

# Supporting trust in democracy in the new Parliament

Consultation on proposed changes to how we regulate  
and how we publish MPs' funding

October 2024



## Foreword from the Chair

As the independent funding body for MP expenditure, we know that transparency is an essential part of supporting trust in democracy. The public has a right to know their money is spent on the right things in the right way. It is therefore important we are open about the principles we use to maintain the guardrails which provide assurance that money is being spent wisely. Consultations such as this are an important tool in delivering this assurance.

This consultation explains our move to principles-based regulation, achieving the balance of assuring the public while freeing MPs and their staff to focus on what really matters – fulfilling their parliamentary duties.

The way we regulate adherence to these principles will be through a risk-based approach, identifying those areas of funding that require greater scrutiny. We believe such an approach will enable us to focus our attention on areas of higher risk spend, which is often more nuanced and discretionary; reduce the volume of errors inherent in a system with large numbers of transactions; and free time for both IPSA and MPs to focus on outcomes instead of processes.

As well as seeking views on this new approach to our regulation, we are seeking views on how our principles are applied to areas where there has been some public concern, including MP accommodation, the use of bought-in services, and funding for communications.

We were pleased to support the recommendations made by the Speaker's Conference on the employment of MPs' staff, and this consultation outlines the concrete proposals to recognise staff members' past service and facilitate the movement of staff between MP offices.

Maintaining trust in democracy is a core objective for us. We look forward to receiving your feedback on how we regulate, and your thoughts on the specific areas which are the focus of this consultation.

**Richard Lloyd OBE**  
**IPSA Chair**

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## Supporting trust in democracy in the new Parliament

### Consultation on how we regulate and how we publish MPs' funding

#### Introduction

1. IPSA's Corporate Plan for 2024-27 describes our new approach to how we regulate, making the system stronger and simpler, more efficient and effective. This will reduce the administrative burden on MPs and their staff and help us to target our support to those who need it most. Compliance rates remain high, and any changes must uphold and promote public trust.
2. Principles-based regulation is a shift away from mechanistic rule following. It will require IPSA to communicate in a more sophisticated way about its regulatory objectives, while requiring MPs and their staff to understand and comply with the spirit and purpose of those principles.
3. Alongside our principles we will be taking a risk-based approach to regulating MPs' staffing and business costs, tailoring support to MPs who need it most, and intervening proportionately where the risk justifies it. We will improve our capacity to use data and intelligence to guide where we direct our regulatory effort. Simply put, we will focus on those who need our support – and our scrutiny – the most.
4. In 2024-25 we also introduced a new strategic priority, *Supporting trust in democracy*, to acknowledge IPSA's pivotal role in ensuring public understanding of the value of the money spent by MPs on their constituency and parliamentary duties. In this context we are also re-examining our approach to the publication of MPs' staffing and business costs and how this can best support meaningful transparency and reassure the public that the funding provided to MPs for their parliamentary work is well regulated.
5. Not all of the changes proposed in this consultation will require amendment to the [Scheme of MPs' Staffing and Business Costs](#). As with other principles-based regulators, there will be greater emphasis on guidance for offices. This allows us to regulate in a more agile way – responding to emerging issues and regulatory concerns quickly and effectively. Our guidance to MPs and their offices is publicly available, and so this approach maintains our commitment to transparency.

## How to respond

6. We are keen to hear the views of MPs, their staff, and our wider stakeholders on these changes and how best they should be implemented. We consider this engagement a key part of allowing IPSA to meet its ambition of providing the seamless regulatory service to which our Corporate Plan commits.
7. We would also like to hear views about any positive or negative impacts on protected characteristic groups, feeding into an Equality Impact Assessment on the changes proposed in this consultation.
8. Please use our quick and easy [online survey](#) to submit your response.
9. Please do not send us responses by post or as scanned images.
10. You are strongly encouraged to respond using the online survey to ensure we can consider your response effectively. However, if you need reasonable adjustments to enable an alternative response, please contact us at [consultation@theipsa.org.uk](mailto:consultation@theipsa.org.uk) and a member of our team will contact you to coordinate your response.
11. We will summarise the responses we receive when we publish our decisions. In doing so, we may refer to individual respondents and the content of their responses. We may also publish a list of who responded. **If you would like your response to be treated as confidential, please say so clearly in your response.** We will not quote from confidential responses or attribute the views in them to any particular respondent.
12. Whether your response is confidential or not, we will not publish your email address or any other contact details in compliance with data protection law and the General Data Protection Regulation (GDPR). For more information about what we do with personal data, please [visit our privacy notice](#).
13. **Please send us your response by 13 December 2024.**



## Improvements to the way we regulate

### Principles-based regulation

14. Over the past three years, IPSA has made a series of changes to the way we work. We have improved the service we provide to MPs, enabling them to focus on delivering for their constituents. But there is more to our ambitions: we are overhauling our regulatory approach to something that is stronger, fairer and more effective. We want to reduce the day-to-day burden of the regulatory system on MPs and their staff – who we know are overwhelmingly compliant with our rules – while increasing the quality of the regulatory interventions we make, when we need to.
15. Principles are a statement of an expected standard of behaviour or result. Rather than expressing a specific action that someone must or must not take, they reflect a desired outcome, leaving some of the detail of how to achieve that outcome to the individual to decide for themselves.
16. The move to principles-based regulation will empower MPs to make their own judgements about how to run their financial affairs, taking into account the expectations set out in principles, and supported by IPSA through guidance and advice. With increased flexibility in decision-making rightly comes greater accountability for MPs. IPSA will provide the guardrails for MPs to achieve those outcomes – to get it right first time.
17. This does not mean IPSA will no longer set rules. We know there are certain “red lines” which, if breached, neither we, nor the public, would condone. However, an increased reliance on principles will give IPSA a further regulatory tool, particularly in situations that cannot be captured by a rule.
18. If used effectively, principles can help:
  - Set expectations of behaviour and responsibilities at the beginning and during an MP’s tenure.
  - Improve understanding and support MPs to take relevant considerations into account when making decisions.
  - Assess compliance, where the desired outcome cannot be easily captured by rules or relates to a certain behaviour or process, rather than a specific action.

## Our regulatory principles

19. These new regulatory principles reflect the outcomes IPSA seeks to achieve through its regulatory activity. They are designed to be clear about our intentions, as well as the behaviours that we, and the public, expect of MPs.
20. Introducing clearer regulatory principles will enable us to balance our regulatory and support objectives, and act in a targeted way where it is right and proportionate to do so.
21. As a regulator we want to do our job in an enabling way. We want to ensure MPs have flexibility to decide how they want to run their parliamentary affairs, within the principles and guardrails set by IPSA. At the same time, we need the tools to challenge and take action when MPs fall short of their responsibilities with regard to public money.

### **Principle 1: Parliamentary purpose**

- MPs may only access IPSA funding for costs they or their staff incur as a result of their parliamentary functions.
- MPs must not use funding in support of any electoral campaigning, political party or other outside organisation.
- MPs must not use funding for costs relating to activities that are explicitly or primarily aimed at promotion of their own political profile.
- MPs must ensure there is no other more appropriate source before seeking IPSA funding.

### **Principle 2: Value for money**

- MPs must take proportionate steps to achieve value for money in all decisions made about the use of IPSA funding.
- MPs are expected to exhibit good financial management, including in planning their expenditure to ensure, insofar as possible, they are able to remain within the budgets provided to them by IPSA.
- MPs should ensure they have staff supporting them with a good understanding of financial and budget management.



## Principle 3: Integrity

- MPs must be objective in their decisions about how they spend IPSA funding, including in choosing suppliers of good and services.
- MPs' decisions must not be aimed at gaining financial or other material benefits for themselves, their family, friends, political associates or other connected individuals.
- MPs must be able to show they have considered perceived or real conflict of interest; and that they have not been influenced in their decisions about using IPSA funding by any interest or relationship.

## Principle 4: Accountability

- MPs are accountable for their decisions and must be prepared to explain how they have assured themselves that their actions are in line with IPSA's rules, guidance and regulatory principles.
- MPs must accept their responsibilities as employers, adhering to good employment practices and seeking expert advice as needed.
- MPs are responsible for overseeing the actions of their staff members and, to the extent that could reasonably be expected, ensuring their staff use IPSA funding in line with IPSA's rules, guidance and regulatory principles.
- MPs must deal with IPSA in an open and cooperative way and must provide information relating to their staffing and business costs that IPSA would reasonably need to perform its statutory functions.

## Taking a risk-based approach

22. In common with other regulators, we have concluded that a rules-based approach can lack sufficient focus and on occasions portray an unclear picture of regulatory risk. We also recognise that a "one size fits all" approach to risk can impose an unnecessary administrative burden on the many MPs' offices that are compliant and well-run.

23. We believe a risk-based approach will enable us to focus our scrutiny on areas of higher-risk spend, which is often more nuanced and discretionary; reduce the volume of errors inherent in a system with large numbers of transactions and free time both for IPSA and MPs to focus on outcomes rather than

processes. A more flexible, targeted approach would also mean IPSA is better able to use its own resources effectively and efficiently.

24. A risk-based approach is an umbrella term that encompasses several areas of activity, including:

- Identifying high-level regulatory risks that we are seeking to mitigate.
- Developing greater capacity to report, analyse and understand data and insight.
- Increasing support for MPs; identifying where issues may arise and acting swiftly to provide the support and guidance needed to enable MPs to adhere to our principles.
- Making sure our validation approach focuses on areas of potential risk while reducing the bureaucracy involved with lower-risk funding.
- Strengthening the framework for regulatory intervention where ongoing non-compliance is identified.

25. This work is currently underway with the intention of the risk-based approach being fully in operation from the beginning of the 2026-27 financial year.

**Question 1: Do you agree that these four regulatory principles are the right ones to focus on?**

**Question 2: Do you have any comments on IPSA's move from a predominantly rules-based approach to a more principles-based approach?**

**Question 3: Do you have any comments about the risk-based approach?**

## Meaningful transparency: The publication of business costs

26. The publication of information about MPs' staffing and business costs is an integral part of IPSA's regulatory role, as enshrined in its founding legislation, the Parliamentary Standards Act 2009. The legislation leaves the detail of how and when this information should be published to IPSA's discretion.
27. As required by law, IPSA has established and periodically reviewed its [Publication Policy](#), which sets out the information that will and will not be routinely published, as well as the frequency of publication. Publication of information relating to most categories of business costs currently takes place every two months, with the exception of a few cost types, such as staff payroll information. Requests for funding which have not been allowed because they are outside the rules are also published with the bimonthly cycle. Each year, normally in the autumn, IPSA publishes annual information covering the previous financial year, including each MP's total spend against budget in each category, applications made for additional funding, and outstanding loans (for example, deposits for rental accommodation).
28. The information is published on the IPSA website, with dedicated pages for each MPs' staffing and business costs. Published data largely reflects the information input into the IPSA Online system by the MP (or their Proxy) including in free-text description fields.
29. Over the years, changes to the Publication Policy and presentation of data have reflected IPSA's evolving understanding of the impact of the information it publishes. This includes where publication could create a security risk to MPs, their family members or their staff.

### Our current work

30. As part of work to transform IPSA's regulatory approach, we have been exploring how to ensure our publication function provides not just data, but meaningful information to members of the public about IPSA's regulatory role, the funding we provide to MPs, and how it is used. Publication information remains the main way members of the public can interact with IPSA's regulatory system and be confident it is undertaking its role effectively.
31. We have listened to feedback about the detrimental impact that publication of staffing and business costs can have, especially where data is taken out of context or used to support the spread of misinformation. MPs and their staff often find themselves defending expenditure that is legitimate and within the rules, in the face of unfounded criticism which, at the extreme, can lead to

abuse and threats of violence. MPs and staff have told us that this can in some cases discourage them from accessing legitimate funding.

32. The [report of the Speaker's Conference on the employment conditions of Members' Staff](#), published in July 2023, highlighted the impact on staff of the public perceptions arising from the way IPSA publishes MPs' staffing and business costs. The report drew a distinction between MPs' own salaries and "expenses" and the costs relating to staff salaries and constituency offices, suggesting that to publish these together increased the potential for misunderstanding. The Speaker's Conference made two recommendations for changes to IPSA's publication approach:

- IPSA should publish staffing costs and office accommodation separately from MPs' salaries and other expenditure.
- IPSA should report on staff travel and training budgets as a whole rather than on a per-MP basis.

33. We know there is more to do to provide meaningful transparency for the public, to build confidence in IPSA as a regulator, and ultimately to play our part in supporting trust in democracy.

## Transparency objectives

34. To help ensure meaningful transparency is enshrined in the future publication work plan, we have created a set of transparency objectives that we will use to guide our work.

- 1) Provide reassurance to users through creating trust and confidence in IPSA as a regulator.
- 2) Ensure MPs' expenditure is fairly represented, and publication does not present a barrier to legitimate funding.
- 3) Ensure publication is accessible and understandable for all users.
- 4) Prioritise the creation of educational and contextual information to help support publication.

**Question 4: Do you agree that these are the right objectives for IPSA to take into account when considering its publication approach? Is there anything missing?**

## Rent and pooled services

35. There is a general presumption that the details of MPs' expenditure should be available to view by members of the public. For most cost types, information about individual items is published. However, in some cases, the publication of

individual items can create confusion or lead to misinterpretation, rather than providing meaningful information about how MPs are using public money.

36. One such area is rent. The Scheme allows MPs to access funding for rent relating to work residential accommodation in either London or their constituency; and relating to a constituency office. While some MPs pay the rent themselves and then get reimbursement from IPSA, in many cases IPSA pays the rent directly to MPs' landlords on their behalf. This can happen on a monthly, quarterly or annual basis.
37. Rental costs are currently published individually as part of the bimonthly cycle based on the timing of when they are processed. During and at the end of the financial year, rental costs are subject to pro-rating calculations to ensure the correct amount was paid for the yearly period. This process can result in data that appears confusing to members of the public and sometimes leads to discrepancies between the individual items or payments and the total annual rental cost.
38. Rental costs can also be difficult to interpret for several other reasons:
  - Rental costs can relate to monthly, quarterly or annual payments.
  - They can also be inclusive of other costs such as ground rent, utilities and service charges, depending on the terms of the lease.
  - Rental costs information can include amounts that are repaid to IPSA where the MP sublets part of their constituency office to a third party.
  - Overpayments of rent can occur that are corrected through either a refund or adjustment to a future payment.
39. Taking into account the likelihood of discrepancies in the data and risk of misinterpretation, we think there is limited value in publishing individual rental costs where these are simply periodic payments to make up the annual rental amount.
40. Another area where the publication of individual items may not support meaningful transparency is pooled service subscriptions. Pooled services provide research, briefing and drafting services to groups of MPs who pay a subscription fee. Where a pooled service has an arrangement in place with IPSA – having agreed to comply with IPSA's rules and guidance and to allow routine scrutiny of the materials it produces for subscribers – IPSA can make direct payments on behalf of MPs (MPs also have the ability to be reimbursed for pooled service fees if they wish).

41. Pooled service costs are published as part of the bimonthly cycle depending on when the payment was processed, while subscription fees can be paid on an annual, biannual or quarterly basis. As with rental costs, these in most cases simply reflect periodic subscription payments to make up the annual subscription amount. And as with rental costs, the data can also contain complicated adjustments and discrepancies between individual item data and the total annual cost.
42. In addition, the use of free-text description fields by MPs when inputting requests for reimbursement can also lead to costs relating to the same service being reflected in different ways.
43. We are proposing a change to the Publication Policy so that funding relating to rental costs and pooled service subscription costs are published as an annual amount per MP, rather than as individual payments. Removing detailed entries and adjustments would reduce the risk of misinterpretation of the data; ensure that such costs are more clearly, accurately and fairly reflected; and support trust in IPSA's role.
44. Although this would mean a longer delay between the points at which information about rental costs and pooled service costs is made public, publishing on an annual basis could also create greater opportunity for IPSA to provide contextual information to explain what this funding is for and why the total amounts might vary among MPs.

**Question 5: Do you agree that MPs' expenditure on rent (for their accommodation and/or constituency offices) and on pooled service subscription fees should be published as an annual amount per MP, rather than as individual items?**

## **Small-value items**

45. Under IPSA's current Publication Policy, all funding requests are published individually, except where doing so would present a security risk or breach someone's data protection rights. This is the case regardless of the value of the item; and in some instances where MPs or their staff have made small one-off purchases – for example, a newspaper or a small item of stationery – items of very low value appear in the published data. Very low-value figures of sometimes less than £1 may also appear for example where a small adjustment was made, for example to charges on an MP's Payment Card.
46. While small-value purchases for business costs are legitimate and MPs and their staff should make them rather than being out-of-pocket, they can look unusual, especially when viewed in isolation and not in the context of the

office's other running costs. User research carried out last year also indicated that the publication of individual items, particularly of small value, can create a disincentive to MPs and staff, who may not seek reimbursement at all.

47. While transparency over how MPs are using public money is paramount, we need to ensure our publication approach does not create a situation where MPs or their staff are self-funding their parliamentary work. Parliament must be accessible to people from all walks of life, and not just those with independent wealth or other sources of income.
48. We are proposing a change to aggregate low-value items in such a way that they are no longer published as individual lines. Information on these costs would still be published every two months, along with the cost types. We believe this proposal would retain an appropriate level of transparency for members of the public, while mitigating the risk that the amounts are taken out of context or that publication presents a disincentive to MPs and their staff from accessing the funding they need to do their jobs.
49. There are options for how we might achieve this. One would be to set a value threshold and aggregate items below that threshold. Currently we suggest that a reasonable level to set would be £50; but we would like to hear views about the appropriate threshold.
50. There could be some unintended consequences of a change to aggregate below a certain value. For example, the impact would likely differ across MPs, depending on their spending behaviour and how they normally make purchases. We are also keen to avoid any changes that would incentivise offices to submit small items individually, so as to maximise the items that would fall below the threshold. This would not only create a heavier administrative burden for MPs and their staff but could also have a detrimental effect on the level of transparency IPSA is able to provide.
51. An alternative would be to aggregate under certain cost categories that tend to be lower value – for example, subsistence. However, there are no cost categories exclusively of low value; aggregating in this way would inevitably reduce visibility of larger items too.

**Question 6: Do you agree that small-value items should be aggregated rather than published line-by-line?**

**Question 7: What do you think would be an appropriate value threshold, below which expenditure would be aggregated by cost type?**



## Annual publication

52. IPSA's annual publication event normally takes place each autumn, covering data and information about the previous financial year. Under the current Publication Policy, annual publication includes the following (among other things):

- Each MP's salary and any additional allowances received.
- The maximum budget available and total spend by each MP in each budget category during the financial year.
- Additional funding provided to each MP, for example in relation to accommodation for dependants or an application for contingency funding due to exceptional circumstances.
- Certain information about the staff members employed by each MP, including job titles and whether they were employed for the whole financial year (staff names are not published).
- Costs that are published only as aggregated amounts, for example staff payroll costs for each MP and the total amounts for travel by each MP during the year, broken down by travel type.
- Loans made to MPs for rental deposits which are outstanding at the end of the financial year.
- Any sums of money owed by MPs which IPSA has decided not to recover and which have been written off.

53. Annual publication provides an overview of the previous financial year, intended to help members of the public view the full picture of how public money has been used by MPs in support of their parliamentary work. MPs also have the option of submitting a written commentary to accompany their published data, which would be published on IPSA's website.

54. However, there are some downsides to the current approach. For example, there is a large amount of data published on one day, which can be challenging to navigate. At the last annual publication in November 2023, we tried to alleviate this with the new *Supporting Democracy* report, which provided some additional explanatory and contextual information to accompany the annual data.

55. It would only ever be feasible to publish most of these items on an annual basis, but we are exploring ways that the annual data could be published in "themes", perhaps across a number of publication events (rather than all data being published on a single day) – for example, annual information relating to

MPS' staffing on one day, with annual information relating to their residential accommodation on another. This could create greater opportunity for IPSA to provide educational, explanatory and contextual information covering specific areas of spend. It may assist members of the public in navigating the data.

**Question 8: What are your views about the current annual publication process? Would a shift to “thematic” publication over multiple publication “events” be more effective?**

## Employment arrangements for MPs' staff members

### Setting expectations for employment practices in MPs' offices

56. Staffing in an MP's office is critical to the delivery of democracy. Each MP needs to recruit and retain staff to ensure they can fulfil their parliamentary role to the best of their ability and be supported in efficiently, cost-effectively, and transparently conducting their Parliamentary functions. MPs need a mix of staff with different skills and who are motivated to support them in their constituency work and parliamentary duties in Westminster.
57. While the MP is the sole employer of their staff, IPSA fulfils its regulatory role by:
- Providing each MP with an annual budget for staffing costs. The staffing budget is a significant proportion of the funds available to an MP and must only be used for parliamentary business.
  - Providing model contracts and agreements, job descriptions and pay scales for MPs to use when hiring their staff.
58. MPs are legislators, and therefore the expectations on them as employers to follow best practice and set an example are high. IPSA's new regulatory principle of accountability includes the expectation that MPs will adhere to best practice and to take expert advice in their role as employers.
59. MPs are supported by IPSA and the House of Commons to ensure they have access to information, policies, and procedures, and HR expertise to enable them to fulfil their employer responsibilities.
60. IPSA has in recent years adopted a programme of work to support MPs in improving the working lives of their staff. For the future, we are looking at ways that can help MPs go further in recognising staff progression in terms of experience, skills, and competencies, and how this can be facilitated in the way that IPSA provides funding.
61. The model contracts and agreements which were introduced on 5 July 2024, along with the surrounding policies and procedures, have been updated to ensure they are compliant with current employment law. IPSA regularly reviews and updates its policies and procedures accordingly.
62. Building on these principles of best practice and accountability, we are consulting on a few areas which may require a change the Scheme and/or to supporting guidance on staffing.

## Recognising past service

63. Legally, MPs are individual employers and therefore when staff members move from one to another (for example at an election), they end one employment and begin another. Where their roles are made redundant and they have at least two years' service, they are eligible for redundancy payments, but in the new employment they do not benefit from any rights that come with continuous service.
64. This is in line with the legal position but can have a detrimental impact on staff who work in an environment where there is a natural turnover of employers – as decided by the electorate. From the perspective of MPs' staff, moving from one MP employer to another is similar to moving jobs within a large organisation. But legally, with each new employment they need to re-qualify for things like family leave pay and redundancy pay.
65. IPSA cannot override or make any changes to legal continuous service, statutory entitlements or qualifying periods as set out in the Employment Rights Act. However, IPSA does have influence over occupational policies, and we believe it is right to consider enhancements to occupational entitlements when staff finish employment with one MP and start working for another MP, which would recognise a staff member's dedication to the parliamentary community.
66. Based on our experience and the feedback from stakeholders, including the recommendations from the [Speaker's Conference on employment conditions of Members' Staff](#), we believe that giving MPs the ability to recognise past service would be a positive step towards improving MPs' staff working lives. It would provide the staff themselves with greater stability during the course of their employment(s) with Members of Parliament. We believe it would also enable the recruitment and retention of effective and experienced staff within and across MPs' offices, benefitting both newly elected and returning MPs. Providing this recognition should also drive greater employee engagement to support MPs in their parliamentary function, which in turn will benefit constituents and help to improve trust in democracy more widely.
67. Should employment legislation change regarding statutory entitlements, IPSA will review its policies and procedures accordingly.

### **Question 9: Do you agree with the principle of enabling MPs to recognise staff members' past service with a different MP employer?**

68. We are proposing to amend the Scheme to allow an MP (as an employer) to recognise a staff member's past service with another MP, for the purposes of

occupational redundancy pay and family pay, when they begin a new period of employment. Staff members would not have to “re-qualify” for enhanced occupation family pay entitlements, nor have to “re-qualify” for redundancy entitlement if they move from one employing MP to another, so long as they have met the statutory qualification period, cumulatively across both employments. Their qualification for statutory entitlements would continue to accrue.

69. Recognition of past service would only apply:

- If the MP accepts the staff member’s past service within the parameters of the Scheme and guidance, and
- if the relevant individual had a break in service of no more than a certain number of days.

70. Payments would only be made where the staff member meets the qualifying period for entitlements, cumulatively across their recognised service.

## Examples

- 1) A staff member with six months’ service would not qualify for a redundancy payment when that employment ends. But should they move to another MP with no (or minimal) break in service, their cumulative service would continue to accrue. After a further year and a half with the new employer – two years cumulatively across both employment – the staff member would be eligible to occupational redundancy pay thereafter.
- 2) A staff member with five years’ service would qualify for family leave pay with their original MP. Should they move employment between MPs with no (or minimal) break in service, they would remain eligible for family leave pay from day one of that new employment with the new MP.

**Question 10: Do you agree that allowing staff to have past service recognised for family pay and redundancy are the right areas to offer?**

**Question 11: Do you agree that where a staff member moves from one employing MP to another, without having completed the full statutory qualifying period, the qualifying period would continue to accrue until eligibility has been met?**

71. Having carefully considered the issue, we are not proposing to include sickness pay eligibility in the recognition of past service. This is to protect both the

employer and the employee. We intend to retain the prevailing statutory qualification periods for sickness payments.

## **Permitted breaks in service**

72. The ability to recognise a staff member's past service would not be unbounded. Our proposal is that staff who have never worked for an MP before or who have a break in service between employments of longer than an agreed period would have to re-qualify for statutory entitlements at the beginning of their next period of employment with an MP.

73. Currently we are proposing a maximum break of 28 days, which is four times the permitted statutory break in service; however we are keen to hear views on the appropriate length of time.

## **Question 12: How long should the maximum permitted break in service be for a staff member's past service to be recognised?**

### **Who would be in scope**

74. We intend for this proposal to apply to all staff on an IPSA contract, including retrospectively with regard to service completed before the implementation of this policy. Therefore, should the current employer recognise past service, occupational enhancements will be calculated from the staff member's first date of employment with an MP, providing any break in service has not exceeded the agreed period. Payment of any occupational entitlements or redundancy would still be subject to the qualifying statutory thresholds having been met but, in this case, it could accumulate over the course of their employments with one or more MPs.

75. There is a small number of staff members who are still on pre-IPSA contracts, having been employed by the same MP since before 2010. Those staff on pre-IPSA contracts who retain their original terms and conditions of service will benefit from continuous employment under the Employment Rights Act, so will not be affected. Should those staff move to an IPSA contract when they move employers from one MP to another, the MP can choose to accept their past service which would begin from the start date of their original employment.

76. Past service recognition would apply to any staff member on a regular hours contracts or agreements. It will not apply to those on casual contracts or to volunteers.

## **Question 13: Do you agree that the policy should be applied retrospectively to any eligible staff member on an IPSA Contract?**

## Calculating and allocating redundancy payments

77. Where their roles are made redundant, MPs' staff members on standard IPSA contracts are eligible for a redundancy payment equal to twice the statutory amount. The statutory calculation requires a minimum of two years' service and is based on a combination of factors including the length of continuous service and the individual's age.
78. The proposal with regard to redundancy payments is that a staff member's entitlement would be calculated across all of their recognised past service, including with other MPs.
79. It would not be an appropriate use of taxpayers' money, however, for a staff member to receive more than one redundancy payment covering the same period of employment. IPSA would therefore calculate the payment due as the entitlement based on the full period of recognised service, less any amount of redundancy payment they had already received in respect of that past service.

### **Question 14: Do you agree that entitlement for redundancy pay would be calculated across all of their recognised past service minus any redundancy payment already received?**

80. Where redundancies occur during the course of a parliament, the current Scheme rules state that redundancy payments and other associated payments (such as pay-in-lieu-of-notice and untaken leave payments) must be funded from the staffing budget. This is intended to protect staff, for example to ensure redundancies are not used inappropriately where management or performance issues arise.
81. Paragraph 8.8 of the Scheme states that where a former MP is winding-up their affairs and redundancies arise as a result, these costs will be met from the central contingency budget. This recognises that the costs are unavoidable in these circumstances.
82. We are proposing a change so that all redundancy costs would be allocated automatically to the contingency budget, regardless of whether they happen mid-parliament or as a result of winding-up.
83. This is with the intention of ensuring there are no barriers to prevent MPs from recognising past service. While the statutory calculation includes a 20-year cap on service, we do not want MPs deterred from recruiting experienced staff or from accepting past service, particularly for longer-serving staff members, because of the impact on their staffing budget if a future redundancy were to arise.



84. We intend to ensure MPs take a robust approach to making decisions around redundancy and office restructures in an appropriate way. All redundancy situations including payments should be undertaken following best practice advice from the House of Commons.

**Question 15: Do you agree that redundancy costs should be allocated to the contingency budget, to remove any financial barriers to the recognition of past service?**

## Staffing loans and secondments

85. We are considering offering more flexibility for MPs to avail themselves of skilled staff from other MPs' offices or external organisations on a formal footing.

### Intra-office staffing loans

86. We are considering whether to permit staff members being "loaned" between MPs' offices, under a tripartite arrangement between two MPs and the individual staff member, for a short and defined period of time. For these types of arrangements there are several significant issues to overcome; however, we believe that offering this arrangement would benefit MPs and their staff, and so we would like to seek views.

87. Intra-office "loans" could offer support for newly elected MPs to staff their offices with experienced staff for a short period as they get set up. It would also enable support to offices with sickness or leave cover during the term of a parliament. This arrangement could also enable staff to gain experience or develop new skills with another office.

88. The arrangement we envisage is for a short and specific period of time – for example, a maximum of three months – and the individual would retain all their original terms and conditions of service. Any loan agreement would need to clearly state the hours to be worked per week in the loan office, and the salary for those hours would be taken from the receiving MP's staffing budget. For longer-term arrangements, we would expect staff to be formally employed by the two MPs on separate contracts of employment.

89. The sending MP would retain the employment relationship with the staff member for the purposes of redundancy, disciplinary, and sickness pay (sickness would be reported to both MPs).

90. The receiving MP would need to be able to cover the full cost of salary and on-costs (National Insurance and pension contributions) for the member of staff on loan, plus any VAT that may be chargeable, from their staffing budget.

91. There must be fully and freely given permission by the staff member to enter into such a tripartite agreement. Details such as the location of the work needed for the receiving MP will need to be clear to the staff member before agreeing.

92. Given that some MPs' staff already work for more than one MP we feel the risks around data protection, data security and integrity remain in a loan agreement but can be managed as they currently are in longer-term arrangements. MPs'

staff will be bound by the MP's privacy notice and any agreement drafted for this use would mean that the integrity of any data held by both offices would be maintained.

93. Should the following situations arise, the tripartite agreement would be dissolved:

- Either MP loses their seat at a General Election or Recall petition.
- Either MP stands down.
- Either MP is subject to House disciplinary proceedings.
- The staff member is subject to disciplinary proceedings.
- The staff member wishes to end the arrangement.

**Question 16: Should IPSA introduce a short-term loan arrangement for MPs to loan staff to other MPs?**

**Question 17: Should any such arrangement be restricted to the period immediately following a general election or should it be permitted at any time during a parliament?**

## **Secondments to MPs' offices**

94. The other area we are considering is formalising an arrangement for MPs to accept individuals into their office on a secondment basis from an external organisation. Where an external organisation pays the salary of an individual but wishes them to take a secondment within an MP's office, the current process is for the individual to sign an IPSA volunteer agreement so certain costs can be refunded in relation to that individual. This is a workaround but does not reflect the nature of the relationship. To note, we do not recommend that MPs sign any kind of secondment agreement provided by the seconding organisation.

95. We are considering whether to create a bespoke model agreement to support this type of secondment into an MP's office. We recognise that the data security and protection risks are increased with a secondment, and we wish to protect the employer from entering into an inappropriate arrangement, while also ensuring the public funds are protected where funding for salary, travel and subsistence is available from another source (in accordance with the Scheme).

96. Formalising the arrangements would ensure all staff seconded into an MP's office would be required to obtain and maintain appropriate security

clearance in line with the House of Commons Commission policy on security and vetting.

97. We will not permit IPSA-funded staff to be seconded to external organisations.

**Question 18: Should IPSA formalise the secondment relationship for MPs to accept individuals on secondment into their offices?**

## Using regulatory principles to tackle areas of public concern

### Communications and advertising

#### Background and current approach

98. MPs can access funding related to “communication services”, including the creation, design, printing, and distribution of content which fulfils a parliamentary purpose. Communications can be used to inform constituents on the best ways to contact MPs; provide information on regular surgeries or other constituency events; set up and maintain a website; or distribute surveys to canvass views on issues important to constituents (among other things).
99. The Scheme and supporting guidance outline that MPs are not allowed to use public funds for party-political or campaigning activities, including:
- work which is conducted for or at the behest of a political party
  - activities which could be construed as campaign expenditure within the scope of the Political Parties, Elections and Referendums Act 2000, or election expenses within the scope of the Representation of the People Act 1983
  - any other activities whose purpose is to give MPs a campaigning advantage in general elections and referendums
  - any material, other than websites, that contains a party-political logo or emblem
100. Material that is explicitly self-promotional or has content across multiple issues is also prohibited. There has been a longstanding rule against spending on newsletters. In addition, MPs are not allowed to collect data about constituents to be used for political campaigns and cannot share any data collected through their parliamentary work with a political party.
101. There are regulatory risks especially with large-scale communications aimed at constituents, which may be used in ways contrary to the rules and guidance – for example, specifically as a way of raising an MP’s political profile. These can depend on different forms of communications including the content, frequency, and whether content is created in-house or via bought-in services.
102. IPSA, and the House of Commons before it, have wrestled with these risks for many years. In 2007, the House of Commons introduced a communications allowance to better promote democracy and public engagement, but it was

the subject of considerable controversy, with some arguing it was inevitably used in a party-political way, to promote the work of individual MPs, and gave an unfair advantage to incumbents.

103. In 2009, the Committee on Standards in Public Life (CSPL) recommended the abolition of the communications allowance, with communications activity being subsumed into the wider office budget. Following its first consultation as a new regulator, IPSA recognised the risks highlighted by the CSPL and concluded there should be no separate communications budget, but that MPs would be able to access funding for certain material to help run their offices. These included contact cards and advertising surgery details, and later, maintenance of a website.

104. Later, as our regulatory approach evolved, IPSA has sought to increase the discretion available to MPs to make decisions about what costs were necessary for their parliamentary work, particularly from the office costs budget. This has resulted in many communication activities and materials including surveys, leaflets, single-issue letters to constituents, and general advertising of the MP's work and contact details becoming allowable under the Scheme.

105. More recently, as communications and advertising have developed, we have seen a shift from a traditional single-issue letter sent by post to the use of mass-distribution email, bulk-mailing of leaflets, and the development of more sophisticated content distributed via social media channels. MPs have also increasingly used advertising in other, more visible ways, such as posters on public transport and advertising boards at local sports grounds.

106. There are challenges in advising on and obtaining assurance about communications and advertising costs under the current regulatory model:

- Communications-related costs may be funded using a variety of different cost types and budgets – for example, costs relating to a leaflet as a bought-in service for design of the leaflet, as a printing service, or as large-scale postage or distribution – which means regulatory scrutiny can be inconsistent.
- Judgements about content can be subjective, particularly where there is seen to be an implicit, rather than explicit campaigning or party-political purpose.
- Reviewing and advising on individual communications materials is resource heavy for IPSA and can feel burdensome and bureaucratic to MPs' offices.

107. We are considering how the regulatory risks around communications and advertising can be managed more effectively.

## **Setting a maximum amount of funding**

108. We are proposing to establish a maximum amount that may be used from the office costs budget for costs relating to communications and advertising by each MP per financial year. If such costs are capped at a relatively low level, this would reduce the risk of funding being used for widespread political campaigning. Having mitigated the risk of significant sums being used inappropriately, we could reduce the amount of bureaucracy involved in submitting and reviewing prospective communications content. We would use a flexible, principles-based approach to the monitoring of this spend.

109. We would specify the cost types covered by the cap in guidance, which could include MP websites, contact cards and advertisements, communications strategy, and social media support.

110. When considering the amount of a cap, we would ensure it is sufficient to allow an MP to maintain a website and communicate with their constituents with reasonable frequency – for example, single-issue letters, contact information, and/or a survey seeking their views. We do not believe regional differences will impact significantly on communications and advertising and propose a limit within the office costs budget should be set at the same level for all MPs.

111. We acknowledge that introducing a cap on communications spend would impact MPs who currently spend a lot on communication activities – for example, those who produce and distribute a high volume of leaflets, or those who use some of their staffing budget to engage bought-in services to help with their social media. They may feel a change impairs their ability to engage with their constituents. We are interested to hear views about this potential impact.

**Question 19: Do you agree that IPSA should set a maximum amount of funding that can be used for communications and advertising?**

**Question 20: What do you think is an appropriate amount at which to cap communications and advertising spend? Do you agree that these should be capped at the same level for all MPs?**

112. Funding of newsletters – defined as a publication that provides an update on multiple issues or events and/or focuses on an MP’s own activities over a period of time – is not currently permitted. This is a longstanding restriction based on the risk that newsletters may be used for campaigning and self-



promotional purposes. However, as we consider the changing methods of communication, value for money and the quality of communications sent to constituents, we are considering whether this continues to be the right position.

**Question 21: Should funding be available for newsletters or other MP communications covering a number of different issues or topics?**

## Funding MPs' work accommodation

### Current eligibility rules

113. MPs are expected to have two permanent work locations – Westminster and their constituency. IPSA provides an accommodation budget to ensure those without the private finances to fund working from two locations are not prevented from becoming an MP. This is part of our wider aim of supporting a representative Parliament.
114. While it is recognised MPs have two permanent working locations, feedback suggests the provision of funding for work accommodation can be a controversial area. We believe the regulatory principles articulated earlier in this document can assist us in expressing the purpose and expectations of accommodation funding, placing greater responsibility on MPs themselves to assess whether their arrangements meet the principles of integrity, value for money, and accountability.
115. For example, based on the principle of integrity, MPs' decisions regarding accommodation funding must not be aimed at gaining financial or other material benefits for themselves, their family, friends, political associates, or other connected individuals. MPs must be able to show they have considered perceived or real conflicts of interest; and that they have not been influenced in their decisions about using IPSA funding by any interests or relationships.
116. In the past, the lack of clarity around what the intentions are for accommodation funding has opened the door to risks around personal financial gain and conflicts of interest. For instance, risks of undue personal benefit can arise:
  - Where the rules allow for MPs to receive accommodation funding while they do not maintain another private home or accommodation, and therefore do not self-fund any living costs.
  - Where the rules allow MPs who own a property and who also use public funding for a parliamentary home in the same location.
  - Where MPs are able to access a budget uplift to accommodate their dependants, but the dependants rarely or never stay with them in their parliamentary home.
  - Where the rules allow MPs to rent from other MPs, and where the landlord MP may also be receiving accommodation funding and there are no checks to ensure IPSA is not funding above the market price.

## Setting clearer expectations

117. With a view to improving assurance and ensuring MPs or connected parties are not financially benefitting from taxpayer funds, IPSA will provide clearer definitions to accompany accommodation funding, bringing the policy in line with the regulatory principles. We believe this could be achieved by publishing a list of expectations that MPs should satisfy themselves they comply with before accessing funding from the accommodation budget, to mitigate the risks outlined above.

### **Question 22: Do you agree IPSA should adopt a stronger approach to regulating accommodation funding by publishing a list of expectations that MPs must satisfy before being eligible to access the accommodation budget?**

118. It is important that being an MP is available to people from all backgrounds, irrespective of their caring responsibilities or their family circumstances. To that end, additional funding is available to MPs with caring responsibilities, to ensure that their work accommodation can help them to balance both their parliamentary and family responsibilities. Whether through an appropriately sized rental property or through hotel accommodation, this additional funding, known as the “dependant uplift”, ensures an MP is able to maintain their family life whether at their private or work location.
119. The guidance referred to in paragraph 117 above, will also set out the expectations we have ahead of accessing this additional funding, including clearer eligibility criteria that takes account of diverse and changing make-up of family units. By replacing the fixed definitions currently in the Scheme with principles-based criteria, we will be able to respond appropriately to individual circumstances in a timely way.

## Bought-in services

### Current rules

120. MPs are provided with funding for staff to carry out key roles in their office. To be paid via IPSA payroll, these staff members must be employed on a standard IPSA contract, job description, and salary range. However, in some cases, MPs need more specialist support and advice which goes beyond the knowledge or expertise of their staff. In these circumstances, they are allowed to purchase professional services, known as “bought-in services”.
121. Bought-in services are referenced in the Scheme under staffing costs: “payments for bought-in services, where staffing services are provided by companies, self-employed individuals and others not on the MP’s payroll”. In practice, IPSA allows MPs to access certain types of bought-in services from either the office costs budget or staffing budget.
122. Though not specified or outlined in the Scheme, supplementary guidance allows MPs to access four broad categories of bought-in services:

Parliamentary Accountancy	The cost of accountancy which is solely related to the MP’s parliamentary duties. MPs should only use the office costs budget for this.
Administrative Services	The cost of administrative services, for example, secretarial services, or casework. MPs should only use the staffing budget for this.
Professional & consultancy	The cost of a professional service such as a surveyor, solicitor, consultant, IT support, or website management. MPs can use either the staffing or office costs budget.
Comms and Media	The cost of professional services – such as a consultant – to provide research, write speeches, prepare press releases, social media content and others communications-related services.

123. A review of bought-in services found some areas for improvement regarding the assurance over the provision of these services. The main issues identified were poor quality or inconsistent information and invoices being provided to evidence bought-in services; incorrect budget or cost categorisation of services; lack of scrutiny of invoices provided; instances of bought-in services being used as a permanent solution to staff offices; the potential for

conflict of interests to arise where companies linked to the MP are engaged to provide services. It has also highlighted the need to update our policy regarding accounting services.

## **Parliamentary accountancy**

124. As outlined in the Scheme, IPSA will not pay claims for personal accountancy or tax advice. This includes self-assessment tax returns for personal activities and income. This also includes financial advice relating to an MP's pension.
125. Until the tax year 2024-25, all MPs were required to submit a Self Assessment tax return. We have been allowing claims for MPs' Self Assessments where they have been able to provide evidence of the costs that specifically related to their MP salary and taxable expenses, as opposed to outside earnings.
126. However, this approach was confusing and seemingly contradicts the rule referred to above, given that tax is a personal matter. In addition, as of this tax year, MPs are no longer required to submit a Self Assessment simply by virtue of being an MP, as per HMRC guidelines.
127. We are therefore proposing to make clear that IPSA will not fund accountancy services going forward.
128. IPSA will continue to provide all MPs with a P60 each year which shows the amount of salary paid and the amount of the deductions made. They will also receive a monthly statement if they have made any claims which are reimbursed through the payroll.

**Question 23: Do you agree with the proposal to remove the ability for MPs to claim for parliamentary accountancy?**

## **Conflicts of interest**

129. There have been instances where MPs or their staff have had close ties to the individuals or organisations with whom they contract, which could lead to a conflict of interest. The risk arises that decisions about the procurement of services are not made objectively or with value for money at the forefront.
130. The Scheme currently sets out a definition of "connected parties" – that is, close family members and business associates – whom MPs may not employ, purchase from, or contract for services using IPSA funding. Connected parties are defined within the Scheme as:

- a) a spouse, civil partner or cohabiting partner of the MP.
- b) a parent, child, grandparent, grandchild, sibling, uncle, aunt, nephew or niece of the MP or of a spouse, civil partner or cohabiting partner of the MP; or 14
- c) a body corporate, a firm or a trust with which the MP is connected, as defined in section 252 of the Companies Act 2006.

131. This definition is relatively narrow and does not cover all of the relationships which an MP may have which could equally influence their decision making. While we could expand the definition of connected parties, it is unlikely we would be able to cover every eventuality which could lead to a conflict of interests. Trying to establish a definitive list could have the unintended consequence of creating loopholes.

132. Instead, we believe a principles-based approach is preferable. There is a critical role for the MP themselves in assessing whether a supplier they wish to commit public funding to is appropriate. This is connected to the regulatory principle of integrity:

- MPs' decisions must not be aimed at gaining financial or other material benefits for themselves, their family, friends, political associates or other connected individuals.
- MPs must be able to show they have considered perceived or real conflict of interest; and that they have not been influenced in their decisions about using IPSA funding by any interest or relationship.

133. We are proposing that, prior to contracting with a bought-in service, IPSA will require the MP to make a written declaration stating they have assured themselves the relationship would not contravene, or reasonably be perceived as contravening the principle of integrity; and the service is appropriate for what they are being contracted to undertake. The declaration could be included in our annual publication to ensure transparency.

**Question 24: Do you agree that a written/signed declaration from MPs is required to provide assurance before agreeing a contract with a bought in service?**

## **Regulating bought-in services**

134. MPs should assure themselves before contracting with bought in services that the arrangement meets IPSA's principles. We believe, however, that in line with our risk-based approach as outlined earlier in this document, there may be occasions when we would require more detailed information about a

commercial relationship between an MP and a supplier. In these circumstances we could require the registration of a supplier's details to enable us to ensure public funding would be spent appropriately.

**Question 25: What are your views about the proposal to require registration of a bought-in service supplier in certain cases, based on the regulatory risk?**

## Equality Impact Assessment

135. IPSA's rules and guidance need to be sufficiently flexible to take into account the diverse working patterns adopted by MPs, and do not unduly deter representation from any section of society. This is in addition to our responsibilities under the Equality Act 2010.

136. IPSA will carry out an Equality Impact Assessment (EIA) to consider any likely or actual impacts of the changes proposed in this consultation, and we will publish a summary of this assessment together with the outcomes from this consultation process. We also welcome responses about how the current Scheme is operating with regard to equality and diversity.

**Question 26: What likely or actual impact do you believe the Scheme and matters raised in this consultation may have on equality and diversity in relation to MPs and their staff?**

### Collecting personal data on MPs' staff

137. Introducing the recognition of past service, inter-office staff loans and secondments into MPs' offices, will require both MPs and employers, and IPSA as the payroll provider, to keep good records of periods of employment and any other periods of statutory leave (including sickness). In order to monitor the effectiveness of these policies, including oversight of whether they are being implemented equitably and ensuring they do not introduce any discriminatory practices, IPSA would need to collect additional information about staff members, including on protected characteristics.

138. Any decision IPSA makes regarding the collection of this data would be subject to a data protection impact assessment.

**Question 27: Should IPSA collect additional personal data of MPs' staff to ensure its policies are applied equitably and do not introduce any discrimination?**