

Annual Review of the MPs'
Scheme of Expenses and Costs
Consultation – November 2011



**ANNUAL REVIEW OF THE MPS' SCHEME OF EXPENSES AND
COSTS**

CONSULTATION DOCUMENT

NOVEMBER 2011

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FOREWORD BY THE BOARD OF IPSA



In May 2010, the Independent Parliamentary Standards Authority (IPSA) took over responsibility from the House of Commons for a variety of functions relating to the business costs, expenses and salaries of Members of Parliament. As an independent regulator, one of these functions is the preparation and maintenance of a scheme of rules to govern the payment of MPs' expenses and costs. This responsibility is set out in the Parliamentary Standards Act 2009 ("the Act"), along with our other regulatory functions. These additional functions include the publication of claims, the determination of MPs' pay, and the setting of a scheme for MPs' pensions.

In carrying out these functions, the Act places on IPSA two general duties. The duties are that IPSA should have regard to the principle that it should act in a way which is efficient, cost-effective and transparent; and that it should have regard to the principle that members of the House of Commons should be supported in efficiently, cost-effectively and transparently carrying out their parliamentary functions. It is with these duties in mind that we launch the second Annual Review of the MPs' Scheme of Expenses and Costs ("the Scheme").

Over the past 18 months, we have focused on MPs' expenses and costs. We have developed a new Scheme, the current version of which has been in operation since April of this year. We have also set up a publication system to make the payment of the MPs' expenses and costs open and transparent. Every two months we publish the details of recent claims on our website. To date we have published data relating to over £25m of expenses and costs from the 647 MPs who have submitted their expenses through our online claims system.

In preparation for this Review, we have been carrying out visits to MPs' offices to gain a better understanding of the work carried out by constituency and Parliamentary staff. These visits have given us a greater understanding of MPs' office arrangements, and we are grateful to all of those who gave their time to speak to us. We are now keen to receive feedback from the public, MPs, and their staff, on the provisions relating to MPs' staffing, the largest area of expenditure in the Scheme. The focus of this Review is on staffing, and the consultation poses specific questions about IPSA's role with regard to MPs' staff and how much involvement we should have in their individual staffing arrangements. It reviews the staffing budget, the work which IPSA funds staff members to carry out, and the distinction between party political and parliamentary activity. The consultation also asks whether London Area and non-London Area MPs should continue to have the same staffing budget. Finally, the consultation examines a small number of existing rules and introduces new proposals, drawing on feedback from those using the Scheme and from our own experience of operating it.

Over the coming months you will see IPSA expand its focus from MPs' expenses and costs to the other elements in our regulatory framework, pay and pensions. The powers to set MPs' pay and MPs' pensions were commenced in May and October 2011, respectively. IPSA is currently working to gather information and evidence. We will launch another public consultation in spring 2012,

inviting the views of members of the public, MPs, and their staff on these subjects. We will then publish our report on pay and pensions towards the end of 2012, with a view to implementing the new remuneration package from April 2013.

In the years to come we will be carrying out further reviews to ensure that we are meeting our functions and duties as a regulator. For example, we intend in the 2012-2013 financial year to review the Scheme's provisions for MPs' residential accommodation and their office arrangements. Today, we are seeking your feedback on the 20 questions in the document. In addition to the consultation document, we are hosting a short online survey on our website (www.parliamentarystandards.org.uk) through which you can offer your views. All of your feedback to this consultation will be carefully considered in the development of the next edition of the Scheme.

On behalf of IPSA's Board, I look forward to receiving your responses.

A handwritten signature in black ink, appearing to read 'Ian Kennedy', is positioned above the typed name.

Sir Ian Kennedy

November 2011

CHAPTER ONE: INTRODUCTION

The Independent Parliamentary Standards Authority

1. The Independent Parliamentary Standards Authority (IPSA) is the statutory body established by the Parliamentary Standards Act 2009 (“the Act”) to devise and administer a regime for reimbursing MPs for expenditure incurred in the performance of their parliamentary functions. The MPs’ Expenses Scheme (“the Scheme”) came into effect on 7 May 2010. The Third Edition of this Scheme of MPs’ expenses and costs came into effect on 1 April 2011.
2. In 2010-11, IPSA paid out £19m reimbursing MPs’ expenditure (business expenses and costs) and £56m in salaries for MPs’ staff. A full breakdown of IPSA’s expenditure is given in IPSA’s annual accounts, which were published in June 2011 and can be found on IPSA’s website at www.parliamentarystandards.org.uk. All claims made by MPs are published as well as annual expenditure totals for expenses and costs. This information can be viewed on IPSA’s publication website www.parliamentary-standards.org.uk.
3. Annex A to this document provides a summary of claims from 2010-11, as well as details of claims made in the first six months of 2011-12.¹

IPSA’s Annual Reviews of the MPs’ Scheme of Expenses and Costs

4. The Act requires IPSA to administer a scheme for reimbursing MPs’ expenses and costs incurred in carrying out their parliamentary functions, and to review that scheme regularly. The first Annual Review began with analysis and gathering evidence in September 2010 and culminated in a public consultation in early 2011. It took a comprehensive look at the entire Scheme, assessing its operation over its first nine months, building on feedback from the MPs and their staff who use the Scheme every day, and listening to the views of the public through a consultation.
5. The first Annual Review considered three key themes: the impact of the Scheme on MPs’ family lives, the definition of London Area, and the operation of the office budgets. The Scheme underwent a significant evolution and its Third Edition² included the following changes:
 - a. improved and expanded accommodation and travel provisions for MPs with caring responsibilities to support those with families;
 - b. a new definition of the London Area to encompass those constituencies that are within 20 miles of Parliament, resulting in a reduction in the number of London Area constituencies from 128 to 97;³ and
 - c. the amalgamation of the two office budgets – General Administrative Expenditure and Constituency Office Rental Expenditure – into one Office Costs Expenditure (OCE)

¹ Claims may not be spread equally throughout the year, so these six months cannot be doubled to estimate

² The Second Edition of the Scheme was published in July 2010, following a public consultation. It addressed certain anomalies that came to light after the Scheme began operating, and new legal requirements introduced by the Constitutional Reform and Governance Act 2010.

³ The constituency of North East Hertfordshire was subsequently removed from the London Area, bringing the number of constituencies in the London Area to 96.

budget, combined with the removal of prescriptive rules in this area and their replacement with discretion for the MP to determine what to claim, within boundaries.

6. These changes resulted from IPSA's consideration of its statutory duty to have regard to the principle of supporting MPs in their parliamentary functions and its aim of building public confidence in MPs' expenses. For example, greater assistance for MPs with caring responsibilities was aimed at ensuring that the Scheme does not hinder any MP from any background from fulfilling his or her parliamentary functions as an MP. Feedback suggests that MPs have welcomed this change, with an additional 29 MPs registering their dependants with IPSA.
7. The change to the London Area was in response to the difficulties that some London Area MPs living a considerable distance from Westminster were experiencing in returning home when Parliament was sitting late, and the higher travel costs some were incurring. Finally, the creation of the OCE budget and the discretion introduced in the rules allowed MPs greater flexibility to run their office as they saw fit, and provided them with greater responsibility for managing their own budgets. It avoided the risk of micro-managing what MPs could claim, and reflected a more general practice of MPs taking responsibility for the expenditure they required to run their offices.

The Annual Review 2011-2012

8. This is the second Annual Review of the Scheme. It will result in a new edition for the next financial year. Rather than looking across the board, this Review is focused on particular elements of the Scheme, with its main focus on the staffing provisions. There are over 2,800 people working for MPs and staff salaries are the single biggest area of expenditure for IPSA, with £56m paid out in 2010-11. Over the last few months IPSA has conducted a review of the staffing provisions in the Scheme, drawing on its data from the payroll and expense and costs systems and evidence gathered from visits to MPs' offices around the country. It has also examined the issue of party political activity. The results of the staffing review and the proposals for the staffing provisions in the future are set out in Chapter Three. A summary of the data analysed by IPSA is in Annex B.
9. As well as the staffing provisions, this Review looks at a small number of areas of the Scheme that merit attention. These have arisen from IPSA's experience over the last eight months and from feedback from MPs and their staff, as well as issues drawn from the National Audit Office's (NAO) report, *IPSA: The Payment of MPs' Expenses*, published in July 2011. The Review also considers the recommendations from the Public Accounts Committee (PAC) which published its report on IPSA on 23 September 2011.⁴
10. The topics under consultation include some areas on which the Scheme is currently silent, such as an interim resettlement grant, and a few which are in response to identified anomalies. Others are in response to questions about the general application of rules, such as those for

⁴ Please see <http://www.nao.org.uk/publications/1012/ipsa.aspx> for the NAO report and <http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news/ipsa-report/> for the PAC report.

claiming expenses during a recall of Parliament. Finally, there is an opportunity for respondents to comment on any other part of the Scheme not discussed in this document.

11. Inevitably some of the options set out in this consultation carry a cost. Annex C provides a breakdown of the potential costs associated with each consultation question.
12. IPSA is aware that the Boundary Commissions for England, Scotland, and Northern Ireland have recently published their initial proposals for the new constituency boundaries. The existing 533 English seats will fall to 502, and the Scottish constituencies will be reduced from 59 to 52. Northern Ireland's constituencies will decrease from 18 to 16. The Boundary Commission for Wales will publish its proposals in January 2012. At this time, IPSA is not factoring in the Boundary Commissions' proposals into this Review, as any changes to the constituency boundaries will require legislation and will not be implemented until the following general election. IPSA will consider the outcome of the Boundary Commissions' reviews, including any possible impact on MPs' staff which is relevant to IPSA, once the changes have been finalised.

How to Respond to this Consultation

13. This consultation invites your response to a series of questions about possible amendments to the Scheme. The consultation runs from 24 November 2011 to 20 January 2012. Please ensure that you send your response before the closing date as responses received after 20 January 2012 may not be considered.
14. Responses should be sent by email to schemeconsultation@parliamentarystandards.org.uk. Please include in the subject line "Consultation Response." Responses should be in plain or rich text format, with as little use of colour or logos as possible. If you do not have access to email, you may send a copy of your response to:

Consultation Responses, Independent Parliamentary Standards Authority, 7th Floor, Portland House, Bressenden Place, London SW1E 5BH
15. Respondents may wish to note that **responses will be published in full, including the name of the respondent, unless the respondent indicates otherwise when submitting the response.** If you do not wish your response to be published, either in full or anonymously, please state this clearly when sending IPSA your response.
16. If you require a hard copy of the consultation document please email schemeconsultation@parliamentarystandards.org.uk or write to IPSA at the address above.
17. IPSA is also conducting an online survey its website. Please see www.parliamentarystandards.org.uk for more information.

Next Steps

18. Once the consultation has closed, IPSA will analyse the responses and draw on them to amend the MPs' Scheme of Expenses and Costs. Its report on the consultation and the Fourth Edition of the Scheme will be published in time for the financial year 2012-13.

CHAPTER TWO: EQUALITY AND DIVERSITY

19. One of IPSA's fundamental principles in carrying out its statutory functions is that the arrangements in the Scheme should be sufficiently flexible to take account of the diverse working patterns adopted by individual MPs, and that it should not unduly deter representation from all sections of society. In addition, as a public sector body, IPSA must fulfil its responsibilities under the Equality Act 2010.
20. IPSA is conducting an Equality Impact Assessment (EIA) as part of the Annual Review. This follows on from the EIA conducted as part of the first Annual Review, a copy of which can be found on our website.⁵ The EIA assesses the likely or actual impact of any new policies set out in this document on the "protected characteristics" defined by the Equality Act 2010. These characteristics include age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
21. The first question in this consultation therefore asks about the likely or actual impact that any changes to IPSA's Scheme may have on equality and diversity in relation to MPs and their staff. Responses to this question are particularly welcomed from anyone who may be considering running for office in the future.

Pay Equality

22. During the last Annual Review, a small number of staff members raised the issue of pay equality. A few staff members suggested that younger, graduate-level staff were paid less than older, more experienced staff. However, contradictory accounts were also advanced which suggested that older, more experienced staff were paid less than their younger, newly recruited counterparts. No evidence was provided that suggested that any age discrimination was actually taking place.
23. IPSA made a commitment in its last EIA to investigate this anecdotal feedback further during this year's Review. Based on the data held by IPSA at the time of publication of this consultation, 60% of staff are female and 40% are male. The two highest pay bands are those for Senior Caseworker and Office Manager, and the majority of staff within those bands are female (65% of Senior Caseworkers, and 80% of Office Managers). The highest numbers of staff are either Parliamentary Assistants or Caseworkers, with a fairly equal gender split in the two roles.
24. The largest number of staff are in the age group 25-34, amounting to 819 individuals; 417 are male, and 402 are female. Of these 819, 83 of the women are paid over £30,000, compared to 98 of their male colleagues. The age and gender splits for these staff is roughly equal, suggesting that there is no pay disparity. More data on the age and gender split of staff and on pay can be found in Annex B on Staffing Expenditure Data.
25. It should be noted that the data for these calculations are based on the job titles of each employee, which might not be a completely accurate reflection of the work and duties which

⁵ <http://www.parliamentarystandards.org.uk/transparency/Our%20consultations/March%202011%20-%20MPs'%20Expenses%20Scheme%20Equality%20Impact%20Assessment.pdf>

staff members actually perform. The allocation of duties is the responsibility of the MP who is the employer of his or her staff. IPSA has a duty to ensure that the Scheme does not hinder pay equality, but ultimately pay equality in an individual office is an issue for the MP to consider in his or her role as employer. While IPSA does not have data which suggest that equality of pay is a matter of concern, MPs' staff in particular are invited to submit evidence if they believe this issue should be explored further.

Question 1: What likely or actual impact do you believe the Scheme and specific matters raised in this consultation may have on equality and diversity in relation to MPs and their staff?

CHAPTER THREE: MPs' STAFFING PROVISIONS

Background: The Staffing Review

26. To date, IPSA has provided MPs with a budget for their staffing needs⁶ and a framework of rules setting out the conditions within which that budget can be used. For example, salaried staff must be employed using standard job descriptions and pay ranges (unless they were employed prior to May 2010) and the number of connected parties employed by the MP is limited.⁷ Within this budget and these rules, MPs have discretion to decide what staffing arrangements are most suitable for them.
27. MPs' staff are employed to support MPs in their parliamentary functions. In practice, however, the nature of an MP's work means that the distinction between party political activity and parliamentary functions is not always clear-cut. The challenge for IPSA is to have a set of rules that are not over-prescriptive, but at the same time reassure the public that the resources are being used appropriately.
28. The rules on staffing directly affect over 2,800 staff members and the budget for staffing is the largest part of IPSA's expenditure. Since the summer IPSA has been conducting a review of the staffing provisions to ensure they are right for now and the long-term. The review has looked at MPs' expense claims and payroll information from 2010-11. IPSA officials have visited a number of MPs' offices in Westminster and around the country to talk with MPs and their staff. IPSA is grateful to all those MPs and staff members who made time for these visits, which were vital in analysing not only what MPs' staffing arrangements are now, but what they should be in the future.
29. This chapter does not try to reflect every view expressed to IPSA, but all were considered. This chapter analyses the evidence IPSA gathered during the staffing review and seeks views on the existing staffing provisions and various options for future years.

Party Political Activity

30. IPSA's visits to MPs' offices during the review did not explicitly cover the issue of party political activity. However, IPSA is raising the issue in this consultation as it believes it is in the public interest to acknowledge that the distinction between parliamentary and party political activity is sometimes difficult to identify, and to ask whether any changes to the Scheme are needed. The current Scheme relies on individual MPs ensuring that staff are given tasks only relating to the performance of their parliamentary functions. This is no different in general to the declaration

⁶ This budget was £109,548 in 2010-11 and £115,000 in 2011-12.

⁷ A connected party is defined in the Scheme at paragraph 3.13, and includes a spouse, civil partner or cohabiting partner of the Member; a parent, child, grandparent, grandchild, sibling, uncle, aunt, nephew or niece of the Member or of a spouse, civil partner or cohabiting partner of the Member; or a body corporate, a firm or trust with which the MP is connected as defined in section 252 of the Companies Act 2006. Staffing expenditure may only be claimed for the salary of one employee who is a connected party, unless an MP employed more than one connected party on 7 May 2010, in which case the MP may continue to employ these connected parties until the parties in question cease to be employed or provide staffing assistance. This rule is found at paragraph 7.11 of the Scheme.

made in respect of all claims to IPSA.⁸ IPSA is now exploring this issue to determine whether this is the most appropriate approach to take. Any approach should be one that avoids over-prescription by IPSA, but also excludes activity which may be viewed as the taxpayer funding activities which give incumbent MPs an undue advantage over their opponents.

31. It may be possible to distinguish types of work which are clearly party political. These may include:
 - a. attending party conference during working hours without taking leave;
 - b. campaigning in local elections, including canvassing or desk-based campaigning such as sending emails; or
 - c. writing a speech for a constituency or party event that criticises the MP's political opponents or promotes a party line.
32. There is little hard evidence on this issue. There are anecdotes about staff members carrying out the types of tasks identified above, but no systematic data. IPSA is therefore seeking the views of the public, as well as MPs and their staff, on whether there should be concern about the possibility of the taxpayer funding party political activity.
33. Public funding of political parties and their activities is not a new issue. Public money is made available to Opposition parties through Short money in the Commons,⁹ and the Electoral Commission administers policy development grants to political parties.¹⁰ Further, in 2007 Sir Hayden Phillips led a review of the funding of political parties in which he noted that: "*I believe that there is an emerging agreement that the price of a fairer, more stable system of party political financing may be some increase in public funding of political parties.*"¹¹ Finally, the Committee on Standards in Public Life is currently conducting an inquiry into party political finance.¹² The nature of this funding is, however, different to that provided by IPSA, which is for the support of the parliamentary business of the MP.
34. IPSA could leave the rules as they are, insisting on a declaration that staff members only do work that supports their MP in his or her parliamentary functions. This maintains the position that taxpayer funds should not be spent on party political work in this way. IPSA would continue to place the responsibility for adhering to this rule on MPs, but could provide further guidance to MPs and staff members about the steps they can take to ensure they do not cross the 'parliamentary-political' line. Given the blurred margins of this line, IPSA may not be able to offer clear-cut guidance and some judgement by MPs (with the possibility of that judgement being challenged) would remain.
35. An alternative could be to change the rules to permit some level of party political activity by staff members on taxpayer-funded time, recognising the practical difficulties in prohibiting this and reflecting the fact that MPs are politicians. The question then becomes *what extent of party*

⁸ It is, of course, a matter for the staff member if he or she wishes to carry out party political work in his or her own time.

⁹ For further details see the House of Commons Library Standard Note SN/PC/1663, 1 August 2011, *Short Money*, available at www.parliament.uk.

¹⁰ For further details see *Public Funding for Parties* on the Electoral Commission website, www.electoralcommission.gov.uk.

¹¹ *Strengthening Democracy: Fair and Sustainable Funding of Political Parties* (HM Stationery Office; 2007)

¹² For further details see www.public-standards.org.uk.

political activity is acceptable? The Scottish Parliament’s rules, for example, state: “*Staff shall not undertake any significant party political activity during any hours of work which are included within claims submitted under this Section [of the Rules].*” However, the definition of ‘significant’ may be subjective and so the issue of the MP’s judgement arises once more. IPSA might therefore look at such options as including a limit on the time staff could spend on party political activity (monitored by the MP, who must declare that he or she has acted within the rules), or the exclusion of certain types of activity such as those identified in paragraph 32 above. This would have the advantage of clarity, but would carry a risk that the exclusions were not sufficiently widely drawn. IPSA welcomes comments on what activities should be prohibited if it pursued this option.¹³

Question 2: Should staff members be allowed to carry out any party political activities during their working (taxpayer-funded) hours? If so, should there be any limitations on these activities and what should these be? Limitations may include the following:

- Restricting the length of time staff members spend on party political activities.
- Prohibiting certain types of party political activity while allowing others (please explain which activities should be prohibited).

IPSA’s Role

36. In relation to MPs’ staff IPSA is both a regulator and a service-provider. It has established a regulatory framework within which MPs may employ staff and provides a payroll service for staff members. The framework includes rules on employing connected parties, standard – although adaptable – job descriptions and compulsory pay scales.¹⁴ These rules offer consistency to staff members across MPs’ offices. They also, of necessity, limit the ability of the MP to adopt any job description on any salary. To this extent, they create a stricter framework than existed prior to IPSA’s coming into operation.

37. While some MPs and staff members have welcomed the structure and consistency this framework creates, others have argued that it is too restrictive and hinders the ability of MPs to determine their staffing arrangements as they see fit. As a result, IPSA has considered whether it has adopted the right role in relation to MPs’ staff, and whether its rules are appropriate. It has also considered whether there are any areas where greater cost-effectiveness can be achieved.

38. IPSA has concluded that MPs should remain the employers of their staff, rather than that role being taken on by IPSA or another third party. In IPSA’s view, any change to the current arrangements would disrupt the MP-staff member relationship, erode the responsibilities of the MP as employer, and call for the creation of a central management structure for MPs’ offices

¹³ Paragraphs 66-72 below look at party political activities in the context of the Office Costs Expenditure budget.

¹⁴ Staff employed prior to May 2010 retained their contractual arrangements.

spread across the UK. These drawbacks would outweigh any benefits from centralised employment.¹⁵

39. Following further consideration, IPSA has concluded that with regards to both the rules and the relationship between IPSA and MPs, there are certain options that should be excluded at this time.

Rules

- a. There will be no change to the requirement to operate within a staffing budget cap, although the question of how to determine that budget cap is open to consultation (see paragraphs 58-59).
- b. The rules on connected parties will not be altered: they remain an important safeguard as set out when the First Edition of the Scheme was published.
- c. There will be no change to the rules on interns: the law recognises unpaid volunteers who can be provided with expenses and paid interns who are entitled to the National Minimum Wage. IPSA's rules will continue to cater for both, providing discretion to MPs to arrange the make-up of their offices.

Relationship

- d. As a consequence of paragraph 38 above, IPSA will not set rules relating to duties that properly fall to MPs as employers, such as employment law and good practice, or to matters relating to the daily line management of staff, such as ensuring that staff take their annual leave entitlement, or that tasks are allocated appropriately and that performance is managed and grievances addressed.
40. Setting these matters aside, significant issues remain to be addressed, in particular the approach which IPSA takes to MPs' staff. Three general approaches have been identified, as set out below.
- a. IPSA could retain standard job descriptions and pay scales, and the rules prohibiting bonuses, but allow reward and recognition payments, and enforce these provisions by requiring job descriptions and contracts to be submitted to IPSA when employing new staff. As now, when submitting them to IPSA, the MP would have to declare that the job descriptions are adhered to in practice.
 - b. IPSA could relax the framework in place for MPs' staff, providing MPs with a staffing budget and leaving them to decide how to split it between staff members. IPSA's role would be to administer the payroll within that budget, putting it firmly in a supporting role. MPs would draw up their own staff job descriptions and could pay their staff as much – or as little – as they decided, including bonuses to staff at their discretion.
 - c. IPSA could build on the current rules with a view to offering assistance in areas where cost-effectiveness might be achieved. While it is for MPs as employers to ensure that their employment practices are cost-effective, there may be cases in which roles and

¹⁵ In taking this decision, IPSA was also mindful of the House of Commons Commission consultation on the central employment of MPs' staff, conducted in 2009. Consultation responses overwhelmingly opposed central employment.

responsibilities are duplicated across offices. In the pursuit of greater cost-effectiveness IPSA could, for example, provide central guidance and support to MPs in recruiting new staff members and in performance management. Any move in this direction would constitute a cost to IPSA, even if it saves money for MPs. It would also only cost-effective if sufficient numbers of MPs took up IPSA's guidance.

41. These different approaches have different cost implications for IPSA, for MPs and for the cost of the Scheme. Option (a) is cost-neutral as it would continue the existing system. If IPSA were to pursue option (b) and relax its framework of rules regarding MPs' staff, the costs of administering the payroll would fall, but the cost to MPs could rise – both in terms of the opportunity cost of time and possibly claims against their budget for advice on creating job descriptions - as they and their staff developed job descriptions and took decisions on pay. These costs would, however, most likely be small. Option (c), which considers expanding the assistance IPSA provides, would increase IPSA's costs by perhaps one additional full-time member of staff.

Question 3: Should IPSA retain its framework of standard – although adaptable – job descriptions, pay scales and reward and recognition payments (option a) or should MPs be able to decide what roles to recruit for and what staff salaries should be (option b)?

Question 4: Should IPSA investigate offering central recruitment and performance management systems where these can achieve enhanced cost-effectiveness (option c)? Are there any other areas of staffing arrangements where IPSA should look to achieve greater cost-effectiveness through a centralised system?

The MP's Office

42. Each of the 650 MPs is an individual employer responsible for deciding how his or her staffing arrangements best support his or her work; consequently, there are 650 different staffing arrangements. With such variation, it is difficult to calculate a staffing budget that will suit everybody. To date, IPSA has based its budget on a model drawn from the last thorough review of MPs' staffing needs: the Senior Salaries Review Body report: *MPs' Pay, Pensions and Allowances 2007*.¹⁶ This recommended that MPs receive a budget for 3.5 full-time equivalent (FTE) members of staff.
43. Irrespective of choices outlined above in paragraph 40, IPSA will continue to give MPs a staffing budget within which they will be expected to operate. A key issue for the staffing review has been how to determine that budget. To assist its analysis, IPSA used the payroll and expense data to look at the average staffing arrangements across MPs' offices. In doing so, it was mindful that averages are indicators only.¹⁷

¹⁶ For further details see www.ome.uk.com/Senior_Salaries_Review_Body.aspx

¹⁷ For this purpose IPSA has taken the mean.

Staffing numbers

44. First, IPSA looked at whether a budget based on 3.5 FTE members of staff remains appropriate. The evidence was mixed. Data from the payroll system suggest that a budget based on 3.5 FTE members of staff met the needs of the majority of MPs. In 2010-11, around 80% of MPs spent less than the 11-month staffing budget limit of £101,419,¹⁸ and the staffing budget overall was under-spent by nearly £10m. Most MPs did not, therefore, use their full allocation of staffing funds. Further, MPs employed on average 3.2 FTE salaried members of staff with no significant variation across regions of the United Kingdom or in urban and rural constituencies.¹⁹
45. These figures should be used with caution, as the last financial year was atypical, with a large number of new MPs taking time to ascertain the staffing requirements of their constituencies and with higher numbers of staff being employed late on in the year. Further, and importantly, the figures say what *is* happening, not what *ought to* happen. Some MPs argue that they could not employ more staff even if they wanted to, because of the budget cap.
46. Staff in the MPs' offices which IPSA visited suggested that the staffing figures mask underlying issues. IPSA was frequently told of routine overtime being worked but not claimed as staff struggled to cope with workloads, implying that the staff numbers may be too low. Further, when IPSA asked whether workloads in MPs' offices were changing, MPs and their staff unanimously reported that demands were increasing. The most frequently cited cause of increasing and hard-to-manage workloads, unpaid overtime and a need for a higher staffing budget was the level of casework. The following reasons were given for this trend:
 - a. increasing numbers of constituents contacting their MP soon after a problem arises, rather than as a last resort;
 - b. the declining availability of free and accessible advice to constituents from charities and other support services; and
 - c. email and other media making communications with an MP's office easier and faster, not just for individual constituents but also for campaign groups.
47. This is not an exhaustive list. The resources which MPs make available for casework depends on the way they choose to perform their parliamentary functions, and many staff members reported that initial casework can create more casework.
48. Further, this 'casework' covers varied interactions with constituents, with different resources required to resolve different cases. Many cases may be relatively quick and simple to deal with – chasing a government agency for information which is then passed on to a constituent – but others can be highly complex, lengthy and urgent. IPSA looked at whether there were any trends in the type of issue or constituency that generated high casework levels. It found that casework covers issues ranging from immigration to housing and homelessness, transport and child welfare, and these affect all constituencies. But despite the range of issues, there was one discernible trend, supported both by staff members' views and IPSA's payroll data: casework levels are linked to social deprivation. The payroll data showed a clear correlation between the numbers of caseworkers an MP employed and the level of social deprivation in his or her constituency, and this was twice as marked in London as nationwide. This trend was further

¹⁸ The annual budget was £109,548 and this was pro-rated for the period May 2010 – March 2011.

¹⁹ See Annex B on Staffing Expenditure Data for a detailed breakdown.

supported by applications to the Contingency Fund for an increased staffing budget, over 50% of which related to social deprivation within an MP's constituency.

Pay and Budgets

49. While IPSA has introduced pay scales for jobs within an MP's office, decisions relating to the pay of individual staff members are the responsibility of MPs as employers. Nothing in this consultation proposes to alter this. Pay decisions are often intertwined with recruitment decisions and performance management, and are an important tool for MPs as employers.
50. With this caveat in mind, the staffing review looked at the impact on MPs' staff of the standard job descriptions and pay scales introduced for all staff employed since 7 May 2010. Were IPSA to decide against continuing with this framework, all the issues relating to these would become the responsibility of MPs. However, assuming for the moment that IPSA continues to require standard job descriptions and pay scales, the Review is considering a number of issues, which are set out in the following paragraphs.

Application of IPSA's rules to all staff

51. Staff members employed prior to 7 May 2010 are not obliged to move to IPSA job standards and pay scales but may remain on their existing contracts. In some offices this has led to staff members employed to do similar jobs but on different contracts and pay scales. In particular, new and potentially inexperienced staff must be employed on IPSA pay scales, which may be higher (as well as lower) than the salaries of the more experienced pre-2010 staff. Entitlement to bonuses may also differ between those employed before IPSA came into operation and afterwards.
52. IPSA estimates that around 12% of MPs' staff (all employed pre-2010) are paid below the minimum of its pay scales. It could treat this as a transitional issue for MPs to manage within their offices, or it could provide an additional payment to increase all staff members' pay to the IPSA pay scale minimum for their role. This would involve an estimated cost of £300,000 on top of a current budget of £74m. This may in turn create issues for MPs to manage within their offices as some staff could receive a substantial pay rise, with no link to their performance, while others would not. Further, this single payment would not be the only cost of this option as there would be ongoing consequences for MPs' staffing budgets. Each year MPs would have to cater for these newly increased salaries within their staffing budget, meaning that overall at least an additional £300,000 would need to be absorbed every year to maintain these staff on at least the minimum of the pay scale. This would be borne only by MPs that were returned to Parliament in May 2010. The cost per MP would depend on how many of their staff were paid below the IPSA pay scales prior to IPSA coming into operation.

<p>Question 5: Should IPSA provide an additional budget increase to MPs currently paying staff below the IPSA pay scale minimum for their role, to bring those staff members' salaries up to that minimum? Those MPs would then need to absorb the cost of these salary rises in future years.</p>
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Budget duration

53. A frequently expressed issue by staff members to IPSA is the challenge of retaining members of staff once they become experienced in their roles. IPSA was told that although there are often high numbers of applicants for jobs with MPs, staff members often then fall into a regular cycle of moving on every two or three years, particularly in London. This account is supported by IPSA's experience of high turnover rates across all MPs' offices.
54. Staff turnover can result from a number of factors including pay, career progression and personal circumstances. Most of these factors – such as progression through a pay scale, training opportunities and the nature of the tasks given to individual staff members - are the responsibility of the MP as employer. If these factors cause staff retention issues in a particular MP's office, it is for that MP to resolve those issues.
55. Some MPs have expressed a desire to have staffing budgets set for the duration of the Parliament. This is an attractive option as MPs would have more certainty about the availability of resources and it would reduce bureaucracy for IPSA, which would not have to review the budget annually. However, multiple-year budgets are currently unworkable in practice as IPSA receives its budget annually and is therefore unable to pass on multiple-year budgets to MPs. IPSA could not guarantee a budget longer than one financial year because it would not know itself if the funds for future years will be provided by Parliament after examination of its Estimate by the Speaker's Committee on IPSA. Annual budgets are common practice in the public sector, to allow HM Treasury to review the economic climate and to award budgets as appropriate. Unless this budgeting cycle changes, IPSA will continue to set budgets annually.
56. There is more flexibility when it comes to IPSA's pay scales. Market rates for certain jobs will fluctuate over time, but are unlikely to change significantly year on year. IPSA could set these pay scales for the life of a Parliament, thereby providing MPs with certainty to aid their long-term planning. MPs could move staff up the pay scale each year if they so decided. It would be possible to make the pay scales subject to an annual up-rating process, but this would mean that staff at the bottom of the pay scale would receive an automatic pay increase every year. In IPSA's view, this option is not attractive. Not only may difficulties arise in offices if certain staff members received an automatic pay rise and others did not, but the setting of individual salaries is an important management tool for the MP. Furthermore, automatic pay rises are unusual in the current economic climate. For these reasons, IPSA does not propose to increase pay scales every year.

Options for budget limits

57. IPSA has considered whether, instead of setting a fixed budget for all MPs, individual MPs could submit business cases for their own individual budgets, as they themselves may be the best judge of their own staffing requirements. However, IPSA has discounted this option on the grounds of its potential impact on public confidence and on difficulties with administration. At this time, IPSA is working to rebuild confidence in MPs' expenses and costs and evidence does not suggest that open, variable budgets would be welcomed by the public in a time of public sector spending cuts. There are also operational difficulties, as MPs would need to send business cases to IPSA in time for IPSA to provide an Estimate to the Speaker's Committee on

IPSA, and the final budget would be dependent on whether the Estimate was approved. Any delays in MPs providing their business cases could undermine the process for all MPs and so rely on MPs having the time and resource to do this work.

58. IPSA has therefore identified three broad options for calculating the Staffing Expenditure budget. These are set out below.

- a. No change to the existing budget. This would reflect the wider public sector pay freeze and the pressures on public funds. IPSA would continue to review contingency applications on a case-by-case basis for those MPs who were struggling to operate within the existing budget. This option is cost-neutral.
- b. No change to the existing budget for the majority of MPs, but provide an increased budget allowing for an additional 0.5 FTE to the MPs with the most deprived 20% or 25% of constituencies. IPSA's data show that the majority of MPs (around 80%) have managed their parliamentary functions without using the full staffing budget. Even allowing for the atypical nature of the last financial year and the evidence of high workloads, the data may not support an across-the-board increase in the number of staff members used to calculate the staffing budget. The data do indicate, however, that constituencies with high social deprivation may require more staffing support. This option may address this issue. One implication of this would be that IPSA would not expect to receive requests for additional contingency funding from MPs based on the social deprivation of their constituency alone as this adjustment to the budget would cater for the majority of these circumstances. The projected cost increase of this option is £1.9m or £2.1m, depending on whether the increase is made available to 20% or 25% of MPs.
- c. Calculate the budget based on pay-band maximums. The current staffing budget, the history of which is referred to at paragraph 43, is based on using the pay scale midpoint of the salaries for MPs' staff. This basis is arguably unfair to long-established MPs who may have staff members who have served for many years and are thus likely to be paid more. If the pay scale maximums were used to calculate the budget instead of the midpoint, MPs would have more flexibility to manage the pay they offer (on the assumption that not all their staff are paid at the maximum). If the budget is calculated on pay scale maximum for 3.5 FTE, the potential cost increase would be £9.8m. If IPSA increased the budget to provide for 4 FTE, the potential cost increase would be £19.6m.

Question 6: Which of the following options do you think IPSA should use to determine the Staffing Expenditure budget?

- No change to the existing budget and continue to base the budget on all MPs employing 3.5 FTE members of staff (option a).
- Provide an increased budget for MPs with the most socially deprived constituencies (option b).
- Calculate the budget based on pay-band maximum (option c).
- Another method (please explain).

Additional budget consideration: pay inside and outside the London Area

59. IPSA has two sets of pay scales. Those for staff employed inside the London Area are higher than the pay scales for staff employed outside the London Area, in recognition of the higher costs of living and commuting in London. The overall budget limit is the same regardless of whether an MP's constituency is in the London Area or not. This has led some MPs and staff members to argue that London Area MPs²⁰ are at a disadvantage: given the higher salaries, they can afford fewer staff than non-London Area MPs. In considering this point, IPSA notes that all MPs may employ staff in London, in their Westminster offices, but that London Area MPs employ *all* their staff in the London Area.
60. The data from IPSA's payroll system show that the average number of staff employed by MPs is the same (3.2 FTE) irrespective of whether the MP's constituency is in the London Area or not. It also shows that in all but one category of staff (that of the Senior Researcher/Parliamentary Assistant), more staff are paid above the median of the pay scale in the London Area than outside it.²¹
61. Consequently, while the rules may put London Area MPs at a disadvantage, this is not obviously borne out by the data. IPSA could therefore retain its current position of one staffing budget for all. Alternatively, IPSA could base the staffing budget for London Area MPs on the London Area pay scales, giving those 96 London Area MPs a budget around 10-20% higher than their colleagues. Based on the current staffing budget of £115,000, this would cost a total of around £1.6m. This option, however, would not take account of the higher salary scales for the London-based staff of non-London Area MPs. A further option is to create individual budgets for all MPs based on how many of their staff are employed inside and outside the London Area, and then adjust these as and when staff move location. This administratively complicated approach would establish clear parity across London Area and non-London Area MPs but has draw-backs: staffing budgets would change if MPs rearranged their offices, making accurate forecasts of costs very difficult and it would make it hard to draw meaningful comparisons across the annual spend of MPs on their staff.

Question 7: Should London Area MPs receive a different staffing budget from non-London Area MPs? If so, how should this be calculated?

- Use the London Area pay scales to determine the staffing budget for London Area MPs, and the non-London Area pay scales for non-London Area MPs.
- Another method (please explain).

²⁰ A list of London Area constituencies can be found in Schedule 2 of the Scheme.

²¹ For full details see Annex B: Staffing Expenditure Data.

CHAPTER FOUR: OTHER PROPOSALS

Accommodation Expenditure

Claims after leaving Parliament

62. The Scheme recognises that most MPs are required to live and work in two locations and allows MPs to claim for expenditure incurred on overnight accommodation needed to fulfil their parliamentary functions. This may be hotel rooms when necessary, or certain costs relating to a rented or owned property²² either in the London Area or in or near their constituency. These costs include rental payments and other specified associated expenditure like council tax and utility bills.²³
63. The accommodation rules permit MPs to claim for rental or mortgage interest payments for up to two months after leaving Parliament.²⁴ This assists MPs who have lost their seat and who may need support in winding up any contractual obligations incurred in occupying their additional property as a result of being an MP. However, the rule currently limits claims to only rental or mortgage interest payments, and does not extend to any of the associated expenditure which they were entitled to claim when an MP. As the MP may still be contractually liable for such payments while vacating the property (paying the last utility bill, for example) IPSA proposes to amend the rules to allow the MP to claim for these associated costs for the same period that he or she can claim for the rental or mortgage payments.
64. If this rule is amended, it would be redrafted along the following lines '*MPs may claim for rental payments or mortgage interest payments, and associated expenditure (as set out at paragraph 4.9 of the Scheme), for up to two months after leaving Parliament.*' There may be a cost associated with this amendment, estimated at a maximum of £70,800.²⁵

Question 8: Do you agree that MPs who lose their seat should be allowed to claim for the associated expenditure on the property formerly required for their parliamentary functions for up to two months after leaving Parliament?

Office Costs Expenditure

What counts as party political spending?

65. The Scheme does not allow MPs to claim against their OCE budget for any costs incurred as a result of producing or publishing any material which could be construed as campaign

²² Mortgage interest payments for properties owned by MPs come to an end in August 2012.

²³ A full list of claimable items is available in the Scheme at paragraph 4.9.

²⁴ Paragraph 4.12 of the Scheme.

²⁵ This is calculated on the assumption that 150 MPs lose their seats at the next general election, and all of them were claiming Accommodation Expenditure and wish to claim associated expenditure for the full two months. The average total claim for Associated Expenditure in June 2011 was £236 per MP.

expenditure within the scope of the Political Parties, Elections and Referendums Act 2000. This means that, for example, MPs cannot claim the costs of their website if they have the logo of their political party anywhere on the site.

66. The principle behind these rules is that MPs should not use public resources to fund party political activity. It rests on the fact that the Scheme exists to reimburse expenditure wholly, necessarily and exclusively incurred in the performance of an MP's parliamentary functions. To allow otherwise may give incumbent MPs an undue advantage over their opponents, particularly at election times. Some may also consider it to be an inappropriate use of taxpayers' funds.²⁶
67. This rule may, however, create restrictions that may be unduly severe and that, if lifted, pose no risk to taxpayers' funds or electoral fairness. First, referendum campaigns need not be fought on party political grounds, as shown by the recent referendum on the Alternative Vote (AV). There is a question over whether it is reasonable to prevent MPs from expressing views in a non-partisan referendum on their website, especially as an MP's website could be seen as a logical place for the public to go for those views. IPSA did not allow claims for such spending during the AV referendum, but it was a finely balanced judgement and IPSA would welcome views on the approach to take in any future referendums.
68. Second, the rules currently prevent MPs from having party political logos on their websites, if the websites are funded by IPSA. IPSA has considered the arguments for and against permitting MPs to claim for websites with party political logos. It recognises that prohibiting expenses to be paid for websites which contain such logos may be an unnecessary restriction, especially given that MPs may state in writing to which political party they belong. There is no obvious political advantage gained by the use of a logo.
69. IPSA wishes to consider the views of the public, MPs, and their staff on this matter. It is thus consulting on whether MPs should be allowed to claim the cost of websites which contain material relating to referendum campaigns and/or display political party logos. IPSA does not propose at this time to alter the rules banning other types of political activity on websites, although it would welcome views on the wider question. This question also links to the question raised in Chapter Three above regarding party political activities conducted by MPs' staff (see paragraphs 30-35).
70. Depending on the outcome of this consultation, amendments may be required to the list of prohibited expenditure at paragraph 6.6 of the Scheme, and new rules may need to be drafted to allow MPs to claim for websites which contain material relating to a referendum campaign, display political party logos, or potentially contain any other types of party political content.
71. There would be an additional cost associated with allowing MPs to claim for websites which contain any material which is currently banned under the expenses rule. On the assumption that 150 MPs who were not previously claiming for their websites (because the content was not within the rules of the Scheme) choose to do so, the approximate additional cost would be a maximum of £220,000, assuming that no other prohibited material is on the websites.

²⁶ Several MPs have suggested that IPSA should allow claims for newsletters, an expense which was terminated by the House of Commons in January 2010, ahead of the general election. IPSA is not persuaded that expenses for newsletters should be met from the public purse, but it does provide funding to MPs for other forms of communication expenditure in the Office Costs Expenditure budget.

Question 9: Should MPs be allowed to claim for the costs of websites which contain material relating to referendum campaigns?

Question 10: Should MPs be allowed to claim for the costs of websites which display political party logos?

Question 11: Should IPSA allow MPs to claim for the cost of websites that contain any other types of party political content?

Home-based offices for MPs' staff

72. Flexible working arrangements are commonplace in many workplaces and are recognised in tax law by HMRC if the home is a de facto office. Similarly, the Scheme recognises that MPs may have home offices or allow staff to work from home, and allows claims for an appropriate percentage of energy and water bills, contents and buildings insurance, and rental and usage costs for telephones and internet access. To become eligible for the reimbursement of these costs, the residence – be it the MP's or the staff member's – must first be registered with IPSA as a constituency office. The rules also require that all constituency offices must be located within the constituency or within 20 miles of the constituency boundary.
73. This rule has caused complications for a very small number of staff members who work from home but live further than 20 miles from the constituency boundary of the MP who employs them. Such staff cannot register their residence as an office, and are thus unable to claim a percentage of their utilities or telephone and internet costs. They also cannot claim for journeys which are made, for example, on a return trip from Westminster and their constituency office, for the part of the journey between 20 miles of the constituency boundary and their home/office.
74. To better support flexible working arrangements, particularly for carers and staff with young children, IPSA proposes to amend the Scheme to allow MPs' staff who work regularly from home but who live over 20 miles from the MPs' constituency boundary to claim for the applicable office and travel expenses. This could be achieved by adding a new rule under paragraph 6.7 of the Scheme which states, for example: *'If a member of staff routinely works from home and wishes to register his or her home as an office under [paragraph 6.9] the restriction that it must be within the constituency or fewer than 20 miles outside of it is not applicable.'*
75. This amendment would have a very low cost implication as the overwhelming majority of staff members work in MPs' offices, not at home.

Question 12: Do you agree that staff members who live over 20 miles from the constituency boundary of the MP who employs them and who regularly work from home should be entitled to claim office and travel expenses, like other staff members who live closer to the constituency boundary?

Travel and Subsistence Expenditure

Claims for late night travel

76. The Scheme provides that when an MP has worked late in Parliament, he or she may claim for a taxi to a London Area residence or for an overnight hotel. The maximum amount that an MP can claim for a taxi is £80, which is generally sufficient to travel up to 20 miles. In IPSA's view, this should be sufficient to allow the MP to return to his or her London Area residence or a pre-booked hotel from Westminster. Alternatively, if the MP decides to find a hotel for the night, the maximum amount he or she can claim in the London Area is £150.
77. IPSA is considering whether the rules for late night travel should be relaxed to allow an MP to claim for either a taxi or hotel, up to a specified limit. This could be more cost-effective than the current system: an MP may wish to take a taxi home but know that it is likely to cost more than £80 and consequently may decide to stay overnight in a hotel. This then costs the taxpayer £150, which could be more than the taxi fare would have been.²⁷ An increased limit for taxi fares would prevent this situation from occurring, although the claims for individual late night taxis may be higher. All claims would be routinely published.
78. This change could be achieved by amending the financial limit on late night taxis at paragraph 9.37 of the Scheme. Any costs associated with the proposal are negligible. If the 13 MPs who have claimed for late night hotels choose to take a taxi home at £120, there is a cost savings of £16 per claim, or £11,232 per year. See Annex A for further data on MPs' late night travel claims.

Question 13: Should the budget limit for taxis be increased from £80 to allow MPs, if they wish, to return to their London Area residence rather than claiming £150 for a hotel? If so, should the limit be £100, £120, or another figure?

Miscellaneous Issues

Resettlement Grants

79. Prior to IPSA's creation, all MPs leaving the House of Commons could claim a one-off payment, known as a resettlement grant. The resettlement grant was calculated as a percentage of their annual salary based upon the number of years served and their age. For example, an MP retiring at the age of 60 after 8.5 years in Parliament would receive six months' full pay. As is the case with normal redundancy payments, the first £30,000 of this payment was tax-free.
80. IPSA has previously consulted on whether it should provide a resettlement grant to MPs leaving Parliament. Following the consultation, it took the view that such payments are linked to MPs' wider remuneration package and should be considered as part of its work on pay and pensions.

²⁷ MPs may decide to pay the excess taxi fare themselves, but the rules do not require MPs personally to fund expenditure relating to the performance of their parliamentary functions.

Since that consultation, IPSA has taken over responsibility for pay and pensions and it intends to implement the new remuneration package from April 2013.²⁸ Under the existing arrangements, any MP leaving the House at an election before that date would not receive a resettlement grant. IPSA is therefore considering whether it should put in place an interim system of resettlement grants, and seeks views on whether MPs leaving the House involuntarily, such as if they lose their seat at a General Election, should be entitled to a payment upon leaving the House.

81. IPSA is not considering introducing an interim resettlement grant to those MPs who stand down voluntarily, such as to those MPs who choose to stand down at elections or who retire. In most organisations, if employees choose to leave their positions voluntarily they would not receive a redundancy payment. While MPs are office holders, rather than employees, providing resettlement grants to MPs who stand down voluntarily would conflict with the principle that MPs should be treated as far as possible in the same manner as other citizens.
82. Depending on the method of calculation, there could be significant costs associated with the introduction of an interim resettlement grant for MPs who leave the House involuntarily. In 2005, for example, the House of Commons paid out £5.3 million to 136 MPs who left Parliament, of which only 50 were defeated at the General Election.²⁹ As IPSA proposes only to offer resettlement grants to those who *involuntarily* leave office, the cost assumptions are significantly lower. These costs, and the implications for the public purse, will need to be factored into the consideration of each option. With the passage of the Fixed Term Parliaments Act 2011, the likelihood of IPSA having to award any interim resettlement grants to MPs who involuntarily lose their seat by losing a General Election is low. That said, in the following examples, IPSA puts forward a series of options with calculations for each, on the assumption that 50 MPs are entitled to a resettlement grant, based on the 2005 General Election.
83. An interim resettlement grant could be calculated in a number of ways.
 - a. A payment equivalent to statutory redundancy pay, which is based upon how long the employee (in this case, the MP) has been continuously employed (i.e. served as an MP), his or her age and current salary. This method of calculation would mean that an MP who loses his or her seat involuntarily after 8.5 years' service would receive 1.5 weeks pay (up to £400 per week) multiplied by eight years³⁰ which is £4,800. If 50 MPs leave involuntarily, the cost would be £240,000. This is the lowest cost interim solution option, aside from offering no grant at all.
 - b. A flat payment to all MPs who stand down involuntarily, of one month's salary for each of the years since the former House of Commons scheme ended. If this option was adopted in the next financial year, the cost based upon payment of two months' salary per MP for 50 MPs would be £550,000.

²⁸ The press statement on pay and pensions is available on IPSA's website at <http://www.parliamentarystandards.org.uk/NewsAndMedia/Pages/LatestNews2.aspx?ListNews=739f9c00-b7d4-4282-bffd-9ae51fd8d92d&NewsId=22>

²⁹ Following the 2010 General Election, the House of Commons published a list of the 220 MPs who received resettlement grants, but it has not published the amounts paid. They can be calculated using information in the public domain.

³⁰ Statutory redundancy is calculated for each full year of service.

- c. Reintroducing the former House of Commons system. There is a significant cost associated with this option. If 50 MPs stand down involuntarily at age 60 after 8.5 years' service the cost would be £1.65m.³¹
- d. A solution based on the Civil Service Compensation Scheme for compulsory redundancy, which calculates payment based upon on one month's pay per year of service up to 12 months. Under this option, the MP who at age 60 loses his or her seat involuntarily after 8.5 years' service would receive six months' pay. For 50 MPs, the cost would be £1.65m.³²
- e. Adopt the Welsh Assembly's policy for resettlement grants. Assembly Members who are candidates for re-election but who were not re-elected are entitled to claim a resettlement grant of one month's salary for each completed year of service subject to a maximum payment equal to six months' salary. For 50 MPs leaving Parliament involuntarily after 8.5 years' service, the cost would be £1.65m.
- f. Adopt the Scottish Parliament's policy for resettlement grants. The Scottish Parliament operates a similar system to the House's previous system of resettlement grants. The amount of the grant is the greater of either 50% of the annual salary or one month's salary for each complete continuous year of service as a Member, subject to a maximum period of 12 years' service. For 50 MPs leaving Parliament involuntarily after 8.5 years' service the cost would be £2.2m.³³

Question 14: Should IPSA introduce an interim resettlement grant system for MPs leaving the House of Commons involuntarily? If so, how should the payment be calculated?

Recall Arrangements

- 84. The two recent recalls of Parliament resulted in some confusion amongst MPs and their staff about whether claims for the cost of returning to Westminster for those recalls should be submitted to IPSA or to the House of Commons. The confusion arose as recall costs are not mentioned explicitly in the Scheme, some of the expenditure MPs incurred fell outside IPSA's rules (particularly those relating to international travel for those MPs who were abroad) and the House of Commons retains an insurance policy for such instances.
- 85. IPSA is responsible for MPs' expenses and costs and relating to the performance of their parliamentary functions whether or not those costs arise after the House has risen for recess. IPSA proposes, therefore, that this should be reflected in the Scheme by including specific provision for the recall of Parliament. If IPSA did not fund such expenditure, there is a risk that some MPs may be unable to return to Parliament for a recall, thereby hindering the democratic process which their office is intended to further. There is no cost associated with this

³¹ The costs may be higher based on the age and length of service of those who are eligible.

³² The costs may be higher based on the age and length of service of those who are eligible. This option may be the most costly as it allows for up to one month's pay per year of service up to 21 months if the individual is below normal pension age.

³³ The costs may be higher based on the length of service of the eligible individuals.

amendment as IPSA already funds such arrangements – this proposal is intended to clarify the existing rules.

86. However in some instances IPSA is conscious that such costs may be high, for example if the claims relate to international travel back to the UK by MPs and potentially their families. For this reason, it may be appropriate to include rules on the type of expenditure that IPSA would cover and perhaps a financial threshold. IPSA is interested in views on what, if any, conditions should be applied to any provisions to meet the costs of MPs' return to Westminster during recalls of the House of Commons.

Question 15: Should IPSA's rules allow MPs to claim for the cost of returning to Parliament in the event of a recall of the House of Commons? Are there any restrictions on the type or value of claims which you think should be payable?

Expenses rules during a General Election

87. In the previous Parliament, MPs were restricted in what expenditure they could claim during and in the run-up to a General Election. This was intended to ensure that taxpayer-funded supplies, offices and services were not used for party political purposes. In particular, MPs were not allowed to claim for:

- a. staffing expenditure for any staff time spent on party political work;
- b. accommodation for any period between the dissolution of Parliament and the day after polling day;
- c. travel expenditure other than for a one way journey back to their residence or the constituency (certain staff travel between Westminster and the constituency was allowed); and
- d. office rental or supplies unless either:
 - the office was used for constituency casework only, or
 - the MP was refunding the full cost of the rent and supplies used for political purposes.

88. In addition, MPs were not generally allowed to claim for office equipment in the six months before the Election, unless prior approval was received from the House of Commons.

89. IPSA proposes to introduce similar rules, but with two main differences. First, under the Scheme, MPs are allowed to continue to claim for Accommodation Expenditure for up to two months after leaving Parliament.³⁴ IPSA proposes to allow this to continue. Second, IPSA does not propose to allow MPs to claim OCE for political purposes and then repay the costs to IPSA. This is cumbersome and not transparent. Instead, IPSA proposes that during an election period no

³⁴ At present, MPs may claim for rental or mortgage interest payments for two months after leaving Parliament. IPSA is currently consulting to allow MPs to claim for the associated expenditure for the property concerned. Please see Question 8.

costs may be claimed from IPSA where these relate to party political activity, and no supplies, services or other costs funded by IPSA may be used for these activities. This will mean that, for example, where a sitting MP uses an IPSA-funded constituency office for political or campaign meetings as well as for parliamentary functions, he or she may only claim the proportion of the rent and utilities that relates to parliamentary functions. MPs would be expected, when entering their expense claims on the online system, to make a deduction for the proportion of the cost which was incurred for party political activity. This would be the same process which MPs use to claim, for example, a proportion of their home office costs from IPSA.

Question 16: Should IPSA introduce rules to restrict claims for expenditure during an election period?

Legal expenses insurance

90. During the last Annual Review, IPSA amended the Scheme to allow MPs to claim for the cost of legal expenses insurance premiums from the OCE budget. This insurance is designed to pay for legal costs when the MP is the subject of legal action as a result of an employment dispute.
91. Some respondents to that consultation suggested that as well as allowing this insurance premium to be claimed, IPSA should provide the insurance centrally. IPSA decided against this suggestion, in part because the cost of the premium would be based on the employment practices of each MP, which would differ. Since then, some MPs have reported difficulties in obtaining stand alone policies and have instead purchased a joint policy through the Parliamentary Resources Unit.³⁵ The premium for this policy becomes cheaper as more MPs subscribe. In light of this experience, IPSA is revisiting whether providing this insurance centrally would be more cost-effective than the current rules.
92. There are potential disadvantages in IPSA providing all MPs with legal expenses insurance. Central purchasing would require IPSA to become more involved in the way MPs run their offices: MPs would need to meet the requirements of the insurance contract, which may be fairly slight – attending a short training session or reading a presentation – but may require MPs to implement formal appraisal and grievance procedures. As explained above in relation to MPs' staffing, IPSA has a choice about whether to move away from a strict framework of rules for how MPs arrange their staff. Central purchasing of this insurance may result in involving IPSA in MPs' offices to a greater extent.
93. In addition, some insurers may require IPSA or the House of Commons to offer additional resources, such as the provision of a personnel advice helpline, which may not be workable in practice. IPSA for example, is not resourced to offer an advice centre, comparable to the Personnel Advice Service within the Department of Resources at the House of Commons, which provides advice on employment and personnel issues. Finally, one insurance policy may not be suitable for all: some MPs may not wish to be insured, or may already be covered as part of their office contents insurance.

³⁵ The Parliamentary Resources Unit is a shared service based in the Houses of Parliament which provides briefing, research, and related support to subscribing MPs.

94. If IPSA were to provide this insurance centrally, it would not allow individual claims for premiums for other policies, meaning that MPs would not be able to claim these costs twice. As the individual costs are currently claimable from the OCE budget, that budget would be lowered accordingly.

Question 17: Should IPSA provide legal expenses insurance for MPs centrally, or should MPs continue to have discretion to claim for this cost themselves?

Allowances

95. In the first Annual Review of the Scheme, IPSA considered the issues surrounding lump sum allowances. Its starting point was that the Scheme for expenses and costs should remain based on the reimbursement of costs incurred, supported by the publication of claims so that the public could see for themselves how public money was being disbursed. IPSA's view has not changed over the past year, but there remains a number of MPs who believe that there should be a return to lump sum allowances which would, amongst other things, allow MPs to continue to fund their mortgage interest. In recognition of that, IPSA is seeking views on whether MPs should be given allowances to spend at their discretion, or if respondents support continuation of a reimbursement system.

Question 18: Do you support an allowance-based system for MPs, that is the payment of a lump sum to MPs for them to spend at their discretion, without a detailed account of the expenditure?

Mortgage Interest Subsidy for MPs

96. IPSA also considered the issue of mortgage interest subsidy during the first Annual Review of the Scheme. It concluded that it remained important for public confidence that the subsidy should be ended after a transitional period which allowed MPs who had claimed the subsidy in the previous Parliament to make the necessary arrangements to either fund their mortgage themselves or move. The subsidy will end in August 2012. During the first Annual Review IPSA also conducted an online survey, in which 69% of respondents opposed permitting MPs to continue claiming mortgage interest subsidy, even if that arrangement would be cheaper for the taxpayer than renting a one-bedroom flat. IPSA's position on this issue has not changed, but it is inviting views in this consultation to ascertain whether public opinion has shifted on this issue.

Question 19: Do you support MPs continuing to claim mortgage interest subsidy, beyond the August 2012 transitional arrangements?

Additional Comments

97. This consultation presents questions on a range of topics, based on feedback from MPs and their staff, or on areas which have been identified by IPSA as warranting reflection in the Scheme. It focuses on the provisions for staffing expenditure, as well as small number of miscellaneous issues related to existing rules or ones which IPSA would like to introduce. As a final question, IPSA seeks any additional feedback from respondents on the rules of the MPs' Scheme of Expenses and Costs.

Question 20: Are there any additional comments which you would like to submit on the Scheme?

CHAPTER FIVE: LIST OF CONSULTATION QUESTIONS

Question 1: What likely or actual impact do you believe the Scheme and specific matters raised in this consultation may have on equality and diversity in relation to MPs and their staff?

Question 2: Should staff members be allowed to carry out any party political activities during their working (taxpayer-funded) hours? If so, should there be any limitations on these activities and what should these be? Limitations may include the following:

- Restricting the length of time staff members spend on party political activities.
- Prohibiting certain types of party political activity while allowing others (please explain which activities should be prohibited).

Question 3: Should IPSA retain its framework of standard – although adaptable – job descriptions, pay scales and reward and recognition payments (option a) or should MPs be able to decide what roles to recruit for and what staff salaries should be (option b)?

Question 4: Should IPSA investigate offering central recruitment and performance management systems where these can achieve enhanced cost-effectiveness (option c)? Are there any other areas of staffing arrangements where IPSA should look to achieve greater cost-effectiveness through a centralised system?

Question 5: Should IPSA provide an additional budget increase to MPs currently paying staff below the IPSA pay scale minimum for their role, to bring those staff members' salaries up to that minimum? Those MPs would then need to absorb the cost of these salary rises in future years.

Question 6: Which of the following options do you think IPSA should use to determine the Staffing Expenditure budget?

- No change to the existing budget and continue to base the budget on all MPs employing 3.5 FTE members of staff (option a).
- Provide an increased budget for MPs with the most socially deprived constituencies (option b).
- Calculate the budget based on pay-band maximum (option c).
- Another method (please explain).

Question 7: Should London Area MPs receive a different staffing budget from non-London Area MPs? If so, how should this be calculated?

- Use the London Area pay scales to determine the staffing budget for London Area MPs, and the non-London Area pay scales for non-London Area MPs.
- Another method (please explain).

Question 8: Do you agree that MPs who lose their seat should be allowed to claim for the associated expenditure on the property formerly required for their parliamentary functions for up to two months after leaving Parliament?

Question 9: Should MPs be allowed to claim for the costs of websites which contain material relating to referendum campaigns?

Question 10: Should MPs be allowed to claim for the costs of websites which display political party logos?

Question 11: Should IPSA allow MPs to claim for the cost of websites that contain any other types of political content?

Question 12: Do you agree that staff members who live over 20 miles from the constituency boundary of the MP who employs them and who regularly work from home should be entitled to claim office and travel expenses, like other staff members who live closer to the constituency boundary?

Question 13: Should the budget limit for taxis be increased from £80 to allow MPs, if they wish, to return to their London Area residence rather than claiming £150 for a hotel? If so, should the limit be £100, £120, or another figure?

Question 14: Should IPSA introduce an interim resettlement grant system for MPs leaving the House of Commons involuntarily? If so, how should the payment be calculated?

Question 15: Should IPSA's rules allow MPs to claim for the cost of returning to Parliament in the event of a recall of the House of Commons? Are there any restrictions on the type or value of claims which you think should be payable?

Question 16: Should IPSA introduce rules to restrict claims for expenditure during an election period?

Question 17: Should IPSA provide legal expenses insurance for MPs centrally, or should MPs continue to have discretion to claim for this cost themselves?

Question 18: Do you support an allowance-based system for MPs, that is the payment of a lump sum to MPs for them to spend at their discretion, without a detailed account of the expenditure?

Question 19: Do you support MPs continuing to claim mortgage interest subsidy, beyond the August 2012 transitional arrangements?

Question 20: Are there any additional comments which you would like to submit on the Scheme?

ANNEX A: EXPENDITURE IN 2010-11 AND THE FIRST SIX MONTHS OF 2011-12

Programme Costs from 2010-11

COST	£'000
MP staff salary and pensions	55,684
<i>Accommodation Expenditure and Constituency Office Rental</i>	
Property rent	6,258
Mortgage interest	455
Utility costs	429
Council tax	339
Service charges	230
Rates	229
Other premises costs	235
Insurance	147
<i>General Administrative Expenditure</i>	
Professional services	1,202
Stationery and other office supplies	1,171
Telephone and internet	968
Pooled services	763
Computers	721
Office furniture	283
Photocopiers and televisions	244
Publicity, advertising and communications	199
Website design and hosting	170
Other	573
<i>Travel and Subsistence</i>	
Rail	1,407
Car	1,118
Air	56
Taxi	56
Hotels	522
Training	483
Parking	104
Food and drink	74
Other	181

Expenditure validated from 1 April to 1 October 2011

The tables below give the expenditure validated and allowed by IPSA from 1 April to 1 October 2011. Claims may cover different time periods (eg monthly or quarterly) so the average claim in the tables below are not per month or any other time period but per claim, and are given for illustrative purposes only. Details of expenditure claims can be found at: www.parliamentary-standards.org.uk.

Accommodation Expenditure

Expense type	No. MPs claiming	No. claims	Total value of claims (£)	Average claim (£)
Rental payments	185	880	961,897	1,093
Mortgage interest payments ³⁶	58	315	215,010	683
Council tax	349	968	272,896	282
Utilities (gas, electricity, water, other fuel)	341	1,456	137,692	95
Insurance (buildings, contents)	179	207	30,718	148
Service charges	98	209	94,422	452
Communications (TV, phone and internet)	223	891	39,813	45
Hotels – London Area	51	547	138,739	254
Hotels – not London Area	2	9	721	80

Office Costs Expenditure

Expense type	No. MPs claiming	No. claims	Total value of claims (£)	Average claim (£)
Constituency office rent	340	1,071	1,134,518	1,059
Business rates	173	348	175,470	504
Utilities (gas, electricity, water, other fuel)	286	1,238	201,500	163
Insurance (business, contents)	120	188	15,040	80
Legal expenses insurance ³⁷	5	5	698	140
Hire of premises	289	869	63,999	74
Communications – phone	586	6,063	540,110	89
Communications – internet	126	375	17,868	48
Communications – TV	48	52	7,165	138
Computer hardware and software	314	666	284,030	426
Furniture hire and purchase	131	240	54,198	226
Other office equipment (fax, scanner, photocopier, shredder, printer)	250	751	158,390	211
Stationery	598	4,502	583,404	130
Websites and advertising	294	991	221,443	223
Hospitality	95	517	6,763	95
Professional services and accountancy	258	1,042	267,504	258
Recruitment services	8	13	8,755	673

³⁶ Two of these are London Area MPs, claiming under the transitional arrangements for mortgage interest set out in the Scheme.

³⁷ This figure only includes those MPs who claimed for insurance through the expenses system and not those who have taken out legal expenses insurance arranged by the Parliamentary Resources Unit.

Staffing³⁸

Expense type	No. MPs claiming	No. claims	Total value of claims (£)	Average claim (£)
Pooled services	55	102	165,071	1,618
Bought-in services	117	419	379,020	905
Intern expenses	176	7,181	94,041	13
Reward and recognition payments	7	17	895	53
Health and welfare costs	14	17	753	44

Travel and Subsistence

Expense type	No. MPs claiming	No. claims	Total value of claims (£)	Average claim (£)
Mileage	436	19,870	516,763	26
Air	106	2,386	417,445	175
Rail – standard	371	5,060	329,892	65
Rail – first class ³⁹	207	2,991	302,785	101
Other public transport	203	1,406	37,548	27
Hire cars	13	59	9,195	156
Taxis (not late night)	165	1,430	23,503	16
Parking/congestion charge/tolls	310	3,769	82,445	22
Travel by staff members	421	5,387	171,084	32
Travel by dependants	67	505	30,320	60
Food and drink	218	2,684	30,638	11
Food and drink by staff members	28	112	1,377	12
Hotels – not London Area	16	21	1,471	70
Hotels – outside UK	15	17	3,144	185
Hotels – staff members	61	142	20,455	144

Late night travel and subsistence

Expense type	No. MPs claiming	No. claims	Total value of claims (£)	Average claim (£)
Taxis	104	302	5,557	18
Hotels	13	54	7,329	136

³⁸ This table includes only those staffing claims submitted through the expenses system. Figures from payroll (ie salaried staff, apprentices and paid interns) are not included.

³⁹ MPs may claim for first class tickets if those tickets are cheaper than a standard open ticket for the same journey.

ANNEX B: STAFFING EXPENDITURE DATA

This annex looks at staffing numbers paid through payroll, including salaried staff, apprentices and paid interns.

Staff numbers

Constituency type		Average staff number (FTE)
Geographical factors	Urban constituency	3.15
	Rural constituency	3.14
Areas of the UK	London Area	3.16
	England	3.14
	Wales	3.25
	Scotland	3.24
	Northern Ireland	3.14
All MPs		3.16

Staff numbers by electorate size

Electorate size	Average staff number (FTE)	Average caseworker number (FTE)
20-30,000	3.2	0
30-40,000	3	0
40-50,000	3	0.7
50-60,000	3.2	0.8
60-70,000	3.2	0.9
70-80,000	3.1	0.8
80-90,000	3.2	0.8
90-100,000 ⁴⁰	3.6	0

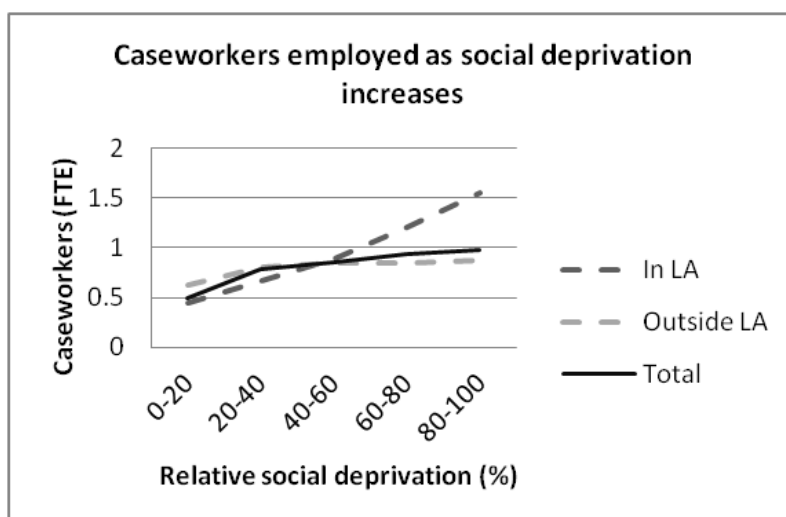
Caseworkers and social deprivation

This table uses constituencies ranked by the level of social deprivation within them; the most deprived constituency is 100% and the least deprived constituency is at 0%.

Social deprivation quintile (%) ⁴¹	Caseworkers in London Area constituencies (FTE)	Caseworkers in non-London Area constituencies (FTE)	Total caseworkers (FTE)
0-20	0.44	0.62	0.5
20-40	0.66	0.81	0.79
40-60	0.89	0.85	0.86
60-80	1.21	0.85	0.93
80-100	1.55	0.87	0.98

⁴⁰ Only one constituency – the Isle of Wight – has an electorate larger than 100,000. Given the small size of this sample, average figures could not be obtained.

⁴¹ Social deprivation figures for 2010 produced by the Office of National Statistics and mapped to constituencies by the House of Commons Library; see *Economic Indicators, May 2011 Research Paper 11/35*. This data was available in this format for English and Welsh constituencies only.



Staff members paid within, above and below IPSA pay scales – London Area

Position (by IPSA job title and including equivalent) ⁴²	Salary range (£)	Percentage of staff paid:		
		below min	within	above max
Office Manager	30,000-40,000	8	84	8
Senior Caseworker	23,000-31,000	0	95	5
Caseworker	19,000-28,000	11	80	9
Senior Researcher/Parl Assistant	33,000-42,000	20	78	2
Researcher/Parl Assistant	23,000-33,000	11	86	3
Senior Secretary	21,000-30,000	0	67	33
Junior Secretary	17,000-24,000	8	84	8

Staff members paid within, above and below IPSA pay scales – non-London Area

Position	Salary range (£)	Percentage of staff paid:		
		below min	within	above max
Office Manager	26,000-37,000	19	72	9
Senior Caseworker	19,000-28,000	2	80	18
Caseworker	16,000-25,000	9	81	10
Senior Researcher/Parl Assistant	30,000-39,000	17	74	9
Researcher/Parl Assistant	20,000-30,000	13	79	8
Senior Secretary	18,000-27,000	7	80	13
Junior Secretary	15,000-22,000	14	67	19

⁴² For example, 'Office Manager' also contains staff members with job titles such as Chief of Staff.

Staff members paid above the IPSA pay scale median

Position	Paid above median – London Area (%)	Paid above median – non-London Area (%)
Office Manager	32	21
Senior Caseworker	34	33
Caseworker	15	3
Senior Researcher/Parliamentary Assistant	20	23
Researcher/Parliamentary Assistant	17	15
Senior Secretary	35	25
Junior Secretary	5	2

Age and gender distribution by job title by percentage

Position	Gender	Distribution of staff in each position by age group (%)						Total % by Gender
		16-24	25-34	35-44	45-54	55-64	65+	
Paid Intern	M	52	13	0	0	0	0	65
	F	31	4	0	0	0	0	35
Junior Secretary	M	10	3	1	1	1	0	16
	F	13	8	36	11	12	4	84
Caseworker	M	16	14	4	4	6	1	45
	F	13	13	7	12	8	2	55
Sen. Secretary	M	0	4	1	2	3	1	11
	F	6	16	17	21	21	8	89
Sen. Caseworker	M	5	13	7	6	4	0	35
	F	6	15	10	18	13	3	65
Parl. Assistant	M	17	27	5	3	3	1	56
	F	12	17	5	5	3	2	44
Office Manager	M	1	5	5	4	4	1	20
	F	2	14	15	24	22	3	80
Sen. Parl. Assistant	M	3	25	11	10	4	1	54
	F	1	15	10	11	8	1	46

Age and gender distribution (actual numbers)

	Gender	Distribution of staff in each age group (number)						Total (number)
		16-24	25-34	35-44	45-54	55-64	65+	
	M	330	417	135	118	119	29	1148
	F	279	402	246	388	324	91	1730
Total		609	819	381	506	443	120	2878

ANNEX C: POTENTIAL COSTS

The table below summarises the potential costs associated with the options set out in this consultation document. It is not possible to cost all options at this time as the costs will depend on further work being done depending on what option IPSA adopts. In addition, in some cases readers are asked if alternatives are possible, which will then need to be costed. Consequently, the costs in the table are indicative only.

Please see the relevant chapters above for the full range of options presented for each consultation question, and for IPSA's analysis of the issues.

Headline costs

The largest potential costs are associated with the Staffing Expenditure budget, which provides for payment of salaries for MPs' staff, and other staffing-related costs. The options in this consultation carry a range of potential costs from £300,000 to £21.2m.

The other matters raised in this consultation carry a range of potential costs from £328,768 to £2.2m.

Table of potential costs

Consultation Question	Cost range
1: What likely or actual impact do you believe the Scheme and the matters raised in this consultation may have on equality and diversity?	Cost neutral
2: Should staff members be allowed to carry out any party political activities during their working (taxpayer-funded) hours? If so, should there be any limitations on these activities and what these should be?	Cost neutral
3: Should IPSA retain its framework of standard – although adaptable – job descriptions, pay scales and reward and recognition payments or should MPs be able to decide what roles to recruit for and what staff salaries should be?	£0 - 1 FTE to IPSA complement
4: Should IPSA investigate offering central recruitment and performance management systems where these can achieve enhanced cost-effectiveness? Are there any other areas of staffing arrangements where IPSA should look to achieve greater cost-effectiveness through a centralised system?	Not costed
5: Should IPSA provide a one-off budget increase to MPs currently paying staff, below the IPSA pay scale minimum for their role, to bring those staff members' salaries up to that minimum? Those MPs would then need to absorb the cost of these salary rises in future years.	£0 - £300,000
6: Which of the following options do you think IPSA should use to determine the Staffing Expenditure budget?	£0 – £19.6m
7: Should London Area MPs receive a different staffing budget from non-London Area MPs? If so, how should this be calculated?	£0 – £1.6m
8: Do you agree that MPs who lose their seat should be allowed to claim for the associated expenditure on the property formerly required for their parliamentary	£0 - £70,800

functions for up to two months after leaving Parliament?	
9: Should MPs be allowed to claim for the costs of websites which contain material relating to referendum campaigns?	£0 - £220,000
10: Should MPs be allowed to claim for the costs of websites which display political party logos?	Cost neutral
11: Should IPSA allow MPs to claim for the cost of websites that contain any other types of political content?	Cost neutral
12: Do you agree that staff members who live over 20 miles from the constituency boundary of the MP who employs them and who regularly work from home should be entitled to claim office and travel expenses, like other staff members who live closer to the constituency boundary?	Cost neutral
13: Should the budget limit for taxis be increased from £80 to allow MPs, if they wish, to return to their London Area residence rather than claiming £150 for a hotel? If so, should the limit be £100, £120, or another figure?	Saving of £11,232
14: Should IPSA introduce an interim resettlement grant system for MPs leaving the House of Commons involuntarily? If so, how should the payment be calculated?	£0 - £2.2m
15: Should IPSA's rules allow MPs to claim for the cost of returning to Parliament in the event of a recall of the House of Commons? If the rules do allow this, are there any restrictions on the type or value of claims which you think should be payable?	Cost neutral
16: Should IPSA introduce rules to restrict claims for expenditure during an election period?	Cost neutral
17: Should IPSA provide legal expenses insurance for MPs centrally, or should MPs continue to have discretion to claim for this cost themselves?	Not costed
18: Do you support an allowance-based system for MPs, that is the payment of a lump sum to MPs for them to spend at their discretion, without a detailed account of the expenditure?	Not costed
19: Do you support MPs continuing to claim mortgage interest subsidy, beyond the August 2012 transitional arrangements?	Not costed
20: Are there any additional comments which you would like to submit on the Scheme?	Not costed

