with it.

## Section 2: New provisions in the draft scheme

### MPs as suppliers

14. The consultation proposed including in the Scheme a restriction on the use of IPSA funding for costs where another MP is the supplier or landlord. This built on an existing restriction that prevented the MP who is requesting the funding, as well as their connected parties, from being suppliers or landlords in respect of the requested funds. It is also consistent with the restriction introduced in April 2025 against any new IPSA-funded accommodation tenancies where the landlord is another MP.
15. 58% of online respondents agreed with the proposal, 24% were unsure, 15% disagreed and 3% preferred not to answer this question. We received a total of 46 comments to this question online and an additional comment via email.
16. Those who agreed felt this would reduce the risk of conflicts of interest, corruption and misuse of public money. A few also suggested allowing it in certain circumstances but with restrictions in place, or with a required transition period in rare instances where a current supplier may subsequently be elected as an MP.
17. Those who disagreed felt there may be some circumstances where an MP supplier may provide the best value-for-money option and, as an MP, they may understand the requirements and how IPSA works better.

### Reward and recognition payments

18. MPs can make reward and recognition payments to their staff members in recognition of outstanding performance. Whether to make this payment is left to the MP's discretion but for a number of years there had been a limit of £1,000 per staff member per year. We sought views on whether such a limit remains appropriate and proposed for the limit to be removed.
19. 67% of respondents to the online survey agreed with the proposal, 20% disagreed, 11% were unsure and 2% preferred not to answer. We received a total of 71 comments online to this question.
20. Those who agreed felt MPs should have discretion over their budgets, that MPs know which staff have made significant contributions and that they should be able to reward this accordingly. Respondents felt this would also help with recruitment and retention, particularly for those at the top of their pay bands.
21. However, a significant number of respondents who agreed with the proposal also requested that a limit and/or restrictions should still apply as they had similar concerns to those who disagreed with the proposal. Other respondents advocated an increase to

the limit ranging from £1,500 to £10,000, but again, did not favour removing it entirely. Some suggested setting a limit based on a percentage of the staff member's salary while others requested that payments should be justified and explanations given.

22. Those who disagreed with the proposal highlighted concerns about unfairness between offices, favouritism, negative public perceptions and impacts on staffing budgets.

## **Increasing flexibility for Outer London MPs**

23. Ninety-eight constituencies are designated by IPSA to be in the 'London area', of which 23 are in the 'Outer London area'. MPs representing a constituency within the London area including 'Outer London' were not eligible to receive funding for accommodation, but they could receive a London Area Living Payment (LALP) to account for the higher cost of living and travelling in London. However, since the 2024 general election, we had received some feedback about the difficulties MPs representing Outer London constituencies can face due to long hours in Westminster combined with long off-peak journeys back to their homes. In some cases, this is putting a strain on their family lives and ability to carry out their caring responsibilities.
24. We therefore sought views on allowing MPs in the Outer London area to opt to receive an accommodation budget for either rented or hotel accommodation while forgoing the LALP. MPs who took up this option would in effect be treated in line with non-London MPs for the purposes of accommodation and travel.
25. 63% of respondents to the online survey agreed with the proposal, 20% were unsure, 12% preferred not to answer and 5% disagreed with the proposal. We received a total of 28 comments online to this question and an additional response via email.
26. Most respondents to the consultation supported the proposal for increased flexibility, stating this would support Outer London MPs to be at all the meetings, votes and other work events they need to be at while improving their work-life balance and wellbeing. It would allow them to choose the best option to meet their individual circumstances and family commitments.
27. Of those who were unsure or disagreed, there were a few concerns raised about whether there would be an impact on other budgets and transparency.

## **European travel for MP staff members**

28. Under previous rules, IPSA did not provide funding for staff members to travel outside the UK for parliamentary purposes. MPs could seek funding for travel to other countries in Europe but could not have any of their staff accompany them. We proposed to remove this restriction and leave scope for MPs to decide what travel by their staff members is necessary to support their parliamentary work.

29. 74% of online survey respondents agreed with the proposal, 15% disagreed, 9% were unsure and 2% preferred not to answer. We received a total of 50 comments online to this question and an additional comment via email.
30. Those in favour liked the increased flexibility and highlighted that there are occasions where an MP would need staff to travel with them for a parliamentary purpose. Some provided examples of where they have had to rely on external funding or support from staff in the countries the MP had travelled to due to IPSA's restrictions.
31. However, many respondents who agreed also requested clear guidance including limits on funding and/or the requirement to provide justification of the parliamentary purpose when requesting funding, to ensure the policy is not misused.
32. Those who disagreed raised concerns about reputational risks and some did not see a reason why staff would need to travel outside the UK. On the other hand, a few respondents wanted to see staff travel funded beyond Europe.

## **Taking regulatory actions**

33. In 2024 IPSA consulted on our new risk-based approach, and following this we developed further potential enforcement provisions. The draft Scheme set out IPSA's use of regulatory actions in response to serious, persistent and/or wilful non-compliance and provided examples of potential actions. We sought views on this approach and potential actions.
34. We received a total of 30 comments via the online survey to this question and an additional two comments via email.
35. The majority of those who commented were supportive of regulatory actions overall and the ones included in the consultation specifically. Respondents highlighted the importance of focusing on support first and that IPSA should account for genuine mistakes and errors, but agreed that where there is wilful misuse and/or ignoring of advice and guidance, sanctions and restrictions should be applied. Respondents again requested guidance and that the regulatory actions be clearly outlined.
36. There were a few concerns raised by staff including the consistency of advice provided by IPSA under the new regulatory approach. A few respondents would prefer stricter sanctions than IPSA currently uses.

## Section 3: Proposed changes to be included in guidance

### Deadline for submitting funding requests and review requests

37. The previous Scheme rules required requests for funding to be submitted within 90 days of the cost being incurred. However, there are clear benefits to MPs and their staff of more prompt submission and most MPs' offices do submit funding requests within a much shorter timeframe – recent data shows this to be around 30 days on average. We proposed to remove the prescriptive deadline for funding request submission from the Scheme and to set a shorter expectation in guidance of 30 days, which we expected could be met in nearly all circumstances. We acknowledged that there are various reasons why an office would be unable to meet this deadline, including late billing from suppliers, and said we would continue to take a proportionate approach to providing funding where there is a robust explanation for later submission.
38. 37% of consultation respondents who answered this question agreed with the proposal to remove the prescriptive deadline for funding requests, 37% of respondents disagreed, 24% were unsure and 2% preferred not to say. We received a total of 56 comments online and an additional four via email.
39. Many respondents felt a 30-day deadline would be too short and create additional burden and stress on staff. Respondents highlighted that delays are often a result of suppliers not providing timely invoices, and it would be difficult to submit costs such as mileage within the proposed timeframe. Some thought the existing 90-day deadline should be kept while other respondents acknowledged that 90 days could be too long and suggested a middle ground such as 45 or 60 days.
40. This question created a significant amount of confusion among respondents, and we have acknowledged it could have been set out more clearly in the consultation. It had not been IPSA's intention to adopt 30 days as a hard-and-fast deadline but rather to set an expectation to encourage good practice.
41. The Scheme also set a deadline for review requests – where IPSA refuses a funding request, MPs had up to 14 days to request a review of this decision. However, in practice IPSA has performed reviews of its decisions on request including outside of this deadline to ensure MPs have a route of appeal where funding requests are refused. We also proposed in the consultation to remove this deadline as in practice IPSA has performed reviews outside of the 14-day deadline.
42. 58% of consultation respondents who answered this question agreed IPSA should remove the prescriptive deadline for review requests, 20% disagreed, 18% were unsure and 4% preferred not to say. There were 25 comments in response to this question online and an additional one via email.

43. Most comments were in favour of the proposal – respondents felt it was reasonable and would allow for delays. A few were in favour of keeping the 14-day deadline as it is helpful and improves efficiency and oversight, while a few thought the deadline should be kept but made longer.

## **Dependants turning 18**

44. IPSA provides additional financial support to MPs who have caring responsibilities for a dependant (including children under the age of 18 or other cared-for adult family members) in recognition of the unique challenges that arise while living in two locations. At the time of the consultation, this funding (the ‘dependant uplift’) was provided for the remainder of the financial year in which a dependant turned 18. To improve fairness, we proposed a standard six-month transitional period to allow MPs to organise their financial affairs and/or allow them time to move properties if necessary.
45. 57% of consultation respondents who answered this question agreed with the proposal, 7% disagreed, 25% were unsure and 10% preferred not to say. There were 25 comments in response to this question online and an additional three via email.
46. Most comments agreed with the proposal, expressing that a six-month transition was fair, practical and proportionate. A few comments advocated for the transitional period for funding to be based on an academic year instead.
47. Several other suggestions were made including that the uplift should be extended to dependants at university, that IPSA should consider tenancy renewal dates of properties, that the transition period should be shorter and that IPSA should not grant a transition period at all.

## **Home-based staff**

48. Under the Scheme, MPs’ staff members on home-based contracts are paid a homeworking allowance (at the prevailing rate allowed by HMRC) to cover homeworking costs but could choose to request reimbursement of these costs instead. We proposed simplifying the arrangements for MPs’ staff by removing the ability to request reimbursement and providing the homeworking allowance as the only option.
49. 56% of consultation respondents who answered this question agreed with the proposal, 19% disagreed, 20% were unsure and 5% preferred not to say. There were 29 comments in response to this question online and an additional one via email.
50. Several respondents agreed that this would simplify administration and improve consistency. However, some respondents advocated for staff members to retain a choice between reimbursement and the allowance and suggested that this proposal would create more barriers.

## Section 4: Equality impact assessment

51. The final section of the consultation document sought views about the actual or likely impact the Scheme and the matters raised in the consultation could have on equality and diversity.
52. We received a total of 53 comments for this question online. There were a few who were not sure of the impacts and 10 who thought there would be little or no impact.
53. Of those who did identify equality and diversity impacts, a number highlighted the potential impact on disabled people. They suggested that some of the proposals such as shortening the funding request deadline and moving to principles-based regulation would have a negative impact on neurodiverse people for instance. Respondents also highlighted that the proposals could limit the support staff get, especially staff who work part-time, and while not related to the specific changes proposed, some expressed that 'London weighting' is discriminatory and those in Westminster roles and wealthier MPs and staff in general are at an advantage.

## Our decisions

54. Following the consultation, the 19th edition of the Scheme was laid before the House of Commons on 12 March 2026 and came into effect on 1 April 2026. Within the Scheme and supplementary guidance, the following provisions have been amended:
  - Under the new Scheme, MPs are not permitted to use IPSA funding for costs where another MP is the supplier or landlord.
  - A limit on reward and recognition (R&R) payments has been retained (rather than the proposed removal). However, based on feedback raised in the consultation and by other stakeholders, the limit has been increased from £1,000 to £1,500 per staff member per year. While we believe it is right for MPs as employers to have discretion over how to reward their staff, we are also conscious that completely removing a limit could have the unintended consequence of increasing unfairness and in some cases suppressing base salaries.
  - The Scheme now allows flexibility for Outer London MPs to choose between receiving accommodation funding and receiving the London Area Living Payment.
  - The restriction on funding for parliamentary travel in Europe by MPs' staff members has been removed. Supplementary guidance sets out further

information including examples and signposts to information on travel insurance and security considerations.

- IPSA will continue to develop its framework for the regulatory actions described in the consultation alongside principles-based regulation.
- The 90-day deadline for funding requests has been removed from the Scheme with an expectation of 60 days set out in guidance (rather than the 30 days proposed in the consultation). Although it had not been the intention for IPSA to adopt 30 days as a hard-and-fast deadline, but rather to set an expectation to encourage good practice, we acknowledged that moving even to an expectation of 30 days in the short term may be too drastic and we did not wish to create unnecessary stress on staff. We will continue to act proportionately where there are reasons for delayed requests.
- The 14-day deadline for submission of review requests has been removed. Guidance encourages timely requests in the interest of efficiency and better-quality information for both IPSA and MPs' offices.
- Additional accommodation funding (the 'dependant uplift') will be provided to MPs for a standard six-month transitional period after their dependent turns 18.
- Arrangements for home-based staff have been simplified. Home-based staff are now only entitled to the homeworking allowance and cannot request reimbursement for homeworking costs.