

Annual Review of the MPs' Scheme of Business Costs and Expenses 2014



Independent Parliamentary Standards Authority

**Annual Review of the MPs' Scheme of Business Costs and Expenses
2014**

Presented to the House of Commons pursuant to section 5(5) of the Parliamentary
Standards Act 2009

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FOREWORD BY THE BOARD OF IPSA

This review of the *MPs' Scheme of Business Costs and Expenses* ('the Scheme') fulfils our legal requirement to review the Scheme regularly. We have a continuing commitment to ensure the Scheme is fair, transparent and workable.

The Scheme rules are now widely understood and observed. The primary aim of this year's review was not to make major changes – they are not needed – but to refine the Scheme rules to ensure they remain appropriate. We have been mindful of the need to control costs, while conscious of our obligation to provide MPs with the support they require to carry out their parliamentary functions. This year's review was also the main opportunity to ensure that the rules are fit for purpose in the lead-up to the General Election. We do not plan to conduct another comprehensive review prior to May 2015.

The main areas covered in this year's review included MPs' engagement of volunteers; expenditure in the lead-up to the General Election; and the rules for MPs winding up their affairs when they leave Parliament. We have also considered the budget limits to ensure these remain at an appropriate level. As part of this review, we took into consideration all of the responses we received to the consultation and we are grateful to all those who took the time to share their views.

The review has resulted in the Sixth Edition of the Scheme, which will come into effect from 1 April 2014 for the 2014-15 financial year.



**Sir Neil
Butterfield** **Sir Ian Kennedy
(Chair)** **Elizabeth
Padmore** **Anne
Whitaker** **Professor
Tony Wright**

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SUMMARY OF CHANGES

Below is a summary of the key changes made to the *MPs' Scheme of Business Costs and Expenses* ("the Scheme"), following this review and public consultation. Please refer to the Scheme for full details of all the rules and guidance. All changes come into effect on 1 April 2014.

Staffing Expenditure

- Where an MP expects his or her Office Costs Expenditure budget to be exhausted, he or she may claim employment practice liability insurance and staff training costs from Staffing Expenditure.
- For the avoidance of doubt, references to 'unpaid intern' have been removed from the Scheme and replaced by 'volunteer'. There is continued recognition of 'employed interns' who are workers and must be paid at least the National Minimum Wage. The Model Volunteer Arrangement has also been amended to clarify its scope and purpose.
- The Staffing Expenditure budgets have been increased by 1% to £145,500 for London Area MPs and £138,600 for non-London Area MPs, to reflect the wider public sector pay policy.
- We have changed the rules to make clear that we will not accept any claims or requests for payments where these would take an MP over the Staffing Expenditure budget within the year.
- In future, where MPs' staff members choose to opt out of the Portcullis Pension Plan, we will only make contributions to a different plan where we already have an arrangement for payments to that plan.

Office Costs Expenditure (OCE)

- MPs will be allowed to use their IPSA-funded websites to make a statement about the Scottish Independence Referendum if they wish to do so.
- The Office Costs Expenditure budgets have been increased by 2% to £25,900 for London Area MPs and £23,250 for non-London Area MPs to reflect consumer price inflation.

Winding-Up Expenditure, Miscellaneous Expenditure and other matters

- In the event of a recall of Parliament, MPs will be expected to travel standard class or equivalent unless they have no alternative or there is a more cost-effective option available.
- We have clarified the general conditions of the Scheme to prohibit claims for any activities which could be construed as campaign expenditure or election expenses under the relevant legislation.
- MPs who are standing down at the General Election may claim for two return journeys between the MP's residence or constituency and Westminster during dissolution to wind up their affairs.
- In the event of an early General Election, claims for the purchase of capital items will not be allowed from the date of dissolution of Parliament.
- Guidance has been added for MPs leaving Parliament regarding arrangements to dispose of their office equipment and furniture.

Accommodation Expenditure

- The Accommodation Expenditure budgets for MPs claiming for rental payments in the London Area or within their constituency have been increased by 2.5% to reflect inflation.

THE MPS' SCHEME OF BUSINESS COSTS AND EXPENSES
SIXTH EDITION

April 2014

THE MPS' SCHEME OF BUSINESS COSTS AND EXPENSES

SIXTH EDITION

INTRODUCTION

1. The MPs' Scheme of Business Costs and Expenses, which makes provision for reimbursement of costs and provision of support for MPs ("the Scheme"), is made by the Independent Parliamentary Standards Authority ("IPSA") in the exercise of the powers conferred on it by section 5(3)(a) of the Parliamentary Standards Act 2009.
2. In the course of preparing this Sixth Edition of the Scheme, IPSA consulted:
 - a. the Speaker of the House of Commons;
 - b. the Committee on Standards in Public Life;
 - c. the Leader of the House of Commons;
 - d. the Committee on Standards;
 - e. members of the House of Commons;
 - f. the Review Body on Senior Salaries;
 - g. HM Revenue and Customs;
 - h. HM Treasury; and
 - i. the publicthrough a consultation between 20 November 2013 and 19 January 2014.
3. This Scheme is intended to ensure that Members of Parliament are reimbursed for the cost of provision of support necessarily incurred in the performance of their parliamentary functions.

The text in grey boxes is guidance only and is intended to provide help with interpretation of the Scheme.

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PART A: CONDITIONS

CHAPTER ONE: THE PROCESS FOR MAKING CLAIMS

- 1.1 Claims for reimbursement under this Scheme must be:
- submitted using the online expenses system or another mechanism agreed with IPSA;
 - submitted personally by the MP, or with IPSA's agreement by his or her designated proxy (except where paragraphs 1.2 or 1.3 apply);
 - submitted no more than 90 days after the expenditure was incurred; and
 - supported by the evidence required by IPSA no later than seven days after the claim is submitted.
- 1.2 IPSA may agree to allow an MP to delegate the submission of claims to the MP's designated proxy, or in exceptional circumstances where an MP is unable to fulfil his or her parliamentary functions, to another MP.

Forms to allow routine delegation to a proxy, or in exceptional circumstances to another MP, are available on the IPSA website. Exceptional circumstances may include an MP:

- *taking maternity, paternity or adoptive leave;*
- *being called up to serve in the armed forces; or*
- *being on long-term sick leave.*

- 1.3 For certain expenditure, an MP may claim payment in advance on production of an invoice or through use of an IPSA-provided payment card or may request IPSA to make payments directly to a supplier.

Guidance on payment methods can be found at Annex C.

- 1.4 A claim will not be paid if any part of the claim or the evidence supporting the claim is redacted prior to its submission to IPSA.
- 1.5 IPSA will set out in guidance the type and nature of evidence that is required in relation to each claim.
- 1.6 IPSA may make specific provision at the end of a financial year to limit the 90 day period specified at paragraph 1.1c.

CHAPTER TWO: DETERMINATION AND REVIEW OF CLAIMS

Determination of claims

2.1 Following receipt of a claim, IPSA will determine whether to allow or refuse it.

Where IPSA refuses a claim, it will be marked as “not paid” on the online expenses system.

2.2 If IPSA determines to allow the claim it will:

- a. determine how much of the amount claimed is to be allowed; and
- b. arrange for the amount allowed to be paid.

2.3 No decision by IPSA to allow or refuse a particular claim will bind IPSA in subsequent claims of the same nature.

2.4 If IPSA determines to refuse the claim or to allow only part of the amount claimed, it will notify the MP and specify the reason for the refusal.

Review of claims

2.5 Where IPSA determines either to refuse a claim or to allow only part of the amount claimed, the MP may, within 14 days of IPSA issuing that notification, request IPSA to review its determination. Such a request may only be made on the grounds that:

- a. the rules have been applied incorrectly; or
- b. an administrative error has been made by IPSA.

MPs may request a review under paragraph 2.5 using the online expenses system.

2.6 Upon receiving a request in accordance with paragraph 2.5, IPSA will:

- a. review whether the original determination was properly made;
- b. decide whether to confirm or alter the amount allowed under the original determination;
- c. notify the MP of its decision; and
- d. if any amount has been determined as allowed, arrange for it to be paid to the MP.

2.7 IPSA may also elect to review its own determinations.

- 2.8 No staff member of IPSA who was involved in making the original determination shall be involved in any review of that determination.
- 2.9 After giving IPSA a reasonable time to review the determination (as set out in paragraph 2.5) an MP may request that the determination is reviewed by the Compliance Officer.
- 2.10 IPSA will make any payments or adjustments necessary to give effect to decisions of the Compliance Officer under paragraph 2.9, provided that all relevant appeals on the matter have been withdrawn or determined and it is no longer possible for there to be a further relevant appeal.

Recovery of overpayments

- 2.11 Where an MP:
- a. has been paid an amount (or has had an amount paid by IPSA on his or her behalf) that IPSA subsequently determines should not have been paid either in full or in part; or
 - b. agrees to repay an amount following an investigation by the Compliance Officer; or
 - c. is directed by the Compliance Officer to repay an amount, together with any additional amounts that the Compliance Officer has directed the MP to pay by way of interest, penalties and/or costs incurred by IPSA in relation to the overpayment (including the costs of the Compliance Officer in carrying out the investigation); and
 - d. has not repaid the amount if requested to do so by IPSA;
- then IPSA shall arrange for the amount to be deducted from further payments of claims to which the MP may become entitled.
- 2.12 If the MP has no further claims pending from which the overpayment can be deducted, or the value of the repayment required is greater than the value of any pending further claims, IPSA will require the MP to repay the amount in question within one month of being notified of the outcome of the review or investigation.
- 2.13 If the MP does not pay the amount within one month of being notified, the amount may be deducted from the MP's salary or otherwise recovered.

CHAPTER THREE: GENERAL CONDITIONS OF THE SCHEME

- 3.1 No claims will be considered from an MP who has not agreed with IPSA that he or she will abide by the Scheme.
- 3.2 In making any claim under the Scheme, an MP must certify that the expenditure was necessary for performance of his or her parliamentary functions, and that in incurring the expenditure he or she had complied with the Scheme.
- 3.3 The Scheme makes provision for the exercise in certain circumstances of discretion by MPs and by IPSA. Such discretion is not absolute. At all times:
- a. it shall be exercised reasonably; and
 - b. MPs and IPSA shall satisfy the requirement of the Parliamentary Standards Act that MPs must only be paid or reimbursed for costs necessarily incurred for the performance of their parliamentary functions.
- 3.4 The following are examples of activities that are not considered as necessary for the performance of MPs' parliamentary functions:
- a. attendance at political party conferences or meetings;
 - b. work which is conducted for or at the behest of a political party;
 - c. activities relating to reviews of parliamentary constituency boundaries;
 - d. activities which could be construed as campaign expenditure within the scope of the Political Parties, Elections and Referendums Act 2000;
 - e. activities which could be construed as election expenses within the scope of the Representation of the People Act 1983;
 - f. work relating to delegations to an international assembly; or
 - g. work relating to the performance of Ministerial functions.

If an MP is unsure whether an activity constitutes either campaign expenditure or election expenses, he or she should seek advice from the Electoral Commission.

- 3.5 For the purpose of Chapter Seven, the activities at paragraph 3.4 are not considered as necessary for the support of the performance of parliamentary functions by MPs' staff.

- 3.6 MPs must provide any information or assistance reasonably required by IPSA to carry out its management assurance functions, in order to ensure the appropriate and cost-effective use of public funds, or for the purposes of audit.
- 3.7 Any duty of IPSA to pay any expenses to an MP is subject to anything done in relation to the MP in the exercise of the disciplinary powers of the House of Commons.

Publishing of claims

- 3.8 IPSA will publish information relating to claims in accordance with its procedures and policy relating to such publication.

Claims will be published on IPSA's website, as will IPSA's decision on each claim. IPSA recognises the need to take proper account, in terms of what is published, of the boundaries between the public and private. In determining what information to publish, IPSA is, as any other public authority, subject to the requirements of the Data Protection Act and the Freedom of Information Act. IPSA's publication scheme is available on the IPSA website.

Budgets and financial limits: general provisions

- 3.9 Unless specified elsewhere, all budgets and financial limits set out in this Scheme are for a year commencing on 1 April, and ending on 31 March of the following year. All references to a "year" are to be read in this context.
- 3.10 Where a Parliament commences or is dissolved within a year, IPSA may calculate proportionally reduced budgets for the remainder of the year and set them out accordingly.
- 3.11 IPSA may from time to time amend the budgets and financial limits set out in this Scheme.

MPs may incur business costs and expenses above the stated limits in the Scheme if they wish to do so. However any business costs and expenses above these limits will not be met from the public purse.

- 3.12 Expenses may not be transferred between budgets, nor may they be charged in advance of the beginning of a year, except with IPSA's agreement. Amounts not utilised in any particular year's budget may not be carried forward into subsequent years, except in relation to the Start-Up Expenditure.

Individual claims for expenses and costs may be claimed from only one budget. Where a specified cost may be claimed from either the Staffing Expenditure or Office Costs Expenditure budgets, the entirety of the claim must come from one budget alone and will not be split between budgets.

The London Area

3.13 For the purposes of this Scheme, MPs representing any constituency listed in Schedule 2 are referred to as "London Area MPs", and any reference should be read accordingly.

3.14 MPs representing any other constituency are referred to as "non-London Area MPs".

General restrictions applicable to claims

3.15 For the purposes of this Scheme, a connected party is defined as:

- a. a spouse, civil partner or cohabiting partner of the member;
- b. 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
- 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.

The Companies Act 2006 can be found at <http://www.legislation.gov.uk/ukpga/2006/46>.

3.16 No costs may be claimed relating to the purchase of goods or services, where the MP or a connected party is the provider of the goods or services in question.

3.17 Except to the extent permitted under paragraph 4.18, no costs may be claimed relating to an MP's rental of a property, where the MP or a connected party is the owner of the property in question.

3.18 'Air miles' or similar customer loyalty benefits and other discounts earned on purchases for which claims are payable under this Scheme are not for personal use, but must be applied to further claimable expenditure.

PART B: WORKING FROM TWO LOCATIONS

CHAPTER FOUR: ACCOMMODATION EXPENDITURE

- 4.1 Accommodation Expenditure is designed to meet costs necessarily incurred on overnight accommodation which is required for the performance of an MP's parliamentary functions.
- 4.2 Accommodation Expenditure is not payable to MPs who:
 - a. are London Area MPs; or
 - b. by virtue of any particular office held, occupy 'grace and favour' accommodation.
- 4.3 MPs may only claim for Accommodation Expenditure in relation to a property at one location, which may be either:
 - a. in the London Area, or
 - b. within the MP's constituency, or within 20 miles of any point on the constituency boundary.
- 4.4 In exceptional circumstances and notwithstanding paragraph 4.3, IPSA may at its discretion allow an MP to claim for more than one property in the MP's constituency.
- 4.5 Where an MP is claiming Accommodation Expenditure under paragraph 4.9b or 4.9c, the MP must be routinely resident at the property supported by IPSA, and may not sublet this property.
- 4.6 Claims may only be made for Accommodation Expenditure (other than for hotel costs) once IPSA has approved the MP's rental contract, or mortgage agreement, or has been provided with proof of ownership, and agreed that such claims can be made.
- 4.7 IPSA will approve all rental contracts to ensure the eligibility criteria and conditions are met before any claims can be made. MPs should satisfy themselves that the conditions as set out in the Scheme are met.
- 4.8 MPs may rent accommodation from another MP, provided that the landlord MP is not a connected party. Only the tenant MP may claim the associated expenditure for that property.
- 4.9 Accommodation Expenditure may be claimed only for the following costs:

- a. hotel accommodation; or
- b. rental payments and associated expenditure as set out at paragraph 4.10; or
- c. for MPs who own their property, associated expenditure as set out at paragraph 4.10.

4.10 Associated expenditure includes:

- a. utility bills (gas, electricity, other fuel and water);
- b. council tax;
- c. ground rent and service charges;
- d. home contents insurance;
- e. in the case of MPs claiming under 4.9c, buildings insurance;
- f. purchase, installation and maintenance of routine security measures;
- g. installation of a landline telephone line, line rental and usage charges;
- h. installation of a broadband connection and usage charges;
- i. connection to a basic, free to air television broadcast package; and
- j. the purchase of a television licence.

“Routine security measures” are security locks, alarms, or similar.

4.11 Associated expenditure shall not include and no claims will be paid for:

- a. cleaning;
- b. gardening; or
- c. the purchase or maintenance of furniture.

4.12 Accommodation Expenditure may only be paid for hotel costs to non-London Area MPs who have informed IPSA of their intention not to claim for rental property, associated expenditure under paragraph 4.10, or the London Area Living Payment.

Claiming for rental payments

4.13 For MPs claiming for rental payments in the London Area, the annual Accommodation Expenditure budget (including all associated expenditure as set out at paragraph 4.10) is £20,600.

4.14 For MPs claiming for rental payments within the MP's constituency, or within 20 miles of any point on the constituency boundary, IPSA may set out in guidance annual Accommodation Expenditure budgets, which may vary having regard to particular constituencies.

4.15 The budgets for particular constituencies are set out at Annex B.

MPs may enter into a rental agreement above the Accommodation Expenditure limit in the Scheme if they wish to do so. However, any rent or associated expenditure above this limit will not be met by IPSA.

IPSA has assessed that £2,800 per year is an appropriate amount for associated expenditure. MPs with low rental payments will be able to claim more than £2,800 per year in associated costs, provided they do not exceed the overall budget. However, they should have regard to the fact that £2,800 is built into the budget specifically for these costs.

4.16 The Accommodation Expenditure budget is designed to include the cost of drawing up any tenancy agreement and any agency fees incurred on entering into or extending contracts for rental accommodation.

4.17 Removal costs for moving to new accommodation may be claimed from the Contingency Fund. No pre-approval is required.

MPs are advised to negotiate a clause within their contract to allow them to extricate themselves from the contract within two months in case of a change in circumstances such as the loss of their seat at a General Election. The Winding-Up budget permits former MPs to claim for expenses incurred for a maximum of two months after they cease to be MPs.

MPs who own their own homes

4.18 For MPs claiming associated expenditure only, the annual Accommodation Expenditure budget is £8,850.

4.19 IPSA may recover any outstanding amount owed by an MP in respect of the publicly subsidised share of the property of an MP who claimed mortgage interest for that property at any time during the period from 7 May 2010 to 31 August 2012. That share shall be calculated and recovered in accordance with the provisions of Annex A to the Fourth Edition of this Scheme, a copy of which is retained hereto for that purpose.

MPs who share rental accommodation

- 4.20 If two or more eligible MPs choose to share rental accommodation, that intention must be registered with IPSA when registering the property. In this case, the names of each MP must be on the rental agreement as provided to IPSA.
- 4.21 Each MP will be entitled to the full Accommodation Expenditure budget and all costs claimed from Accommodation Expenditure by MPs who elect to share accommodation should be apportioned equally between those MPs.

Additional budgets for MPs with caring responsibilities

- 4.22 An MP who is eligible to claim Accommodation Expenditure for rental costs may have his or her budget limit increased by up to £2,425 in any financial year for any additional expenditure that may be required, for each person for whom that MP has caring responsibilities (known hereafter as the “dependant”), provided that he or she can certify that the dependant routinely resides at the rented accommodation.
- 4.23 MPs will become eligible for additional expenditure under paragraph 4.22 once they register their dependant(s) with IPSA.

If an MP is expecting a child or is in the process of adoption, and the MP wishes to secure new accommodation as a result, he or she should notify IPSA as soon as possible. Early notification will assist both the MP and IPSA in making the appropriate arrangements.

- 4.24 For the purposes of this Scheme, MPs will be deemed to have caring responsibilities where they:
- a. have parental responsibility for a dependent child of up to the age of 16, or up to the age of 18 if in full-time education; or
 - b. are the sole carer for a dependent child in full-time education, of up to the age of 21 years; or
 - c. are the primary carer for a family member in receipt of one of the following benefits:
 - i. Attendance Allowance;
 - ii. Disability Living Allowance at the middle or highest rate for personal care;
 - iii. Personal Independence Payment at the standard or enhanced rate for daily living; or

- iv. Constant Attendance Allowance at or above the maximum rate with an Industrial Injuries Disablement Benefit, or basic (full day) rate with a War Disablement Pension.

Full-time education means a course where the average time spent during term time receiving tuition, engaging in practical work or supervised study or taking examinations is more than 12 hours a week and is not linked to employment or any office held. It includes breaks taken as an integral part of the course, such as “sandwich years”.

Loans for deposits on rental properties

- 4.25 An MP who intends to claim Accommodation Expenditure for rental costs may apply to IPSA for a loan to cover any deposit payable at the commencement of a tenancy. This loan will not be deducted from the Accommodation Expenditure budget.
- 4.26 The value of any loan under paragraph 4.25 may not exceed:
 - a. the deposit which is stipulated in the rental agreement; or
 - b. one quarter of the appropriate annual Accommodation Expenditure budget for the location (i.e. London Area or the constituency),whichever is the lower.
- 4.27 Applications for loans should be accompanied by a draft of the rental agreement, for IPSA to approve. MPs will be asked to sign hard copies of loan agreements before funds are provided to them. The terms and conditions of the loan will be set out in these agreements.
- 4.28 No MP may hold more than one loan for a deposit on residential accommodation at any one time, except where IPSA agrees otherwise.
- 4.29 The MP is responsible for securing the return of the deposit and for repaying the amount in full to IPSA, no later than one month after the date on which the tenancy came to an end or when the MP leaves Parliament (whichever is earlier). Any shortfall between the deposit paid and the amount returned shall be the sole responsibility of the MP.

Conditions applicable to Accommodation Expenditure

- 4.30 An MP's entitlement to an uplift in his or her budget for Accommodation Expenditure attributable to caring responsibilities as set out at paragraph 4.22 shall cease under the following circumstances:
- a. in the case of any dependant, when that person ceases to reside routinely at the property with the MP;
 - b. in the case of a dependent child under the age of 16 years, six months after the end of the financial year during which the child attains that age;
 - c. in the case of a dependent child in full-time education between the ages of 16 and 18 years, six months after the end of the financial year during which the child turns 18 or concludes full-time education whichever is the earlier;
 - d. in the case of a dependent child in full-time education between the ages of 18 and 21 years for whom the MP is the sole carer, six months after the end of the financial year during which the child turns 21 or concludes full-time education whichever is the earlier;
or
 - e. in the case of any family member for whom the MP is the primary carer, who is in receipt of one of the benefits listed at paragraph 4.24c, six months after the end of any financial year during which the family member ceases to be in receipt of one of those benefits.

Hotel Costs

- 4.31 Accommodation Expenditure may only be claimed in relation to hotel accommodation up to a maximum cost of £150 per night in the London Area, or £120 elsewhere in the United Kingdom.
- 4.32 If this cost includes breakfast, then it will also be reimbursed, provided it is included on the same receipt, and that the overall limit is not exceeded. These limits are inclusive of VAT.

MPs should note that the House of Commons Travel Office may be able to book hotels at a rate below these limits or, alternatively, hotel price comparison websites may be useful.

CHAPTER FIVE: THE LONDON AREA LIVING PAYMENT

- 5.1 The London Area Living Payment is intended to contribute towards the additional expenses of living in the London Area or of commuting regularly to the London Area.
- 5.2 The London Area Living Payment may be claimed by:
- a. London Area MPs, or
 - b. non-London Area MPs who have informed IPSA of their intention not to claim for Accommodation Expenditure.
- 5.3 The London Area Living Payment is limited to £3,760 per financial year, payable on a monthly basis.
- 5.4 MPs representing certain constituencies (detailed in Schedule 3) may claim an additional £1,330 per year in London Area Living Payment.

Conditions

- 5.5 The London Area Living Payment will not be payable in relation to any period before notification is given to IPSA that the MP has elected to claim it.

Provided the MP applies before the payroll deadline for the month, IPSA will pay LALP for the current month in full. The payroll deadline is usually the 15th of the month (but will be earlier if the 15th falls on a bank holiday or weekend). If the MP applies after the deadline, LALP will not be paid until the following month.

- 5.6 The London Area Living Payment will not be payable to an MP who occupies any 'grace and favour' accommodation by virtue of any particular office held.
- 5.7 If an MP in receipt of the London Area Living Payment subsequently elects to claim Accommodation Expenditure, the MP's entitlement to the London Area Living Payment will cease with effect from the day before Accommodation Expenditure is claimed.

PART C: OFFICE SUPPORT

CHAPTER SIX: OFFICE COSTS EXPENDITURE

- 6.1 Office Costs Expenditure (OCE) is provided to meet the costs of renting, equipping and running an MP's office or offices and surgeries, where these costs are not claimable from other budgets under this Scheme, or from other sources.
- 6.2 All MPs are eligible for Office Costs Expenditure, whether or not they rent a constituency office.
- 6.3 For London Area MPs, the annual Office Costs Expenditure budget is £25,900.
- 6.4 For non-London Area MPs, the annual Office Costs Expenditure budget is £23,250.
- 6.5 MPs are entitled to exercise discretion over claims for items that meet the purposes of the Office Costs Expenditure budget, provided that the claims meet the general conditions of the Scheme and the conditions in this Chapter.
- 6.6 Office Costs Expenditure may only be claimed for the performance of parliamentary functions. It may not be claimed for:
- a. any alcoholic drinks;
 - b. stationery provided by the House of Commons;
 - c. newsletters;
 - d. funding any material, excluding a website, that contains a party political logo or emblem; or
 - e. personal accountancy or tax advice.
- 6.7 MPs may use their IPSA-funded websites to make a statement about their position on the Scottish Independence Referendum.
- 6.8 Where an MP moves office, removal costs are not required to come from Office Costs Expenditure. They may be claimed from the Contingency Fund instead. No pre-approval is required.

Office Costs Expenditure may be claimed for any costs required to support the set-up and ongoing running of the MP's constituency office or offices (including rental costs), where these are necessary for the performance of an MP's parliamentary functions and meet the conditions of the Scheme. Other than as noted in this guidance, IPSA will not provide advice on whether a particular item is claimable from this budget.

IPSA has arranged a facilitated purchase of employment practice liability insurance for MPs. The premium for this insurance will be deducted from the Office Costs Expenditure budget if an MP decides to purchase the cover through IPSA. If an MP decides to purchase this insurance separately (i.e. not through the IPSA-facilitated purchase arrangement), this may be claimed from the Office Costs Expenditure budget. Please refer to paragraph 7.3j.

For MPs representing Welsh constituencies, the costs of translation between the Welsh and English languages may be met from the Contingency Fund, rather than from the Office Costs Expenditure budget.

MPs should not claim for pooled staffing resources (such as the Parliamentary Resources Unit, Parliamentary Office of the Liberal Democrats or Parliamentary Research Service) from the Office Costs Expenditure budget unless they expect their Staffing Expenditure budget to be exhausted.

MPs may only claim for telephone calls that relate to their parliamentary work. When submitting a claim, MPs will be required to determine the appropriate proportion of their phone bill that they wish to claim for (which may be 100%). MPs will need to enter the amount of the bill they wish to claim, not the percentage figure.

Any claim for catering costs must show the full detail of the items claimed for and must show the cost per head. Claims should be limited to non-alcoholic drinks and light refreshments.

Constituency office rental costs

6.9 Office Costs Expenditure may also be claimed for the rent of one or more premises to be used as a constituency office, each of which must be registered with IPSA before a rental claim is made. A constituency office must be located within the constituency or less than 20 miles outside it.

6.10 Claims for the following costs will only be allowed where the office has been registered with IPSA:

- a. energy and water bills;
- b. business rates;
- c. contents and buildings insurance; and
- d. rental and usage costs for telephone and internet access.

6.11 Where the costs in paragraph 6.10 above are incurred at an MP's or staff member's home (for example if he or she works from home routinely), that home must be registered with IPSA as a constituency office, or (where it is more than 20 miles outside the constituency) as a "home office".

6.12 If a member of staff routinely works from home and wishes to register his or her home as a home office under paragraph 6.11, the restriction in paragraph 6.9 (that it must be within the constituency or fewer than 20 miles outside of it) is not applicable.

6.13 Where the constituency office is to be rented from a political party or constituency association:

- a. the MP must provide a valuation of the market rate for the contract prepared by a valuer regulated by the Royal Institution of Chartered Surveyors; and
- b. that market rate must not be exceeded.

The cost of the valuation is claimable under Office Costs Expenditure.

MPs are strongly advised to negotiate a clause within their contract to allow them to extricate themselves from the contract within two months in case of a change in circumstances such as the loss of their seat at a General Election. The Winding-Up budget permits former MPs to claim for expenses incurred for a maximum of two months after they cease to be MPs.

Where an MP has an office at home, or an MP's staff member routinely works from a home office under 6.11, he or she must be able to satisfy HMRC that this is a de facto office, and not that he or she occasionally works at home. IPSA will then reimburse associated expenditure according to the HMRC guidelines on working from home.

In no circumstances will rent for an MP's home office be reimbursed in addition to Accommodation Expenditure. Any journeys made from this location will be treated as from home, and IPSA will not reimburse the MP's daily commute.

Loans for deposits on rental properties

6.14 An MP who intends to claim Office Costs Expenditure for rental costs may apply to IPSA for a loan to cover any deposit payable at the start of a tenancy.

6.15 The MP is responsible for securing the return of the deposit and for repaying the amount in full to IPSA, no later than one month after the date on which the tenancy comes to an end or

when the MP leaves office (whichever is earlier). Any shortfall between the deposit paid and the amount returned shall be the sole responsibility of the MP.

Use of offices by others

6.16 Where an MP who claims office rental expenditure grants a licence or gives permission to any person for the use of the constituency office (or any part of it) on one or more occasions, a fee must be charged which reflects an appropriate proportion of the rent and other costs incurred.

6.17 This fee must be remitted to IPSA in its entirety.

Shared offices

6.18 If an MP shares a constituency office or surgery with another MP, a member of the European Parliament, the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly, Office Costs Expenditure may be claimed only for the appropriate proportion of the rent and other office costs. The MP will be required to inform IPSA of the relevant proportion when registering the office.

IPSA will use the relevant proportion of the costs to calculate both rent and costs payable to the MP.

Where an MP shares an office with a Member of the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly, he or she should submit a claim for his or her proportion of the expenses using the online expenses system as usual. IPSA will accept a copy of any invoices or receipts rather than the original, so that the original can be submitted to the Parliament or Assembly as appropriate. MPs should indicate that this is the case when submitting the claim.

CHAPTER SEVEN: STAFFING EXPENDITURE

- 7.1 Staffing Expenditure may be claimed to meet the cost incurred in the provision of staff to assist with the performance of an MP's parliamentary functions. Throughout this Chapter, “staff” should be taken to include “apprentices” where those apprenticeships meet the standards of the National Apprenticeship Service and “employed interns”, except where stated in paragraphs 7.8 and 7.9.
- 7.2 All MPs are eligible for Staffing Expenditure.
- 7.3 Staffing Expenditure may be used to meet the following costs:
- a. staff salaries, employers' contributions to National Insurance and employers' contributions to pension schemes;
 - b. payments to pooled staffing resources;
 - c. payments for bought-in services;
 - d. overtime payments, to the extent that these are specified in staff terms and conditions;
 - e. payments for childcare vouchers for staff or other payments by way of salary sacrifice schemes;
 - f. modest reward and recognition payments (but these may not be claimed in respect of any connected parties);
 - g. one-off health and welfare costs associated with provision of staffing support, such as eyesight tests and occupational health assessments;
 - h. costs associated with apprenticeships that meet the standards of the National Apprenticeship Service;
 - i. the incidental expenses of volunteers (as set out in paragraph 7.12); and
 - j. where the MP expects the Office Costs Expenditure budget to be exhausted, employment practice liability insurance and staff training costs.

“Pooled staffing resources” refers to services provided to a group of MPs for provision of research or other support, such as the Parliamentary Resources Unit, Parliamentary Office of the Liberal Democrats or Parliamentary Research Service. Where they expect their Staffing Expenditure budget to be exhausted, MPs may claim for these services from their Office Costs Expenditure budget.

“Bought-in services” refers to staffing services provided by companies, self-employed individuals or others not on the payroll.

MPs must make sure that all their staff have the correct employment status, to ensure that the correct tax and National Insurance contributions are paid. Employment status is not a matter of choice; it is determined by the nature of the working relationship, including the level of control exercised by the MP, even if the work is only casual or part-time. A complete guide to employment status can be found on HMRC's website: www.hmrc.gov.uk/employment-status. Employees should be registered on the IPSA payroll in the usual manner.

Any necessary expenditure on staff redundancies will be met from the contingency fund, while any paid time in lieu of notice or holiday pay due to the staff member will be met from the MP's Staffing Expenditure budget. The level of redundancy payments covered is defined in the staff contracts as approved by IPSA.

MPs will not be reimbursed by IPSA for the payment of bonuses, but may claim for modest reward and recognition payments. The level of reward and recognition payments is left to the MP's discretion, but should be modest. The amounts of reward and recognition payments claimed for MPs' staff may be published annually.

7.4 The following costs will be met centrally and will not be deducted from an MP's Staffing Expenditure budget:

- a. necessary expenditure on replacement staff to cover staff on maternity, paternity, or adoptive leave; and
- b. necessary expenditure on replacement staff to cover staff on long-term sick leave (i.e. longer than two weeks).

Limits

7.5 For London Area MPs, the annual Staffing Expenditure budget is £145,500.

7.6 For non-London Area MPs, the annual Staffing Expenditure budget is £138,600.

Conditions

7.7 The salaries of staff employed by an MP after 7 May 2010 will be paid by IPSA provided that the following conditions are satisfied:

- a. the member of staff is employed to do work that complies with one or more of the job descriptions published by IPSA;
- b. the member of staff's salary is within the relevant range published by IPSA for the job description in question;
- c. a contract of employment that complies with the model contract of employment published by IPSA from time to time has been signed by the relevant parties; and

- d. the MP has provided to IPSA proof that conditions a-c above have been satisfied and has obtained IPSA's approval to the contract of employment.

Model contracts and job descriptions, along with further guidance, can be downloaded from IPSA's website.

When setting the pay for their staff, MPs should have regard to the terms of the wider public sector pay policy. Under the terms of this policy, public sector pay increases will be capped at an average of 1%.

7.8 Paragraph 7.7 does not apply to apprentices. The salaries of apprentices employed by an MP after 7 May 2010 will be paid by IPSA provided that the following conditions are satisfied:

- a. the apprentice is employed on terms that meet the standards of the National Apprenticeship Scheme; and
- b. the terms of the employment and the job description have been provided to IPSA.

7.9 Paragraph 7.7b does not apply to employed interns. The salaries of employed interns engaged by an MP after 7 May 2010 will be paid by IPSA provided that the employment conditions comply with the requirements of National Minimum Wage legislation.

Employed internships are typically understood to be a period of workplace learning usually lasting between 3-12 months in a position which generally requires a higher level of qualification than other forms of work experience. Employed internships are believed to be a way for individuals to develop the skills and experience that may aid future employment opportunities.

7.10 Staff employed by the MP on 7 May 2010 may remain on job descriptions, salaries and contracts that do not conform to the conditions in paragraph 7.7 above.

7.11 Once the conditions set out in paragraph 7.7 have been fulfilled (or IPSA is satisfied that they will be fulfilled) IPSA may at its discretion pay the salaries of MPs' staff with effect from the commencement of the staff members' employment.

7.12 MPs who engage volunteers must submit a signed arrangement with the volunteer to IPSA before claims for incidental expenses can be made. The signed arrangement must comply with the model arrangement published by IPSA. Incidental expenses are limited to reasonable travel and food, and non-alcoholic drinks.

A model volunteer arrangement is available on IPSA's website: www.parliamentarystandards.org.uk.

7.13 MPs must notify IPSA whenever an arrangement with a volunteer comes to an end.

7.14 Volunteers are not required to carry out specific duties for the MP, and they are assisting the MP with his or her duties on a voluntary basis. Should the nature of the volunteer's work change so that they would be classified as an employee, the MP must contact IPSA and provide the individual with a contract of employment, subject to National Minimum Wage legislation.

It is the MP's responsibility to ensure that any volunteers are not in fact workers and therefore entitled to payment of a salary. Volunteers may receive incidental expenses only. For further advice, please see the advice from the Department of Business, Innovation and Skills, which is available on IPSA's website: www.parliamentarystandards.org.uk.

7.15 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 that case the MP may continue to employ these connected parties until the parties in question cease to be employed or otherwise to provide staffing assistance.

7.16 IPSA will not accept any claims or requests for payments (including payment of overtime, increases in salary, addition of new staff members to payroll, or other changes to the staff complement) where these will take an MP over the relevant budget limit within the year.

Paragraph 7.16 does not affect the costs met centrally under paragraph 7.4.

7.17 Nothing in this Scheme shall be taken to affect the MP's position as the employer of his or her staff.

Employers' contributions to National Insurance

7.18 Employers' National Insurance contributions will be paid by IPSA for all members of staff for whom salaries are paid. These will be deducted from the budget for Staffing Expenditure. Employees' contributions will be deducted from salaries.

Pension scheme payments

7.19 Employers' pension contributions will be paid by IPSA for all members of staff for whom salaries are paid. These will be deducted from the budget for Staffing Expenditure. Employees' contributions will be deducted from salaries.

7.20 Except where the employee in question has opted out of the Portcullis Pension Plan, the contributions at paragraph 7.19 shall be towards that plan and shall be equal to 10% of the employee's salary.

7.21 IPSA will, if requested by the MP, make contributions to a different pension plan if:

- a. it is satisfied that this is the preference of that staff member; and
- b. IPSA already has an arrangement for payments to that plan.

Salary sacrifice for employee benefits

7.22 An MP may request IPSA to make arrangements for employees to have access to benefits such as childcare voucher schemes through salary sacrifice arrangements. Payments from staff's salaries will be administered by IPSA. Any employer contributions will be deducted from the budget for Staffing Expenditure.

<i>Guidance and associated documentation on salary sacrifice schemes can be found on the IPSA website.</i>
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CHAPTER EIGHT: START-UP, WINDING-UP AND RESETTLEMENT PAYMENTS

A: START-UP

Purpose and eligibility

- 8.1 Start-Up Expenditure is designed to meet the costs of setting up one or more constituency offices as a new MP.
- 8.2 Start-Up Expenditure is available for MPs elected to Parliament for the first time for a particular constituency. Notwithstanding any budgetary limit applicable, IPSA may at its discretion limit the Start-Up Expenditure budget for individual MPs.

Start-Up Expenditure is intended to meet the costs of “big-ticket” start-up items, such as computers, desks, re-decoration etc.

Duration and limit

- 8.3 The Start-up Expenditure budget is set at £6,000 and lasts for 365 days from the day after the date of election of the MP.
- 8.4 Notwithstanding paragraph 3.12, if a new MP has not exhausted the Start-Up Expenditure budget by the end of the financial year and part of the 365 day period remains, the remaining budget will be rolled over into the next financial year. Any unspent funds will expire 365 days after the day after the date of the MP’s election.

B: WINDING-UP

Purpose and eligibility

- 8.5 Winding-Up Expenditure is designed to meet the cost of completing the outstanding parliamentary functions of a person who ceases to be an MP.
- 8.6 Winding-Up Expenditure is available to MPs when they are not re-elected to Parliament (whether or not this is because they do not stand at a General Election) or who leave the House during a Parliament. Former MPs may claim for expenses incurred for a maximum of two months after they cease to be MPs.

8.7 Winding-Up Expenditure may be claimed for the costs of concluding parliamentary functions, including:

- a. salary and National Insurance costs for any staff who continue to work for the MP (for a maximum of two months after the MP leaves Parliament);
- b. other contractual liabilities for staff in respect of the period after the date of the General Election, such as any employer pension contributions, overtime worked, untaken holiday and pay in lieu of notice if allowed by staff contracts;
- c. contractual liabilities for offices and/or equipment, such as office rent and utility bills, and equipment rental payments for the notice period;
- d. travel costs where necessary for completion of parliamentary functions, with certification that the travel was for the purpose of closing down such functions;
- e. any costs reasonably incurred under the terms of an office rental agreement, such as the costs of redecorating the office and making good dilapidations;
- f. postage, stationery and telephone costs, subject to the rules in Chapter Six of this Scheme, with evidence that the claim relates to the conclusion of parliamentary functions;
- g. the costs of removing items such as furniture from the MP's office;
- h. other associated costs, such as the shredding of confidential waste or cleaning the hard disk of any IT equipment which has been purchased under the Scheme; and
- i. the costs, including removal costs, of leaving any accommodation funded under the Scheme, but excluding redecoration and cleaning costs.

MPs who leave Parliament should make arrangements to dispose of their office equipment and furniture. An MP may choose to transfer these items to their successor or another MP, or donate equipment to a charity of their choice. If the MP makes a profit from disposing of equipment, they should refund this to IPSA. MPs should dispose of any equipment safely and securely, in compliance with the Data Protection Act 1998. MPs can claim any disposal costs from their Office Costs Expenditure budget before the election or the Winding-Up budget after the election, as appropriate.

8.8 The costs of staff redundancy payments will be met from the Contingency Fund.

8.9 MPs may continue to claim for accommodation rental payments and/or associated expenditure for a maximum of two months after leaving Parliament. These costs will be met from the Contingency Fund.

- 8.10 MPs who received disability or security assistance prior to leaving Parliament may continue to claim on the same basis for a maximum of two months after leaving Parliament.

Limit

- 8.11 For London Area MPs, the Winding-Up Expenditure budget is limited to a maximum of £57,150.
- 8.12 For non-London Area MPs, the Winding-Up Expenditure budget is limited to a maximum of £53,950.

C: RESETTLEMENT PAYMENTS

- 8.13 MPs will be eligible to receive a resettlement payment if they lose their seat at either:
- a. the General Election scheduled for 8 May 2015; or
 - b. a General Election held before that date.
- 8.14 To qualify for the resettlement payment, the individual must have been an MP on the day before the dissolution of Parliament and a candidate for re-election for the same seat, but not re-elected.
- 8.15 The amount of the resettlement payment payable is one calendar month's salary (at the rate payable to MPs immediately before polling day) for each completed year of service subject to a maximum payment equal to six months' salary.
- 8.16 Before receiving the resettlement payment MPs must ensure they make the following necessary arrangements to wind up their affairs, including:
- a. issuing redundancy notices to staff and sending instructions to IPSA;
 - b. repaying any outstanding debts to IPSA (such as repayment of advances, deposit loans, and overpaid expenses, and capital gains owed as a result of mortgage interest subsidy);
 - c. submitting all expense claims for the period running to the election;
 - d. carrying out administrative tasks such as cancellation of the IPSA payment card; and
 - e. any other necessary tasks identified by IPSA.

PART D: OTHER SUPPORT

CHAPTER NINE: TRAVEL AND SUBSISTENCE EXPENDITURE

- 9.1 Travel and Subsistence claims may be made for the costs of travel, and travel-related subsistence expenditure undertaken by an MP or others, which are necessarily incurred in the performance of the MP's parliamentary functions.
- 9.2 MPs may claim for Travel and Subsistence Expenditure for journeys which are necessary for the performance of their parliamentary functions, and fall into one of the following categories:
- a. for MPs who are eligible for Accommodation Expenditure, journeys between any point in the constituency (or a home or office within 20 miles of their constituency boundary) and Westminster or a London Area home;
 - b. for MPs who are not eligible for Accommodation Expenditure, journeys between their constituency office and Westminster;
 - c. travel within the constituency or within 20 miles of the constituency boundary;
 - d. extended UK travel under paragraph 9.3; or
 - e. a maximum of three return journeys per year to the national Parliaments of Council of Europe member states, or institutions and agencies of the European Union.

Non-London Area MPs who choose to claim the London Area Living Payment are not eligible for Accommodation Expenditure, and cannot claim for journeys described in paragraph 9.2a. Journeys as described under paragraph 9.2b will be claimable in these circumstances. Paragraph 9.2b is not intended to allow London Area MPs to claim for their daily commute by first going into the office every day and visiting the office on the way back home. Rather it is to allow for travel claims when MPs need to travel between Westminster and the constituency office in order to conduct constituency business.

Extended UK Travel

- 9.3 MPs may only claim for extended UK travel if they can demonstrate that the journey undertaken was made for at least one of the following reasons and if funding for the journey is not provided by another source.
- a. Journeys from Westminster or the constituency to anywhere in the UK if the journey was required for one of the following:
 - i. a matter currently before the House;
 - ii. a matter currently before a Select Committee on which the MP serves;

- iii. a journey made as part of an All Party Parliamentary Group (APPG) if the journey has been expressly and formally requested by the APPG;
 - iv. a constituent or general constituency matter; or
 - v. opposition front bench or shadow ministerial travel.
- b. Journeys from Westminster to the constituency (or vice versa) that involved a diversion for a non-parliamentary purpose. The maximum claimable fare is the anytime standard open fare of the direct journey between Westminster and the constituency.
 - c. Journeys necessarily incurred in the performance of the MP's parliamentary functions from anywhere in the UK to Westminster or the constituency. The amount that can be claimed is the lesser of the anytime standard open fare of the direct journey between the constituency and Westminster, or the value of the claim from the starting location to the destination.

9.4 Extended UK travel may not be claimed for:

- a. journeys made on Party business;
- b. travel related to a delegation to an international assembly;
- c. journeys made on Government business; or
- d. journeys made for the purpose of electioneering.

MPs should include explanatory notes when claiming for Extended UK Travel.

General conditions

9.5 Other than at paragraph 9.39 below, no claims will be payable for the cost of the daily commute to and from a place of work for MPs or a member of an MP's staff. This includes journeys between:

- a. Westminster and an MP's residence in the London Area; or
- b. an MP's constituency residence and his or her constituency office.

9.6 No claims will be payable for journeys which are undertaken for the purpose of carrying out ministerial functions, or for carrying out functions relating to an MP's role on an official delegation.

9.7 The MP should always have regard to whether any particular journey is necessary and to the most cost-effective way to undertake it. In particular, whatever means of transport is used, consideration should be given to whether potential savings to public funds could be made

through the use of concessionary fares such as Oyster cards, season tickets, advance purchase or off-peak travel.

Specific conditions: public transport

9.8 For allowable journeys by public transport, MPs may buy a ticket of any class but (except where paragraph 9.9 below applies) reimbursement will be limited to the rate of an economy class ticket available at the time of booking. In the case of air travel, "economy" includes "flexible economy".

9.9 For allowable journeys made by rail, reimbursement will be limited to the rate of an "anytime standard open" ticket for the journey prevalent at the time of the claim.

Information on standard open fares is included in the online expenses system, which will automatically check the cost of the relevant rail journey.

MPs should consider value for money when purchasing tickets which they may need to change at short notice. In the interest of saving money for the taxpayer MPs should exercise discretion and balance low cost, generally inflexible, tickets against the probability of cancellations and the charges they will incur.

9.10 MPs travelling on sleeper train services are additionally entitled to claim for a sleeper supplement for a single occupancy berth.

Both companies which provide sleeper train services within the UK (Scotrail and First Great Western) will allow travellers to purchase a single occupancy berth as a supplement to a standard class ticket. The single occupancy berth is the same berth as would be provided with a first class ticket.

No MP is expected to share a berth and IPSA will reimburse any claim that was necessary to secure a single berth.

9.11 Where an MP obtains a railcard or season ticket which allows savings to be made on future purchases of rail tickets, reimbursement of the cost of the railcard may be claimed.

Specific conditions: private transport

9.12 Private cars, motorcycles or bicycles may be used as an alternative to public transport where there is a specific need or it is cost-effective to do so. An MP undertaking a journey by private transport as the driver will be reimbursed in accordance with the rates set out in IPSA's guidance.

These rates are the standard rates set by Parliament and administered by HMRC. They are valid at the time of publication of this Scheme.

Motor mileage rate	To cover business travel by private motor car	45p per mile for the first 10,000 miles 25p per mile thereafter
Motor Cycle mileage	To cover business travel by private motor cycle	24p per mile
Bicycle mileage	To cover business travel by private cycle	20p per mile

9.13 Where more than one MP travels in the same car, only one of the MPs may submit a claim for the cost of each journey.

9.14 Cars must be registered on the online expenses system before mileage claims can be submitted.

When making a claim for mileage the MP can download a spreadsheet from the IPSA website and enter the total number of miles driven each day for one month. This can then be entered as a single claim. It is not necessary to enter a separate claim for each individual journey driven.

9.15 MPs using private transport may claim reimbursement of costs necessarily incurred in relation to their journey for parking charges, congestion zone charging and road tolls. Penalty or additional charges for late payment, or civil charges for traffic, parking or other violations will not be reimbursed.

9.16 Other than in the circumstances described at paragraph 9.39 below, taxi fares will only be reimbursed from Travel and Subsistence Expenditure when a journey by taxi is necessary because:

- a. no other reasonable method of transport is available for all or part of the journey; or
- b. alternative methods of transport are impracticable due to pregnancy, disability, illness or injury of the MP or staff member.

Any reference to taxis in this Scheme includes any vehicle licensed by the Public Carriage Office or by the local authority. Licensed minicabs generally fall into this category.

When submitting claims for taxi journeys, MPs must include a note on the reasons why they took a taxi rather than using an alternative method of transport.

9.17 Hire cars may be used in the above circumstances where a saving to the public purse over the cost of using taxis can be demonstrated. MPs may claim for the cost of hiring the vehicle, of any fuel used, and insurance purchased.

9.18 A hire car may only be used for allowable journeys and must be used in accordance with the terms of hire. Where required, the car must be returned at the end of its hire with a full fuel tank, to avoid any penalty charges.

Travel by members of MPs' staff

9.19 Each MP may claim for Travel and Subsistence Expenditure for his or her staff to make up to 96 single journeys each year between (1) the MP's constituency office and/or home office registered under 6.10, and Westminster; and (2) for staff members who routinely work from a home office registered under 6.10, the home office and the MP's constituency office. This limit is the total for all staff employed by the MP, not per staff member.

9.20 MPs may also claim for Travel and Subsistence Expenditure in respect of the following journeys made by members of their staff:

- a. travel within the constituency or within 20 miles of the constituency boundary; and
- b. travel elsewhere within the UK for the purposes of relevant training.

Training may include attendance at conferences on subjects that are relevant to the MP's parliamentary functions. It does not include attendance at a party political conference or meeting.

9.21 All of the conditions at paragraphs 9.5 to 9.18 apply to travel by members of MPs' staff.

Travel by family members

9.22 Where MPs have caring responsibilities under paragraph 4.24, they may claim for journeys by the dependant in question. Such claims are limited to 30 single journeys between the MP's London Area residence and the constituency residence in each year for each dependant.

9.23 In the circumstances at paragraph 9.22, where MPs share responsibility for caring with a spouse or partner, MPs may also claim for journeys by their spouse or partner made in

exercise of that responsibility. Such claims are limited to 30 single journeys per person between the MP's London Area residence and the constituency residence in each year.

9.24 Where a dependant needs assistance from a carer other than an MP's spouse or partner while travelling on an allowable journey, the cost of the carer's journey may also be claimed.

9.25 A "partner" is considered to be either a civil partner or cohabiting partner of the MP in question.

9.26 All of the conditions at paragraphs 9.5 to 9.18 apply to travel by MPs' families apart from paragraph 9.11 (railcards).

Subsistence expenditure for MPs

9.27 MPs may claim for Travel and Subsistence Expenditure for the cost of an overnight hotel stay where they have travelled as part of their parliamentary functions, and it would be unreasonable to return to any residence either in the London Area or their constituency.

9.28 Travel and Subsistence Expenditure may not be claimed for hotel stays in the London Area except in the circumstances at paragraph 9.39 below.

9.29 Where Travel and Subsistence Expenditure is claimed for hotel stays outside the United Kingdom, this is subject to an upper limit of £150 per night.

These will be claimed by the MP in the usual manner, but a conversion factor will be applied to convert the currency to pounds sterling.

9.30 Where Travel and Subsistence Expenditure is claimed for hotel stays inside the United Kingdom but outside the London Area, this is subject to an upper limit of £120 per night.

9.31 MPs may claim for the cost of purchasing food and non-alcoholic drinks where they have necessarily stayed overnight neither in the London Area nor their constituency. This is limited to £25 for each night.

9.32 MPs may claim reimbursement of the costs of an evening meal (excluding alcoholic drinks), when they are required to be at the House of Commons because the House is sitting beyond 7:30pm. This is limited to £15 for each night.

MPs may either choose to purchase a meal at or away from the Parliamentary Estate. Under the Section 293A of the Income Tax (Earnings and Pensions) Act 2003, meals will be taxable if eaten away from the Parliamentary Estate. Meals eaten on the Parliamentary Estate will remain untaxed.

Subsistence expenditure for carers

9.33 Where a dependant needs assistance from a carer other than an MP's spouse or partner while travelling on an allowable journey, the cost of the carer's necessary overnight hotel stay and subsistence may also be claimed.

9.34 For hotel stays the following upper limits apply for each carer:

- a. for hotels within the London Area, £150 per night; and
- b. for hotels outside the London Area, £120 per night.

9.35 Subsistence is subject to an upper limit of £25 for each night for food and non-alcoholic drinks.

Subsistence expenditure for staff

9.36 Members may claim for the cost of an overnight hotel for a member of their staff, where the staff member has necessarily travelled in accordance with paragraph 9.20. Such claims may be made only when it would be unreasonable to return to any residence.

9.37 MPs may claim reimbursement for subsistence for their staff members if the staff member necessarily stays overnight in a hotel to assist the MP in his or her parliamentary functions, or if the staff member is undertaking training. Expenditure is limited to £25 for each night for food and non-alcoholic drinks.

9.38 For hotel stays the upper limits set out in paragraph 9.34 also apply for each staff member.

Specific provision for late working in Parliament

9.39 Where the House of Commons sits late or when MPs undertake their parliamentary functions in the House of Commons until late at night, MPs may use their discretion in claiming for reimbursement of taxi fares for journeys from the House of Commons to a London Area residence, or for the cost of an overnight stay in a hotel. Taxis will be subject to an upper limit of £80 for each such journey. Hotels will be subject to an upper limit of £150 per night.

9.40 If in exceptional circumstances, under paragraph 9.39 only, an MP is unable to find a hotel for £150 or less, he or she may claim for the total cost, providing he or she has evidence which shows why it was not possible to find a hotel within the budget.

Travel and subsistence after late working in the House of Commons may be claimed at the MP's discretion and IPSA will not provide advice on individual circumstances.

MPs may wish to have regard to the HMRC's guidance on the tax status of claims for hotels and late-night taxis, which is available on IPSA's website: www.parliamentarystandards.org.uk.

CHAPTER TEN: MISCELLANEOUS EXPENDITURE AND FINANCIAL ASSISTANCE

A: DISABILITY ASSISTANCE

- 10.1 Disability Assistance may be claimed by any MP for necessary additional expenditure incurred in the performance of an MP's parliamentary functions which is reasonably attributable to a disability of an MP, a staff member, a job applicant or constituents visiting the office or surgery.
- 10.2 In addition to the expenditure for which claims may be made under other parts of this Scheme, Disability Assistance may be claimed to meet the costs of any “reasonable adjustments” required by the Equality Act 2010 including:
- a. staff and associated costs;
 - b. IT and other specialist equipment;
 - c. office furniture;
 - d. necessary adjustments to office premises or accommodation;
 - e. necessary costs of securing larger office premises or accommodation; and
 - f. necessary additional travel costs (including for carers or support staff where necessary).

Conditions

- 10.3 A claim for Disability Assistance must be accompanied by a clear statement of the nature of the condition in question and the assistance required.
- 10.4 Claims for Disability Assistance can only be made for additional funding required by the MP which affects their ability to perform their parliamentary functions outside the Parliamentary Estate. There is no set limit on the amount of Disability Assistance an MP may receive; the level of allowable claims will be decided on a case by case basis.

It will not always be necessary for MPs or staff to undergo an assessment of their disability in order to determine what reasonable adjustments are required. In many cases, the individual will already understand what is needed. However, if such an assessment is required, the cost should be claimed under Disability Assistance.

MPs are recommended to seek prior approval for claims, especially if there is a large cost involved – for example, for buying specialist equipment IPSA will require an estimate of costs of the additional assistance in order to grant prior approval.

In some circumstances, particularly where a large cost is involved, IPSA may require an independent assessment of the disability to be provided.

If an MP or staff member has a temporary or minor injury which does not constitute a disability, for example a broken leg, it may be more suitable for them to claim for any required additional assistance from the Contingency Fund.

B: SECURITY ASSISTANCE

- 10.5 Security Assistance may be claimed for additional security measures that are necessary to enable the MP's parliamentary functions to be undertaken.

Routine security measures should be claimed from the Office Costs Expenditure or Accommodation Expenditure budgets.

- 10.6 A claim may be made by any MP who considers that measures are necessary to safeguard the MP, or the MP's staff or equipment at any location outside the Parliamentary Estate where assistance towards the provision of such measures is not available from the House of Commons.

Conditions

- 10.7 IPSA will not accept a claim for Security Assistance unless:
- a. it is provided with a copy of a report by a police force or security agency setting out the grounds for the proposed expenditure; and
 - b. it is satisfied that the MP's ability to perform the MP's parliamentary functions in safety would be significantly impaired if the claim is not accepted.
- 10.8 Any claim for Security Assistance should be approved in principle before any contract is entered into to incur the expenditure. The in principle claim should be accompanied with an estimate of the costs to be incurred, obtained from a reliable supplier.

The term "security agency" at paragraph 10.7a refers to the Home Office's Office for Security and Counter Terrorism, the Cabinet Office, the House of Commons Serjeant at Arms' office, the Parliamentary Security Coordinator or the Palace of Westminster Police. If an MP has extra security needs over and above what is set out elsewhere in the Scheme then he or she should follow the steps outlined below.

MPs who consider that they have extra security requirements should in the first instance contact the IPSA Security Officer via email at info@parliamentarystandards.org.uk

MPs will be asked to outline briefly their reasons for the extra security, the contact details of the security agency/police advisor who has recommended this course of action and two estimates of the cost of the work. At this time IPSA will ask the security agency/police advisor for a written statement of the risks and their advice for extra support from IPSA. All police security assessments should be signed off by officers at or above the rank of Chief Inspector. IPSA will then contact the security agency/police adviser to verify the statement and if content, process the application and advise the MP.

C: INSURANCE

10.9 In addition to any insurance which is payable under Chapters 4, 6 and 9 of this Scheme, MPs may claim in respect of premium payments for the following types of insurance:

- a. Employer's Liability Insurance, up to a limit of £10,000,000;
- b. Public Liability Insurance, up to a limit of £5,000,000; and
- c. Travel Insurance, to cover travel under paragraph 9.2e.

10.10 No claim may be made under paragraph 10.9 if the MP is otherwise provided with the type of insurance in question by the House of Commons or by IPSA.

Employer's Liability and Public Liability Insurance is provided by the House of Commons for the financial year 2014-15. MPs do not have to claim for it and no claims for this insurance will be paid.

D: CONTINGENCY PAYMENTS

10.11 Where an MP necessarily incurs expenditure or liability for expenditure related to the performance of the MP's parliamentary functions which is not covered by any of the budgets set out in this Scheme or, if it is covered by one or more of those budgets, it exceeds any financial limit that may apply, the MP may apply to IPSA to be reimbursed on an exceptional basis in respect of that expenditure.

10.12 IPSA may decide to accept or reject an application under paragraph 10.11 at its sole discretion, and in considering its decision shall take into account the following factors:

- a. whether there are exceptional circumstances warranting additional support;
- b. whether the MP could reasonably have been expected to take any action to avoid the circumstances which gave rise to the expenditure or liability; and

- c. whether the MP's performance of parliamentary functions will be significantly impaired by a refusal of the claim.

To receive a contingency payment MPs must complete a request for a contingency payment which sets out the following:

- *a clear description of the situation;*
- *a declaration that refusal of the claim will significantly affect their ability to perform their parliamentary functions and how this is the case; and*
- *a declaration that they could not have foreseen or prevented the expenditure or liability and how this is the case.*

MPs should set out clearly the exceptional circumstance that resulted in the expenditure. If an MP runs out of funds at the end of the year when there is no exceptional reason why those funds have been exhausted, contingency funding will not be available to top up the MP's budget.

To ensure that their application contains all the necessary information, MPs should use the proforma available on the IPSA website: www.parliamentarystandards.org.uk.

While it is understood that claims for contingency payments will vary in nature, it is expected that MPs should seek prior approval for claims. IPSA will require an estimate of costs involved in order to grant prior approval.

Any necessary expenditure on staff redundancies will be met from the contingency fund; any payment in lieu of notice or holiday pay due to the staff member will be met from the MP's Staffing Expenditure budget.

Temporary or Minor Injury

If an MP sustains an injury which is minor or temporary in nature and which they can demonstrate will significantly affect their ability to perform their parliamentary functions, he or she may receive necessary additional financial assistance away from the Parliamentary Estate for the period for which the injury will affect him or her. This can be claimed as a contingency payment. An example of this could be an MP who breaks his or her leg and who requires short-term additional financial assistance (away from the Parliamentary Estate). The MP must follow the normal procedure to apply for a contingency payment. The MP would also have to provide IPSA with a note from his or her GP or the House of Commons Safety Health and Wellbeing Service setting out what the injury is and for how long it is likely to affect him or her, as well as any receipts which show the additional payments made. (Please note MPs are already able to claim for some journeys by taxi due to injury as under paragraph 9.16b of the Scheme).

In cases of claims for additional assistance as a result of a temporary or minor injury, IPSA reserves the right to request a medical report if it feels the injury is more significant or permanent and therefore should be claimed through Disability Assistance.

Example of a contingency claim which is likely to be accepted

If an MP were to ask for an extrication payment to cover the costs of ending an expensive printer lease, this is likely to be accepted where the MP can show that this would present good value to the taxpayer. It may be possible to show this where the costs of continuing the lease would be greater than the cost of ending it.

Example of a contingency claim which is likely to be rejected

If an MP were to ask for a contingency payment to cover the cost of replacing stolen contents from their constituency office this claim would be rejected. This is because the MP could have foreseen or prevented the expenditure or liability by claiming for contents insurance for their constituency office. It may be decided that the MP should have taken responsibility to ensure that the contents were insured, the cost of which was already claimable, and therefore should not receive any additional assistance.

E: RECALL OF PARLIAMENT

10.13 IPSA will, in the event of a recall of Parliament during Recess, settle claims for any reasonable travel by an MP and his or her spouse/partner and/or dependants to Westminster or an MP's London Area residence. This includes international travel back to the UK and may include return travel to the foreign location, where necessary. MPs will be expected to travel standard class or equivalent unless they have no alternative or there is a more cost-effective option available.

F: EXPENDITURE DURING THE DISSOLUTION PERIOD

10.14 During the period between the dissolution of Parliament and the day after polling day the following restrictions will apply to claims made under this Scheme.

10.15 Accommodation Expenditure may be claimed in accordance with Chapter Four of the Scheme.

10.16 Office Costs Expenditure may be claimed for the performance of parliamentary functions only. Office equipment and supplies purchased for the performance of parliamentary functions may not be used for party political activities. An MP who intends to use his or her IPSA funded office for any activities connected with the election may only claim the proportion of the rent, utilities and other costs which relate to parliamentary activity.

10.17 Staffing Expenditure may not be claimed for any party political activity. Staff wishing to undertake party political activity must not do so during their working hours and must

instead take paid or unpaid leave. If a staff member plans to take unpaid leave, the MP must notify IPSA in advance, so that pay adjustments can be made.

10.18 Travel and Subsistence Expenditure for MPs will be restricted to one single journey from Westminster to the MP's residence or any point in his or her constituency. MPs who are standing down at the general election may also claim for two return journeys between the MP's residence or any point in his or her constituency and Westminster. MPs may also claim for one single journey back to the MP's residence or constituency for any dependant (as defined by paragraph 4.24). Staff may claim one single journey to return to their normal place of work. Staff may also claim for travel between the MP's constituency office and Westminster in accordance with paragraph 9.19 of the Scheme. All of the conditions set out in Chapter Nine of the Scheme apply to travel during the dissolution period.

10.19 For the six months prior to the expected dissolution of Parliament, claims for purchases of office equipment, IT and furniture under Office Costs Expenditure will not be allowed. In exceptional circumstances where such purchases are necessary, prior approval from IPSA will be required. In the event of a General Election held before the next scheduled General Election (under the Fixed-term Parliaments Act 2011), such claims will not be allowed from the date of dissolution.

G: NECESSARY FINANCIAL ASSISTANCE, INCLUDING ADVANCES

10.20 In addition to any other payments or assistance provided by this Scheme, IPSA may, in its discretion and on an individual basis, pay claims with such additional financial assistance as it deems necessary to MPs to assist them to carry out their parliamentary functions effectively.

10.21 MPs may apply for an interest-free advance of up to £4,000. The advance is repayable in full by the end of the Parliament or, if the MP ceases to be an MP before the end of the Parliament, any outstanding amount will be repayable in full on the date the MP leaves office.

This advance is to assist with cash-flow and help MPs to cover any costs they incur that are allowed under the Scheme and are exclusively in furtherance of their parliamentary functions. MPs may repay the advance in full, or in part, at any time before the end of the Parliament or the MP otherwise ceases to be an MP. MPs wishing to request such advances should complete the form available on the IPSA website.

SCHEDULE 1: FUNDAMENTAL PRINCIPLES

1. Members of Parliament should always behave with probity and integrity when making claims on public resources. MPs should be held, and regard themselves, as personally responsible and accountable for expenses incurred, and claims made, and for adherence to these principles as well as to the rules.
2. Members of Parliament have the right to be reimbursed for unavoidable costs where they are incurred wholly, exclusively, and necessarily in the performance of their parliamentary functions, but not otherwise.
3. Members of Parliament must not exploit the system for personal financial advantage, nor to confer an undue advantage on a political organisation.
4.
 - a. The system should be open and transparent.
 - b. The system should be subject to independent audit and assurance.
5. The details of the expenses scheme for Members of Parliament should be determined independently of Parliament.
6. There should be clear, effective and proportionate sanctions for breaches of the rules, robustly enforced.
7. The presumption should be that in matters relating to expenses, MPs should be treated in the same manner as other citizens. If the arrangements depart from those which would normally be expected elsewhere, those departures need to be explicitly justified.
8. The scheme should provide value for the taxpayer. Value for money should not necessarily be judged by reference to financial costs alone.
9. Arrangements should be flexible enough to take account of the diverse working patterns and demands placed upon individual MPs, and should not unduly deter representation from all sections of society.
10. The system should be clear and understandable. If it is difficult to explain an element of the system in terms which the general public will regard as reasonable, that is a powerful argument against it.
11. The system should prohibit MPs from entering into arrangements which might appear to create a conflict of interests in the use of public resources.
12. The system must give the public confidence that high standards of honesty will be upheld.

SCHEDULE 2: LIST OF CONSTITUENCIES IN THE LONDON AREA

1	Barking	42	Hackney North and Stoke Newington
2	Battersea	43	Hackney South and Shoreditch
3	Beaconsfield	44	Hammersmith
4	Beckenham	45	Hampstead and Kilburn
5	Bermondsey and Old Southwark	46	Harlow
6	Bethnal Green and Bow	47	Harrow East
7	Bexleyheath and Crayford	48	Harrow West
8	Brent Central	49	Hayes and Harlington
9	Brent North	50	Hendon
10	Brentford and Isleworth	51	Hertford and Stortford
11	Brentwood and Ongar	52	Hertsmere
12	Bromley and Chislehurst	53	Holborn and St Pancras
13	Broxbourne	54	Hornchurch and Upminster
14	Camberwell and Peckham	55	Hornsey and Wood Green
15	Carshalton and Wallington	56	Ilford North
16	Chelsea and Fulham	57	Ilford South
17	Chingford and Woodford Green	58	Islington North
18	Chipping Barnet	59	Islington South and Finsbury
19	Cities of London and Westminster	60	Kensington
20	Croydon Central	61	Kingston and Surbiton
21	Croydon North	62	Lewisham East
22	Croydon South	63	Lewisham West and Penge
23	Dagenham and Rainham	64	Lewisham, Deptford
24	Dartford	65	Leyton and Wanstead
25	Dulwich and West Norwood	66	Mitcham and Morden
26	Ealing Central and Acton	67	Mole Valley
27	Ealing North	68	Old Bexley and Sidcup
28	Ealing, Southall	69	Orpington
29	East Ham	70	Poplar and Limehouse
30	East Surrey	71	Putney
31	Edmonton	72	Reigate
32	Eltham	73	Richmond Park
33	Enfield North	74	Romford
34	Enfield, Southgate	75	Ruislip, Northwood and Pinner
35	Epping Forest	76	Runnymede and Weybridge
36	Epsom and Ewell	77	Sevenoaks
37	Erith and Thamesmead	78	Slough
38	Esher and Walton	79	South West Hertfordshire
39	Feltham and Heston	80	Spelthorne
40	Finchley and Golders Green	81	St Albans
41	Greenwich and Woolwich	82	Streatham

- 83 Sutton and Cheam
- 84 Thurrock
- 85 Tooting
- 86 Tottenham
- 87 Twickenham
- 88 Uxbridge and South Ruislip
- 89 Vauxhall
- 90 Walthamstow
- 91 Watford
- 92 Welwyn Hatfield
- 93 West Ham
- 94 Westminster North
- 95 Wimbledon
- 96 Windsor

**SCHEDULE 3: LIST OF CONSTITUENCIES WHOSE MPs ARE ELIGIBLE FOR ADDITIONAL
LONDON AREA LIVING PAYMENT OF £1,330 PER YEAR**

1	Beaconsfield
2	Brentwood and Ongar
3	Broxbourne
4	Dartford
5	East Surrey
6	Epping Forest
7	Epsom and Ewell
8	Esher and Walton
9	Harlow
10	Hertford and Stortford
11	Hertsmere
12	Mole Valley
13	Reigate
14	Runnymede and Weybridge
15	Sevenoaks
16	Slough
17	South West Hertfordshire
18	Spelthorne
19	St Albans
20	Thurrock
21	Watford
22	Welwyn Hatfield
23	Windsor

ANNEX A: MORTGAGE INTEREST SUBSIDIES AND REPAYMENT OF CAPITAL GAINS – CONDITIONS AND GUIDANCE FROM THE FOURTH EDITION OF THE SCHEME

We have retained Annex A from the Fourth Edition of the Scheme as some MPs who previously claimed the mortgage interest subsidy have repayment plans for the capital gains owed to the taxpayer that run until the end of the Parliament.

This Annex sets out the transitional arrangements devised to assist returning MPs who currently claim a mortgage interest subsidy on their property whilst they make alternative arrangements, and sets out the process of establishing the appropriate level of any capital gains accruing on the property during this period to be recouped by IPSA.

Returning MPs who received a mortgage interest subsidy on their property in the previous Parliament may continue to claim such a subsidy on the same property, up to the budget set out in the Scheme, during a transitional period ending 31 August 2012 on the following basis:

1. MPs designating a property for which they wish to claim a mortgage interest subsidy will not be able to change the designation to any other property.
2. MPs claiming a mortgage interest subsidy must occupy the property for which they are claiming this subsidy.
3. MPs cannot claim rent under Accommodation Expenses if they claim a mortgage interest subsidy.
4. MPs can apply for a mortgage interest subsidy only once they have had their property independently valued by a valuer regulated by the Royal Institution of Chartered Surveyors.
5. MPs must, with their application, submit the valuation and a certified copy of their mortgage contract which sets out details of their loans.
6. IPSA may – on receipt of a statement from the mortgage lender – provide an advance on mortgage interest payments prior to the application being approved. IPSA will provide such an advance only for a single month's mortgage interest and will not do so beyond 31 May 2010.
7. Once the application for a mortgage interest subsidy has been made, IPSA will calculate the publicly subsidised share of the property on the basis of the valuation of the property and the value of the loan (or part thereof) being subsidised by IPSA.
8. The publicly subsidised share of the property will be the percentage of the value of the loan the interest on which is paid for by mortgage interest subsidy to the value of the property as calculated by the valuer (illustration below).
9. MPs must, on a monthly basis, provide IPSA with a mortgage statement from their mortgage lender, stating the mortgage interest payments to the lender and any capital repayments to the lender.

10. MPs must, between 1 and 31 August 2012, secure a further independent valuation of their property by a valuer regulated by the Royal Institution of Chartered Surveyors. This second valuation will be used to calculate any notional gains the subsidised properties may have accrued during the transitional period.
11. IPSA will, once the second valuation has been carried out, adjust the subsidised loan-to-value ratio of the property to reflect any capital repayments, taking into account when such repayments were made. Any increase in value will be assumed to have been a consistent month on month increase over the transitional period.
12. Any increase in the value of the publicly subsidised share of the property will be regarded as a proportion of the overall capital gain of the property during the transitional period commensurate with the proportion of the publicly subsidised share.
13. IPSA will recoup the public share of any notional gain.
14. MPs must by 30 November 2012 repay to IPSA the public share of the notional gain accrued during the transitional period. Where the three month limit will create hardship for MPs, IPSA will consider applications for a longer repayment period, up to the end of the Parliament. Please note that such an extended period of repayment may create a tax liability: MPs should seek advice from HMRC before entering into a longer repayment period. There will be no requirement for MPs to sell their properties and IPSA will not pay for any early repayment charges where an MP elects to sell his or her property.
15. MPs choosing to stop claiming for their properties before the end of the transitional period must secure an independent valuation by a valuer regulated by the Royal Institution of Chartered Surveyors at the point at which they stop claiming to establish the value of any gain up to that point in time.
16. MPs choosing to sell their properties before the end of the transitional period must secure an independent valuation by a valuer regulated by the Royal Institution of Chartered Surveyors to establish any gain up to the point at which they place the property on the market:
 - If the property is sold for a sum higher than the valuation, this higher figure will be used to calculate any gain;
 - If the property is sold for a sum lower than the valuation, this lower figure will be used to calculate any gain unless the property is sold to a connected party as defined at 3.15 of the Scheme, in which case the sum at valuation will be used to calculate any gain.
17. MPs who either stop claiming for or sell their subsidised property before the end of the transitional period must repay the public share of the gain within three months of ceasing to claim or completion of the sale. Again, where the three month limit will create hardship for MPs, IPSA will consider applications for a longer repayment period, up to the end of the Parliament.
18. MPs who carry out capital improvements to properties for which they receive a mortgage interest subsidy during the transitional period should be aware that such capital improvements

will not generally be taken into consideration when calculating the value of the publicly subsidised share of any capital gain on the property. If any MP considers that there are exceptional circumstances justifying a departure from this rule, the case should be made to IPSA at the earliest opportunity, and, in any event, no later than one month after the completion of such works.

19. From 1 September 2012 IPSA will fund only rented properties.

Advice

- i. MPs will receive a mortgage interest subsidy only once they have had a valuation carried out by an RICS-regulated valuer. MPs are therefore encouraged to do so as soon as possible following the general election.
- ii. The website www.rics.org/uk will help MPs locate regulated valuers.
- iii. Property valuations are not an allowable expense under the scheme. MPs applying for a mortgage subsidy will therefore be required to pay for these valuations themselves.

Illustration A

1. An MP's flat is valued in May 2010 at £200,000. The MP has a £100,000 interest only mortgage and applies for a subsidy for the whole of the mortgage interest on the mortgage. The publicly subsidised share of the property is, therefore, 50 per cent and IPSA will recoup 50 per cent of any increase in the value of the flat between the first and second valuation.
2. If, therefore, at the end of the transition period, the flat is valued at £220,000, the gain during this period will be £20,000 and IPSA's share of that will be £10,000.

Illustration B

1. An MP's flat is valued in May 2010 at £200,000. The MP has a £100,000 repayment mortgage and applies for a subsidy for the whole of the mortgage interest on the mortgage. The publicly subsidised share of the property is, therefore, 50 per cent at the start of the transitional period.
2. The MP makes capital repayments of £500 per month during the transitional period. Each month IPSA amends the loan-to-value ratio accordingly, reducing the publicly subsidised share of the property.
3. At the end of the transitional period in August 2010, the flat is valued at £220,000, registering a gain of £20,000 – or a month on month gain of £740.74 over 27 months.
4. The publicly subsidised share of the property will by this time have reduced to 39% of the new value. However, when the changing relative interest in the property is applied to take account of the gradual reduction in the publicly funded share over the period, the public share of the gain will be 43.27% – or £8,704.80.

ANNEX B: BANDINGS FOR ACCOMMODATION EXPENDITURE

Constituency Name	Band	Total Accommodation Limit (Annual)
Aberavon	E	£10,400
Aberconwy	D	£11,350
Aberdeen North	D	£11,350
Aberdeen South	D	£11,350
Airdrie and Shotts	E	£10,400
Aldershot	A	£15,650
Aldridge-Brownhills	E	£10,400
Altrincham and Sale West	D	£11,350
Alyn and Deeside	E	£10,400
Amber Valley	E	£10,400
Angus	E	£10,400
Arfon	D	£11,350
Argyll and Bute	E	£10,400
Arundel and South Downs	C	£12,800
Ashfield	E	£10,400
Ashford	D	£11,350
Ashton-under-Lyne	E	£10,400
Aylesbury	C	£12,800
Ayr, Carrick and Cumnock	E	£10,400
Banbury	C	£12,800
Banff and Buchan	D	£11,350
Barnsley Central	E	£10,400
Barnsley East	E	£10,400
Barrow and Furness	E	£10,400
Basildon and Billericay	A	£15,650
Basingstoke	A	£15,650
Bassetlaw	E	£10,400
Bath	A	£15,650
Batley and Spen	E	£10,400
Bedford	D	£11,350
Belfast East	D	£11,350
Belfast North	D	£11,350
Belfast South	E	£10,400
Belfast West	D	£11,350
Berwickshire, Roxburgh and Selkirk	E	£10,400
Berwick-upon-Tweed	E	£10,400
Beverley and Holderness	E	£10,400
Bexhill and Battle	D	£11,350
Birkenhead	D	£11,350

Birmingham, Edgbaston	D	£11,350
Birmingham, Erdington	D	£11,350
Birmingham, Hall Green	D	£11,350
Birmingham, Hodge Hill	D	£11,350
Birmingham, Ladywood	D	£11,350
Birmingham, Northfield	D	£11,350
Birmingham, Perry Barr	D	£11,350
Birmingham, Selly Oak	D	£11,350
Birmingham, Yardley	D	£11,350
Bishop Auckland	E	£10,400
Blackburn	E	£10,400
Blackley and Broughton	C	£12,800
Blackpool North and Cleveleys	D	£11,350
Blackpool South	D	£11,350
Blaenau Gwent	E	£10,400
Blaydon	D	£11,350
Blyth Valley	E	£10,400
Bognor Regis and Littlehampton	C	£12,800
Bolsover	E	£10,400
Bolton North East	E	£10,400
Bolton South East	E	£10,400
Bolton West	E	£10,400
Bootle	D	£11,350
Boston and Skegness	E	£10,400
Bosworth	E	£10,400
Bournemouth East	C	£12,800
Bournemouth West	C	£12,800
Bracknell	B	£14,200
Bradford East	E	£10,400
Bradford South	E	£10,400
Bradford West	E	£10,400
Braintree	D	£11,350
Brecon and Radnorshire	E	£10,400
Bridgend	E	£10,400
Bridgwater and West Somerset	D	£11,350
Brigg and Goole	E	£10,400
Brighton, Kemptown	A	£15,650
Brighton, Pavilion	A	£15,650
Bristol East	B	£14,200
Bristol North West	B	£14,200
Bristol South	B	£14,200
Bristol West	B	£14,200
Broadland	D	£11,350

Bromsgrove	D	£11,350
Broxtowe	D	£11,350
Buckingham	C	£12,800
Burnley	E	£10,400
Burton	D	£11,350
Bury North	E	£10,400
Bury South	E	£10,400
Bury St. Edmunds	D	£11,350
Caerphilly	E	£10,400
Caithness, Sutherland and Easter Ross	E	£10,400
Calder Valley	E	£10,400
Camborne and Redruth	C	£12,800
Cambridge	A	£15,650
Cannock Chase	D	£11,350
Canterbury	C	£12,800
Cardiff Central	D	£11,350
Cardiff North	D	£11,350
Cardiff South and Penarth	D	£11,350
Cardiff West	D	£11,350
Carlisle	E	£10,400
Carmarthen East and Dinefwr	E	£10,400
Carmarthen West and South Pembrokeshire	E	£10,400
Castle Point	A	£15,650
Central Ayrshire	E	£10,400
Central Devon	C	£12,800
Central Suffolk and North Ipswich	D	£11,350
Ceredigion	D	£11,350
Charnwood	D	£11,350
Chatham and Aylesford	A	£15,650
Cheadle	D	£11,350
Chelmsford	A	£15,650
Cheltenham	C	£12,800
Chesham and Amersham	A	£15,650
Chesterfield	E	£10,400
Chichester	C	£12,800
Chippenham	D	£11,350
Chorley	D	£11,350
Christchurch	C	£12,800
City of Chester	D	£11,350
City of Durham	E	£10,400
Clacton	D	£11,350
Cleethorpes	E	£10,400
Clwyd South	E	£10,400

Clwyd West	D	£11,350
Coatbridge, Chryston and Bellshill	E	£10,400
Colchester	D	£11,350
Colne Valley	E	£10,400
Congleton	D	£11,350
Copeland	E	£10,400
Corby	E	£10,400
Coventry North East	D	£11,350
Coventry North West	D	£11,350
Coventry South	D	£11,350
Crawley	A	£15,650
Crewe and Nantwich	D	£11,350
Cumbernauld, Kilsyth and Kirkintilloch East	E	£10,400
Cynon Valley	E	£10,400
Darlington	E	£10,400
Daventry	D	£11,350
Delyn	E	£10,400
Denton and Reddish	E	£10,400
Derby North	E	£10,400
Derby South	E	£10,400
Derbyshire Dales	D	£11,350
Devizes	C	£12,800
Dewsbury	E	£10,400
Don Valley	E	£10,400
Doncaster Central	E	£10,400
Doncaster North	E	£10,400
Dover	D	£11,350
Dudley North	E	£10,400
Dudley South	E	£10,400
Dumfries and Galloway	E	£10,400
Dumfriesshire, Clydesdale and Tweeddale	E	£10,400
Dundee East	E	£10,400
Dundee West	E	£10,400
Dunfermline and West Fife	E	£10,400
Dwyfor Meirionnydd	E	£10,400
Easington	E	£10,400
East Antrim	E	£10,400
East Devon	C	£12,800
East Dunbartonshire	E	£10,400
East Hampshire	B	£14,200
East Kilbride, Strathaven and Lesmahagow	E	£10,400
East Londonderry	E	£10,400
East Lothian	E	£10,400

East Renfrewshire	E	£10,400
East Worthing and Shoreham	C	£12,800
East Yorkshire	E	£10,400
Eastbourne	D	£11,350
Eastleigh	C	£12,800
Eddisbury	D	£11,350
Edinburgh East	E	£10,400
Edinburgh North and Leith	E	£10,400
Edinburgh South	E	£10,400
Edinburgh South West	E	£10,400
Edinburgh West	E	£10,400
Ellesmere Port and Neston	D	£11,350
Elmet and Rothwell	D	£11,350
Erewash	D	£11,350
Exeter	C	£12,800
Falkirk	E	£10,400
Fareham	C	£12,800
Faversham and Mid Kent	C	£12,800
Fermanagh and South Tyrone	E	£10,400
Filton and Bradley Stoke	B	£14,200
Folkestone and Hythe	D	£11,350
Forest of Dean	C	£12,800
Foyle	E	£10,400
Fylde	D	£11,350
Gainsborough	E	£10,400
Garston and Halewood	D	£11,350
Gateshead	D	£11,350
Gedling	D	£11,350
Gillingham and Rainham	D	£11,350
Glasgow Central	E	£10,400
Glasgow East	E	£10,400
Glasgow North	E	£10,400
Glasgow North East	E	£10,400
Glasgow North West	E	£10,400
Glasgow South	E	£10,400
Glasgow South West	E	£10,400
Glenrothes	E	£10,400
Gloucester	C	£12,800
Gordon	D	£11,350
Gosport	C	£12,800
Gower	D	£11,350
Grantham and Stamford	E	£10,400
Gravesham	A	£15,650

Great Grimsby	E	£10,400
Great Yarmouth	E	£10,400
Guildford	A	£15,650
Halesowen and Rowley Regis	E	£10,400
Halifax	E	£10,400
Haltemprice and Howden	E	£10,400
Halton	D	£11,350
Harborough	D	£11,350
Harrogate and Knaresborough	D	£11,350
Hartlepool	E	£10,400
Harwich and North Essex	D	£11,350
Hastings and Rye	D	£11,350
Havant	C	£12,800
Hazel Grove	D	£11,350
Hemel Hempstead	A	£15,650
Hemsworth	E	£10,400
Henley	A	£15,650
Hereford and South Herefordshire	E	£10,400
Hexham	D	£11,350
Heywood and Middleton	E	£10,400
High Peak	D	£11,350
Hitchin and Harpenden	A	£15,650
Horsham	B	£14,200
Houghton and Sunderland South	E	£10,400
Hove	A	£15,650
Huddersfield	E	£10,400
Huntingdon	D	£11,350
Hyndburn	E	£10,400
Inverclyde	E	£10,400
Inverness, Nairn, Badenoch and Strathspey	E	£10,400
Ipswich	D	£11,350
Isle of Wight	D	£11,350
Islwyn	E	£10,400
Jarrow	D	£11,350
Keighley	E	£10,400
Kenilworth and Southam	D	£11,350
Kettering	E	£10,400
Kilmarnock and Loudoun	E	£10,400
Kingston upon Hull East	E	£10,400
Kingston upon Hull North	E	£10,400
Kingston upon Hull West and Hessle	E	£10,400
Kingswood	B	£14,200
Kirkcaldy and Cowdenbeath	E	£10,400

Knowsley	D	£11,350
Lagan Valley	E	£10,400
Lanark and Hamilton East	E	£10,400
Lancaster and Fleetwood	E	£10,400
Leeds Central	D	£11,350
Leeds East	D	£11,350
Leeds North East	D	£11,350
Leeds North West	D	£11,350
Leeds West	D	£11,350
Leicester East	D	£11,350
Leicester South	D	£11,350
Leicester West	D	£11,350
Leigh	E	£10,400
Lewes	A	£15,650
Lichfield	D	£11,350
Lincoln	E	£10,400
Linlithgow and East Falkirk	E	£10,400
Liverpool, Riverside	D	£11,350
Liverpool, Walton	D	£11,350
Liverpool, Wavertree	D	£11,350
Liverpool, West Derby	D	£11,350
Livingston	E	£10,400
Llanelli	E	£10,400
Loughborough	D	£11,350
Louth and Horncastle	E	£10,400
Ludlow	D	£11,350
Luton North	A	£15,650
Luton South	A	£15,650
Macclesfield	D	£11,350
Maidenhead	A	£15,650
Maidstone and The Weald	C	£12,800
Makerfield	E	£10,400
Maldon	C	£12,800
Manchester Central	C	£12,800
Manchester, Gorton	C	£12,800
Manchester, Withington	C	£12,800
Mansfield	E	£10,400
Meon Valley	B	£14,200
Meriden	D	£11,350
Merthyr Tydfil and Rhymney	E	£10,400
Mid Bedfordshire	D	£11,350
Mid Derbyshire	E	£10,400
Mid Dorset and North Poole	C	£12,800

Mid Norfolk	D	£11,350
Mid Sussex	A	£15,650
Mid Ulster	E	£10,400
Mid Worcestershire	D	£11,350
Middlesbrough	E	£10,400
Middlesbrough South and East Cleveland	E	£10,400
Midlothian	E	£10,400
Milton Keynes North	A	£15,650
Milton Keynes South	A	£15,650
Monmouth	D	£11,350
Montgomeryshire	E	£10,400
Moray	E	£10,400
Morecambe and Lunesdale	E	£10,400
Morley and Outwood	D	£11,350
Motherwell and Wishaw	E	£10,400
Na h-Eileanan an Iar	E	£10,400
Neath	E	£10,400
New Forest East	C	£12,800
New Forest West	C	£12,800
Newark	E	£10,400
Newbury	C	£12,800
Newcastle upon Tyne Central	D	£11,350
Newcastle upon Tyne East	D	£11,350
Newcastle upon Tyne North	D	£11,350
Newcastle-under-Lyme	E	£10,400
Newport East	E	£10,400
Newport West	E	£10,400
Newry and Armagh	E	£10,400
Newton Abbot	D	£11,350
Normanton, Pontefract and Castleford	E	£10,400
North Antrim	E	£10,400
North Ayrshire and Arran	E	£10,400
North Cornwall	E	£10,400
North Devon	D	£11,350
North Dorset	D	£11,350
North Down	E	£10,400
North Durham	E	£10,400
North East Bedfordshire	A	£15,650
North East Cambridgeshire	D	£11,350
North East Derbyshire	E	£10,400
North East Fife	E	£10,400
North East Hampshire	A	£15,650
North East Hertfordshire	A	£15,650

North East Somerset	A	£15,650
North Herefordshire	E	£10,400
North Norfolk	D	£11,350
North Shropshire	D	£11,350
North Somerset	B	£14,200
North Swindon	C	£12,800
North Thanet	E	£10,400
North Tyneside	D	£11,350
North Warwickshire	D	£11,350
North West Cambridgeshire	D	£11,350
North West Durham	E	£10,400
North West Hampshire	B	£14,200
North West Leicestershire	D	£11,350
North West Norfolk	E	£10,400
North Wiltshire	D	£11,350
Northampton North	D	£11,350
Northampton South	D	£11,350
Norwich North	D	£11,350
Norwich South	D	£11,350
Nottingham East	D	£11,350
Nottingham North	D	£11,350
Nottingham South	D	£11,350
Nuneaton	E	£10,400
Ochil and South Perthshire	E	£10,400
Ogmore	E	£10,400
Oldham East and Saddleworth	E	£10,400
Oldham West and Royton	E	£10,400
Orkney and Shetland	E	£10,400
Oxford East	A	£15,650
Oxford West and Abingdon	A	£15,650
Paisley and Renfrewshire North	E	£10,400
Paisley and Renfrewshire South	E	£10,400
Pendle	E	£10,400
Penistone and Stocksbridge	D	£11,350
Penrith and The Border	E	£10,400
Perth and North Perthshire	E	£10,400
Peterborough	D	£11,350
Plymouth, Moor View	D	£11,350
Plymouth, Sutton and Devonport	D	£11,350
Pontypridd	E	£10,400
Poole	C	£12,800
Portsmouth North	C	£12,800
Portsmouth South	C	£12,800

Preseli Pembrokeshire	E	£10,400
Preston	D	£11,350
Pudsey	D	£11,350
Rayleigh and Wickford	C	£12,800
Reading East	A	£15,650
Reading West	A	£15,650
Redcar	E	£10,400
Redditch	D	£11,350
Rhondda	E	£10,400
Ribble Valley	E	£10,400
Richmond (Yorks)	E	£10,400
Rochdale	E	£10,400
Rochester and Strood	A	£15,650
Rochford and Southend East	C	£12,800
Romsey and Southampton North	C	£12,800
Ross, Skye and Lochaber	E	£10,400
Rossendale and Darwen	E	£10,400
Rother Valley	E	£10,400
Rotherham	E	£10,400
Rugby	D	£11,350
Rushcliffe	D	£11,350
Rutherglen and Hamilton West	E	£10,400
Rutland and Melton	D	£11,350
Saffron Walden	C	£12,800
Salford and Eccles	C	£12,800
Salisbury	C	£12,800
Scarborough and Whitby	E	£10,400
Scunthorpe	E	£10,400
Sedgefield	E	£10,400
Sefton Central	D	£11,350
Selby and Ainsty	D	£11,350
Sheffield Central	D	£11,350
Sheffield South East	D	£11,350
Sheffield, Brightside and Hillsborough	D	£11,350
Sheffield, Hallam	D	£11,350
Sheffield, Heeley	D	£11,350
Sherwood	E	£10,400
Shipley	E	£10,400
Shrewsbury and Atcham	D	£11,350
Sittingbourne and Sheppey	D	£11,350
Skipton and Ripon	E	£10,400
Sleaford and North Hykeham	E	£10,400
Solihull	D	£11,350

Somerton and Frome	D	£11,350
South Antrim	E	£10,400
South Basildon and East Thurrock	A	£15,650
South Cambridgeshire	A	£15,650
South Derbyshire	D	£11,350
South Dorset	C	£12,800
South Down	E	£10,400
South East Cambridgeshire	A	£15,650
South East Cornwall	D	£11,350
South Holland and The Deepings	E	£10,400
South Leicestershire	D	£11,350
South Norfolk	D	£11,350
South Northamptonshire	D	£11,350
South Ribble	D	£11,350
South Shields	D	£11,350
South Staffordshire	E	£10,400
South Suffolk	D	£11,350
South Swindon	C	£12,800
South Thanet	C	£12,800
South West Bedfordshire	A	£15,650
South West Devon	D	£11,350
South West Norfolk	E	£10,400
South West Surrey	A	£15,650
South West Wiltshire	D	£11,350
Southampton, Itchen	C	£12,800
Southampton, Test	C	£12,800
Southend West	C	£12,800
Southport	D	£11,350
St. Austell and Newquay	C	£12,800
St. Helens North	E	£10,400
St. Helens South and Whiston	E	£10,400
St. Ives	C	£12,800
Stafford	D	£11,350
Staffordshire Moorlands	E	£10,400
Stalybridge and Hyde	E	£10,400
Stevenage	A	£15,650
Stirling	E	£10,400
Stockport	D	£11,350
Stockton North	E	£10,400
Stockton South	E	£10,400
Stoke-on-Trent Central	E	£10,400
Stoke-on-Trent North	E	£10,400
Stoke-on-Trent South	E	£10,400

Stone	D	£11,350
Stourbridge	E	£10,400
Strangford	E	£10,400
Stratford-on-Avon	D	£11,350
Stretford and Urmston	C	£12,800
Stroud	C	£12,800
Suffolk Coastal	D	£11,350
Sunderland Central	E	£10,400
Surrey Heath	A	£15,650
Sutton Coldfield	D	£11,350
Swansea East	D	£11,350
Swansea West	D	£11,350
Tamworth	D	£11,350
Tatton	D	£11,350
Taunton Deane	D	£11,350
Telford	D	£11,350
Tewkesbury	C	£12,800
The Cotswolds	C	£12,800
The Wrekin	D	£11,350
Thirsk and Malton	E	£10,400
Thornbury and Yate	B	£14,200
Tiverton and Honiton	D	£11,350
Tonbridge and Malling	A	£15,650
Torbay	D	£11,350
Torfaen	E	£10,400
Torridge and West Devon	D	£11,350
Totnes	D	£11,350
Truro and Falmouth	C	£12,800
Tunbridge Wells	B	£14,200
Tynemouth	D	£11,350
Upper Bann	E	£10,400
Vale of Clwyd	D	£11,350
Vale of Glamorgan	D	£11,350
Wakefield	E	£10,400
Wallasey	D	£11,350
Walsall North	E	£10,400
Walsall South	E	£10,400
Wansbeck	E	£10,400
Wantage	A	£15,650
Warley	D	£11,350
Warrington North	D	£11,350
Warrington South	D	£11,350
Warwick and Leamington	D	£11,350

Washington and Sunderland West	E	£10,400
Waveney	E	£10,400
Wealden	B	£14,200
Weaver Vale	D	£11,350
Wellingborough	E	£10,400
Wells	D	£11,350
Wentworth and Dearne	E	£10,400
West Aberdeenshire and Kincardine	D	£11,350
West Bromwich East	E	£10,400
West Bromwich West	E	£10,400
West Dorset	D	£11,350
West Dunbartonshire	E	£10,400
West Lancashire	D	£11,350
West Suffolk	D	£11,350
West Tyrone	E	£10,400
West Worcestershire	D	£11,350
Westmorland and Lonsdale	D	£11,350
Weston-Super-Mare	D	£11,350
Wigan	E	£10,400
Wimbledon	A	£15,650
Winchester	B	£14,200
Wirral South	D	£11,350
Wirral West	D	£11,350
Witham	D	£11,350
Witney	A	£15,650
Woking	A	£15,650
Wokingham	B	£14,200
Wolverhampton North East	E	£10,400
Wolverhampton South East	E	£10,400
Wolverhampton South West	E	£10,400
Worcester	D	£11,350
Workington	E	£10,400
Worsley and Eccles South	C	£12,800
Worthing West	C	£12,800
Wrexham	E	£10,400
Wycombe	A	£15,650
Wyre and Preston North	D	£11,350
Wyre Forest	D	£11,350
Wythenshawe and Sale East	D	£11,350
Yeovil	D	£11,350
Ynys Mon	D	£11,350
York Central	D	£11,350
York Outer	D	£11,350

ANNEX C: GUIDANCE ON OTHER PAYMENT METHODS

In addition to reimbursing parliamentary costs on the online expenses system, IPSA also provides a number of other payment methods and loans to reduce administration and improve cash-flow for MPs.

These other payment methods and loans may develop between reviews of the Scheme. Updated guidance is available on IPSA's website, or by contacting the MP Support team (020 7811 6400, info@parliamentarystandards.org.uk).

Direct payments to suppliers

IPSA can make payments direct to a number of suppliers on behalf of the MP, removing the need for the MP to pay, claim or provide evidence. These costs will then be charged to the appropriate budget.

1. Direct payments for rail travel

MPs can book rail tickets using the account IPSA generated for them on the Trainline.com website, and IPSA will pay the Trainline direct. MPs do not need to complete a form, reconcile the expense or send any receipts or tickets – IPSA will get all the information required from the Trainline when the MP books.

2. Direct payments for office supplies

MPs can buy office supplies online using accounts IPSA generated for them with three suppliers: Commercial; Banner; and QC Supplies. IPSA will pay these suppliers direct, and MPs do not need to complete a form, reconcile the expense or send any receipts – IPSA will get all the information required from the suppliers when the MP orders online. IPSA will then allocate these costs to the MP's Office costs Expenditure budget. If the Office Costs Expenditure budget is exceeded, IPSA may suspend further use of the websites until the new financial year, to prevent a greater overspend. IPSA will contact the MP seeking repayment for the overspend.

3. Direct payments for rent

IPSA is able to make payments direct to MPs' landlords for accommodation and constituency office rent, once MPs have registered their rental agreement with IPSA. MPs can request direct payments by completing the "Direct Rental Payment Form" on IPSA's website, and sending a signed copy to IPSA. MPs should allow 28 days for the first payment to be set up.

MPs will be notified when the payment has been set up, and IPSA will then pay the landlord automatically each month, quarter or year as appropriate until the end date of the rental

agreement. While an MP's landlord is receiving direct payments, the online expenses system will not offer the option of claiming reimbursement for rent for that property.

MPs must inform IPSA immediately if the rental agreement ends or is renewed, or if there are any changes (such as a change in the rental amount or the landlord's payment details).

Before instructing IPSA to set up the direct rental payment, MPs must check that there is sufficient budget to pay for rent and other associated costs. Any amounts overspent are recoverable by IPSA.

IPSA will also monitor budgets on a regular basis and where it becomes apparent that an MP will overspend his or her budget (for example, because of higher than expected associated expenditure), IPSA may stop future direct payments.

Once the direct payment has been made, it will be allocated to the MP's Accommodation Expenditure or Office Costs Expenditure budget, as appropriate.

4. Direct payments for pooled staffing services

IPSA can pay annual subscriptions for pooled services direct to the Policy Research Unit Ltd (PRU), Parliamentary Research Service (PRS), Parliamentary Office of the Liberal Democrats (POLD), Parliamentary Support Team (PST) and the European Research Group. These organisations send direct payment request forms to their users annually.

5. Direct payments for employment practice liability insurance (legal expenses insurance)

IPSA can pay MPs' employment practice liability insurance direct to an insurer. IPSA will contact all MPs annually when it is time to renew, to enable MPs to opt in or to renew.

Payment card

IPSA will on request provide MPs with a payment card which can be used to pay for:

1. travel (including tolls and congestion charges, but excluding mileage and taxis);
2. parking;
3. utilities such as electricity, water, gas and heating fuels;
4. council tax and business rates;
5. office waste collection;
6. insurance;
7. hotels;

8. TV licences;
9. stationery; and
10. constituency office telephone bills for landlines.

Each transaction is limited to £1,000, and the monthly credit limit is £4,000. IPSA may consider increases to these limits if requested by an MP.

Once a month, IPSA will send a reconciliation form to the MP's or proxy's account on the online expenses system, under "Claims/Forms in Progress". The form will contain the details of each transaction the MP has made that month. MPs will need to complete the remaining details, submit the form online and send us all supporting evidence in hard copy.

Each month MPs will receive an email when their reconciliation form is in the account and ready for completion. MPs must send IPSA their reconciliation forms and evidence within 30 days of receiving the email. If MPs do not complete their reconciliation forms within 30 days, IPSA may suspend the use of the payment card until the outstanding reconciliation forms are complete. Once the MP has sent the reconciliation form to IPSA, if IPSA then returns the form to the MP with a query, the MP must resubmit the form to IPSA within two weeks to avoid suspension of the card.

IPSA may also seek repayment for use of the card where an MP does not reconcile after the card is suspended, or IPSA determines that a purchase cannot be paid under the Scheme and mark it "Not Paid" on the reconciliation form.

Where MPs have used the card outside the Scheme or the guidance for its use, they should select "Not Claimed, To Repay" on the reconciliation form and send IPSA a cheque. Use of the card may be suspended if it is persistently or seriously misused outside the Scheme.

Once the reconciliation form is received and processed by IPSA, the expenditure will then be allocated to the appropriate budgets. If both the Accommodation Expenditure and the Office Costs Expenditure budgets are exceeded, IPSA may restrict further use of the card to travel costs only until the new financial year, to prevent greater overspends. Where a capped budget is exceeded, IPSA will contact the MP seeking repayment for the overspend following the end of the financial year.

Claiming an advance before paying the supplier

MPs may claim payment in advance for unpaid invoices of £200 or more for any expense type except reward and recognition payments and mileage. MPs can claim an advance by selecting "Yes, not yet Paid" under the field "Advance?" on the claim form for the relevant expense type, and submitting an

unpaid invoice. The MP must then submit a receipt within one month of our paying the advance, using the “RECEIPTS: Supporting Invoice” form.

For some types of expense the supplier may not provide a receipt. These are: utility bills; telephone bills; rental claims; council tax; and business rates. For these expense types, IPSA will not expect MPs to submit any further supporting evidence after IPSA has paid the advance.

Loans

1. Deposit loans

As described in the Scheme, MPs may apply for a loan for any deposit payable at the start of a tenancy for their constituency office or accommodation. MPs can request this by completing the “Rental Property Deposit Loan Agreement” on IPSA’s website, and sending it to IPSA with their final or draft rental agreement. MPs will need to repay the loan in full within one month of the rental agreement ending, or when the MP leaves office (whichever is earlier).

2. Advance loan of up to £4,000

Each MP can apply for an interest-free advance loan of up to £4,000 to assist with cash-flow and help them to cover any costs they incur that are allowed under the Scheme and are exclusively in furtherance of their parliamentary functions. The advance loan is repayable in full by the end of the Parliament or, if the MP ceases to be an MP before the end of the Parliament, any outstanding amount will be repayable in full on the date the MP leaves office. MPs can apply for the loan using the “Advance Application and Agreement” on IPSA’s website.

REPORT ON THE CONSULTATION OF 2013-14
ON
THE MPs' SCHEME OF BUSINESS COSTS AND EXPENSES

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Introduction

1. This is the Report on the public consultation held by the Independent Parliamentary Standards Authority (IPSA) as part of our review of the MPs' Scheme of Business Costs and Expenses (the Scheme), and the statement of IPSA's response to that consultation. The consultation ran between 20 November 2013 and 19 January 2014. It complied with section 5(4) of the Parliamentary Standards Act 2009 which obliges us, when revising the Scheme, to consult:
 - a. the Speaker of the House of Commons;
 - b. the Committee on Standards in Public Life;
 - c. the Leader of the House of Commons;
 - d. a Committee of the House of Commons nominated by the Speaker (the Speaker nominated the Committee on Standards);
 - e. members of the House of Commons;
 - f. the Review Body on Senior Salaries (SSRB);
 - g. Her Majesty's Revenue and Customs;
 - h. Her Majesty's Treasury; and
 - i. any other person IPSA considers appropriate (in this case, the public and organisations with a particular interest).
2. We received 21 formal written responses to the consultation on the Scheme from a range of respondents, including the Speaker, MPs, backbench party groups, MPs' staff groups, members of the public and various organisations. This was a similar response rate to last year's consultation on the Scheme. We are grateful to all who replied. In this Report, we have summarised many of the responses received and copies of all the responses can be found on our website (www.parliamentarystandards.org.uk).
3. This year's review of the Scheme was primarily about refining the rules to ensure they remain fair, workable and transparent. In particular, this review should ensure that the rules are working well in the lead up to the next General Election, scheduled for 7 May 2015. We covered a range of areas in this year's review, including expenditure during the dissolution period, winding-up arrangements and MPs' engagement of volunteers.
4. As part of the review, we also examined all of the budget limits. We intend that the budgets we introduce on 1 April 2014 will be in place for the full 12-month financial year. Barring unforeseen circumstances, we do not plan to conduct another comprehensive review of the Scheme prior to the General Election, but will review the budgets for 2015-16. Therefore, this current review of the Scheme has been the main opportunity to ensure that any changes necessary for the election period are in place. The review has resulted in the Sixth Edition of the Scheme, which will come into effect on 1 April 2014 for the 2014-15 financial year.

Chapter 1: Accommodation Expenditure

Definition of MPs' caring responsibilities

Question 1: *Do you agree we should update the definition of MPs' caring responsibilities to include the Personal Independence Payment?*

5. **Context:** Under the Scheme, MPs who have caring responsibilities may have their Accommodation Expenditure budget limit increased. We proposed to update the Scheme to reflect the fact that one of the benefits listed under the definition of caring responsibilities, the Disability Living Allowance, is being replaced for some new claimants with the Personal Independence Payment.
6. **Consultation responses received:** We received several responses to this question, from organisations and MPs, all of which agreed with our proposal without further comment.
7. **IPSA's response:** This is a minor adjustment to ensure that the Scheme reflects the Government's redefinition of benefits for some new claimants. We will update the definition of caring responsibilities by adding the Personal Independence Payment at the standard or enhanced rate for daily living. We will retain the Disability Living Allowance in the definition for existing claimants.

Chapter 2: Office Costs Expenditure

Staff training and employment practice liability insurance costs

Question 2: *Should MPs have the flexibility to claim staff training and employment practice liability insurance costs from the Staffing Expenditure budget instead of the Office Costs Expenditure budget, if they expect that budget to be exhausted?*

8. **Context:** We consulted on whether to allow MPs more flexibility over the budget from which they can claim the cost of staff training and employment practice liability insurance, as these costs could be considered as staffing costs rather than simply costs of running an office. We already take a similar approach in allowing MPs the flexibility to claim for pooled staffing resources from either budget.
9. **Consultation responses received:** We received several responses to this question and most of them agreed with our proposal. The Parliamentary Labour Party (PLP) stated: “MPs should be given as much flexibility as possible when managing budgets. The system whereby MPs can claim for pooled staffing from either the Office Costs Expenditure budget or their Staffing Expenditure budget has been a success”. One anonymous MP stated that “Yes... it seems unfair that staff should have to forgo training and development when there is money available in the Staffing Expenditure budget”. Some respondents did not support this proposal. UNITE, the trade union branch that represents MPs’ staff, stated: “we believe that there are greater pressures on the Staffing Budget... We are concerned that such a move would send the wrong signal to MPs”.
10. **IPSA’s response:** This proposal received widespread support. In response to UNITE’s concerns, we note that the point of the amendment is to allow MPs to allocate the costs in question where there is the least pressure on the budget limit. We have decided to proceed with making this amendment to the rules. We emphasise that we are allowing increased flexibility for a small number of specified costs and that we are not allowing MPs to ‘vire’ costs between budgets generally.

Chapter 3: Staffing Expenditure

MPs' engagement of volunteers

Question 3: *Do you have comments on MPs' engagement of volunteers, including the model volunteer agreement and the rules and guidance we provide for MPs?*

12. **Context:** We sought comments and suggestions on MPs' engagement of volunteers, as the question of volunteers in Parliament has been of growing interest. The issue of volunteers and 'interns' is a difficult and controversial one for Parliament and society at large. To date, we have maintained a neutral position, leaving staffing-related decisions up to individual MPs as employers, and emphasising that the law makes a clear distinction between employees on the one hand and volunteers on the other. We are aware, however, that the law does not specifically address the particular issue of 'interns', and the term has come to mean different things to different people.
13. **Consultation responses received:** This question generated the highest volume of responses to the consultation. There was no clear consensus across MPs, political parties, MPs' staff groups or organisations. In addition, we received several thousand emails from members of the public, following a mass email campaign initiated by Intern Aware.
14. The majority of respondents believed that IPSA has the means to force the issue in Parliament by imposing more prescriptive rules for volunteers and 'interns'. These respondents made the following suggestions:
- a. that we should encourage HMRC to enforce more rigorously the National Minimum Wage legislation;
 - b. that we should impose strict limits on the time that anyone can be engaged without pay;
 - c. that we should use any apparent 'underspend' in the IPSA budget to provide a fund for all MPs to support paid internships; and
 - d. that we should amend the Model Volunteer Intern Agreement to ensure that the terminology is sufficiently clear about how MPs should engage volunteers.
15. Some of the respondents argued that 'internships' can provide valuable work experience. Others mentioned that, if 'interns' are unpaid (except, perhaps, for expenses) they can be viewed as offering opportunities only to those who come from well-off families. Some viewed 'internships' as exploitative, a means of getting (mostly) young people to work for no pay.
16. Several respondents were strongly opposed to making amendments to the rules, arguing that we should not become more involved in MP-employee relations or interfere in how MPs deploy their staffing budget resources. The TaxPayers' Alliance stated: "It would be an outrageous attack on individual liberty... there is absolutely no need for further intervention in this area", while the PLP stated: "it would be wholly wrong for IPSA to limit the time a person could be registered as a volunteer". Others, such as the 1922 Committee (representing backbench Conservative MPs), argued that we should be careful not to restrict available workplace opportunities for those who wish to gain experience of Parliament.

17. The Members' and Peers' Staff Association (MAPSA) did not support making changes to our rules, stating: "we don't believe that IPSA is under a duty to impose further restrictions, although further guidance does appear to be necessary. Ultimately there is a culture within politics and Parliament of people giving up their time in the interest of a cause they believe in and while MAPSA welcomes moves to ensure that young people are not in any way exploited, we would not want to see people lose out on opportunities due to an overly restrictive system".
18. **IPSA's response:** We have considered the issues and responses at some length. We remain of the view that, as a principle, IPSA should not become more involved in the relationship between MPs and their staff. We are also concerned that the term 'intern' confuses the issue, as the distinction in law is between employees on the one hand and volunteers on the other. We remain clear that all individuals who are workers should be paid and relevant employees should be on contracts. It is up to MPs as to how they engage volunteers, and for what time period. In some cases, such as an academic placement, this may be for as long as a year. Equally there may be party volunteers who come in to help with certain tasks in the office, who would not expect any payment. It is not for us to determine these relationships.
19. On this basis, we have decided that our current, facilitative approach should continue. However there are a number of things we will do to help clarify the terms on which any volunteer claiming expenses is engaged, as set out below.
- a. We will amend the model agreement to clarify that it is for volunteers, as opposed to 'interns', and that there is no obligation on the part of the MP or volunteer to provide or deliver specified work. We will rename it the 'Model Volunteer Arrangement' accordingly. This arrangement will still need to be signed by both parties and submitted to IPSA in order for the volunteer to be able to claim incidental expenses on the online expense system.
 - b. Without specifying a time limit itself, we will require the MP and volunteer to agree the period for which the volunteer is engaged (subject to either party being able to walk away). We will direct MPs to relevant guidance, as specified below, but it will be the MP's responsibility to observe a time limit as we will play no role in enforcing it. We consider it important that the MP and volunteer have this discussion about time limits so that both sides are clear about the arrangement.
 - c. We will provide additional guidance in the Scheme which points MPs towards the more detailed guidance provided by the Department for Business, Innovation and Skills (BIS) on best practice for engaging volunteers, including those who may be termed 'interns'. BIS's guidance covers time limits, terminology, National Minimum Wage legislation, and other useful information. In general, the longer someone is engaged as a volunteer, doing the same hours and duties, the more likely it is they are 'workers' entitled to be paid at least the National Minimum Wage.
20. Legal terminology differentiates between a 'volunteer' and an 'employee'/'worker'. We will move away from using the term 'unpaid intern' and adhere to the term 'volunteer'. While others may continue to use term 'unpaid intern', we are clear that it has no legal status and muddies the waters on this already controversial issue, as the term intern is also used to cover those entitled to a wage. To avoid confusion, we will amend the relevant rules, guidance, online

expenses system and forms accordingly to remove references to 'unpaid interns' and replace it with 'volunteer'. We recognise that there continue to be individuals who must be paid at least the National Minimum Wage but fall below the IPSA model pay-bands. We will refer to such individuals as 'employed interns'.

Reward and Recognition payments for MPs' staff

Question 4: *Should we introduce a limit on reward and recognition payments MPs make to their staff? If so, what would be the best option for restricting these payments and what should the applicable limit be? Should we restrict such payments to vouchers only?*

21. **Context:** The Scheme allows MPs to make reward and recognition payments to staff members to recognise excellent work. The guidance states that the level of payments is left to the MP's discretion but they should be "modest". We asked a question following suggestions that such guidance could be open to misinterpretation and there was variable practice between MPs in making such payments. We asked whether we should introduce a limit on reward and recognition payments, to ensure value for money and emphasise that such payments should not be regarded as bonuses. We noted, however, that it is important that MPs have a way to recognise excellent work and that few MPs are actually claiming for reward and recognition payments.
22. **Consultation responses received:** There was a range of views amongst respondents, with no clear consensus, but a common theme was that there should be a move away from prescriptive rules on such payments. The Speaker stated: "IPSA should remember that the MP him or herself is the employer, and be wary of interposing itself into the employment relationship... I am concerned that more detailed restrictions would be counter-productive... [and] frustrating".
23. Very few respondents agreed we should introduce a maximum limit per payment. Some, such as the Speaker, offered support for a cap on the total amount that individual MPs could spend on such payments. The 1922 Committee supported maintaining the status quo, stating that "restricting these payments to £50 or gift vouchers would be unreasonable. The drawback of setting a cap is that it could create a default total..." The PLP stated: "IPSA should be aiming to give MPs as much flexibility as possible when managing their office. IPSA should not seek to limit how MPs can reimburse their staff". In response to the suggestion of offering vouchers only, UNITE (Parliamentary group) stated: "we find that mildly insulting and consider that it goes against the policy of allowing MPs the flexibility to run their offices as they see fit". UNITE also stated that, as few MPs make reward and recognition payments, we should work to raise the profile of this provision amongst MPs.
24. MAPSA suggested we could calculate reward and recognition based on a percentage of the staff member's salary. Some respondents suggested that we should no longer make any provision at all for reward and recognition payments. The PRU and the Senior Salaries Review Body (SSRB) both stated their preference for performance-related pay as a mechanism for performance management.
25. **IPSA's response:** We have considered the wide range of views we received. We have decided that MPs should be free to reward performance as they see fit, within the limits of their staffing

budgets. We will continue to advise MPs that the level of such payments should be modest. We are separately considering publishing more detailed data on our website of reward and recognition payments. We plan to consult shortly on proposals for our publication policy and would implement any changes from September 2014. In particular, we will be considering whether to publish all individual awards made by an MP over the financial year (whilst still protecting private information such as the names and roles of staff members).

Measures for staying within the Staffing Expenditure budget

Question 5: *To assist MPs with managing their Staffing Expenditure budget, should we introduce a new rule to ensure MPs do not engage new staff members, change existing staff members' hours or pay, or commit to pay overtime where such changes would exhaust their budget before year end?*

26. **Context:** The purpose of this proposal was to clarify and reinforce IPSA's ability to prevent MPs from making commitments to further expenditure when they are likely to overspend their Staffing Expenditure budget. This proposal aimed to ensure that MPs' budgets are in balance, by clarifying their obligations and options for staying within their budget limits. This would also assist in reducing any adverse implications for staff members by ensuring MPs did not commit to expenditure such as high pay rises or asking staff to work overtime where they could not in fact afford to cover such costs in current or future years.
27. **Consultation responses received:** There were mixed views on this proposal. The general sentiment amongst respondents was that we should not be seen to interfere in an MP's role as the employer of his or her staff members and it would seem unnecessarily bureaucratic or punitive (particularly for staff members) for us to take a more active role in ensuring MPs stay within the set budget limits. Many respondents suggested that it should be left up to the MP to manage his or her expenditure and there should be no need for IPSA to become more actively involved in assisting MPs with budgeting. The Policy Research Unit Ltd (PRU) stated: "formal involvement should be limited to sanctions once budgets are exhausted, not pre-emptive interventions. IPSA risks being drawn into detailed micro-management of MPs' staffing arrangements...". The PLP stated: "It may be overstepping IPSA's remit to prevent MPs from making changes to their staffing arrangements even if it will put them in danger of going over the budget... Perhaps IPSA could commit to warning the MP in question when their proposed staff changes will potentially cause a budget overspend". Several respondents suggested that we should provide further tools and processes to assist MPs with budgeting, in addition to those we already provide. MAPSA stated it would "welcome an early warning system to ensure that MPs don't exceed this budget".
28. UNITE raised concerns about the possible impact on MPs' staff members, stating: "We are concerned... that the examples listed are all of things that would impact staff rather than the MP who would be responsible for failing to control the budget... we would instead expect to see IPSA impose sanctions on the MP themselves, as the one making the decisions...".
29. **IPSA's response:** We are seeking to clarify our existing powers. It is not our objective to intervene in the employer-employee relationship. These measures are necessary in order to ensure that taxpayers' money is spent appropriately and that the specified budget limits are not exceeded. We will clarify provisions in the Scheme to ensure that MPs do not engage new staff

members, change existing staff members' hours or pay, or commit to pay overtime where such changes would exhaust their budget before year end. In addition, we will continue to review the advice and information we provide to MPs, including budget-reporting tools, to ensure these are as helpful as possible to MPs and their staff. MPs will continue to be able to apply for additional funding to cover necessary expenditure on replacement staff to cover staff on maternity, paternity or adoptive leave, or on long-term sick leave.

Pension providers for MPs' staff

Question 6: *In preparation for pension auto-enrolment in 2016, should we limit the range of pension providers we administer for MPs' staff to those arrangements already in place?*

30. **Context:** Auto-enrolment in workplace pension schemes is a legal requirement, which is scheduled to come into effect for MPs' staff from 1 March 2016. We have agreed to take on this commitment to enrol MPs' staff in a pension scheme on behalf of MPs, who are the actual employers. In preparation for auto-enrolment, we proposed to restrict the range of pension providers that we would administer to those arrangements already in place. This would help minimise the administrative burden on IPSA and any related cost to the taxpayer.
31. **Consultation responses received:** Most respondents supported this proposal. The SSRB stated that, "We agree that it is in the taxpayers' interest to impose reasonable limits on administrative costs". UNITE agreed in principle with this proposal, but asked whether there would be transitional arrangements.
32. **IPSA's response:** Auto-enrolment of MPs' staff is a legal commitment which we are undertaking on behalf of MPs. We will introduce a rule to limit the range of pension providers we administer from 1 April 2014 in order to ensure that auto-enrolment is carried out efficiently and effectively. We will clearly state that the Portcullis Pension Plan is the default scheme. If MPs' staff members choose to opt out and not use one of the providers we already administer, they will need to make their own private arrangements with other pension providers. In line with pensions legislation, from 2016 we will be required to administer only one pension scheme and all staff members who opt out of that default scheme would need to make their own private arrangements.

Chapter 4: Winding-Up and Resettlement Payments

Resettlement payments for MPs

Question 7: *Do you agree that we should provide for resettlement payments for defeated MPs at the next General Election, in line with our interim resettlement policy?*

33. **Context:** This proposal brings the resettlement payment rules for the 2015 General Election in line with the interim arrangements already in place for a 'snap' election. As part of our review of MPs' Pay and Pensions we have already announced that for general elections after May 2015, resettlement payments will be renamed 'Loss of Office Payments' and reduced to a payment equivalent to double the statutory redundancy entitlement.
34. **Consultation responses received:** Several respondents agreed with our proposal. The SSRB stated: "Yes. The treatment of MPs should as far as possible be in line with what most of their constituents would receive in similar circumstances". One anonymous MP stated: "Yes – this seems fair as the changes were made after the last general election". Craig Whittaker MP agreed with the proposition that MPs should have to stand and lose at the election to be eligible to receive the payment.
35. However, several respondents (mostly MPs) continued to express their concerns about the restriction of eligibility for resettlement payments to defeated MPs only. The PLP stated: "We agree that MPs who lose their seats at an election should be entitled to redundancy... [but] It is anomalous that the MP will be the only person in their office who receives no support when they choose to stand down... We are concerned that the decision to abolish resettlement grants for MPs standing down has created a perverse incentive for people not to stand down and to instead seek another term. We believe the issue of resettlement grants for MPs who chose to stand down is something IPSA should look at again". Other respondents did not support the resettlement payments for the next election being less generous than those payments offered at the 2010 election.
36. **IPSA's response:** We understand the concern from some quarters that there might be an incentive for some MPs to seek another term of office, rather than stand down. However, as we made clear when we consulted on our interim policy, it would not be appropriate for us to make payments to MPs who stand down voluntarily, in the same way that an employee who chooses to leave a job would not usually receive a leaving payment. We now plan to extend our interim policy to apply to the General Election in 2015. Any MP who stands as a candidate for their existing seat and loses will receive a resettlement payment equal to one month's salary for each completed year of service, subject to a maximum payment of six months' salary. At general elections after the next one, expected in May 2015, MPs who lose their seats in a general election will be entitled to a 'Loss of Office Payment' equivalent to double the statutory redundancy payment.

Resettlement payments for MEPs

Question 8: *Do you have any comments about the making of a resettlement payment scheme for a small group of Members of the European Parliament?*

37. **Context:** IPSA has statutory responsibility for pensions and resettlement payments for six ‘opted out’ British MEPs who declined to move to the new, centralised remuneration system at the last European Parliament election in 2009 and instead opted to remain on the previous system where they received the same pay, pensions and resettlement payments as a UK MP.
38. **Consultation responses received:** Most respondents supported this proposal, but some were concerned that our governing legislation requires us to offer resettlement payments to MEPs who leave the European Parliament for any reason. The SSRB stated: “It is surprising that legislation provides for payments to MEPs who retire or voluntarily leave the European Parliament. We do not think this is justified”. The PLP went on to highlight the apparent discrepancy between the resettlement payment eligibility rules for MEPs regardless of whether or not they are defeated, in contrast with MPs: “It is disappointing that this will be provided to members of the European Parliament but not UK MPs”.
39. **IPSA’s response:** Our governing legislation states that if we make a resettlement scheme for MPs, we also have the power to make one for MEPs, which must be as “nearly equivalent as...practicable”¹ to that for UK MPs. We have decided to proceed with bringing resettlement arrangements for opted-out MEPs in line with those for UK MPs. This will mean that opted-out MEPs leaving the European Parliament at the 2014 election will receive a resettlement payment equal to one month’s salary for each completed year of service, subject to a maximum payment of six months’ salary. Opted-out MEPs leaving the European Parliament at subsequent elections will receive a payment equivalent to double the statutory redundancy payment in line with the Loss of Office Payments to be introduced for eligible UK MPs. We will be laying a resettlement scheme separately for these opted-out MEPs. No changes are required to the MPs’ Scheme of Business Costs and Expenses itself.

Winding-Up period

Question 9: *Do you agree that we should clarify that the period available for MPs to wind up their parliamentary functions is “up to a maximum of two months”?*

40. **Context:** We proposed to harmonise the existing rules across the various claimable elements of winding-up, to clarify that the period available is “up to a maximum of two months”.
41. **Consultation responses received:** The majority of respondents agreed with this proposal.
42. **IPSA’s response:** This is simply a clarification to avoid any confusion, particularly as we approach the General Election. We will amend the relevant rules accordingly.

¹ European Parliament (Pay and Pensions) Act 1979 s3(3).

Chapter 5: Travel and Subsistence

Subsistence claims by MPs' staff (overnight accommodation)

Question 10: *Do you agree we should amend the rules to clarify that overnight hotel claims can only be made for MPs' staff where directly related to a claimable journey?*

43. **Context:** This proposal seeks to remove the inconsistency whereby MPs' staff members may not claim for extended UK travel but could possibly claim for a hotel stay associated with a journey that was not claimable.
44. **Consultation responses received:** All those who responded to this question agreed that we should clarify the rules.
45. **IPSA's response:** We will proceed with this clarification of the rules for hotel claims.

Late working in Parliament (overnight hotel claims for MPs)

Question 11: *Do you agree we should clarify the rules for overnight hotel claim limits for MPs after late working in Parliament if MPs want to claim more than the £150 limit?*

46. **Context:** MPs may not claim for hotel costs over £150 per night except if, in exceptional circumstances, an MP is unable to find a hotel for £150 or less after late working in Parliament, they may claim for more than the limit. For the avoidance of doubt, we proposed to state explicitly that MPs may only claim for hotels over £150 if they meet the provisions set out for late working in Parliament.
47. **Consultation responses received:** Respondents to this question agreed in principle, although the Speaker raised some concerns about the timing of late working, meaning that bookings would inevitably be at short notice and therefore would most likely cost over £150 in central London.
48. **IPSA's response:** Our own research into hotel costs suggests that it is possible to find suitable hotel accommodation in central London for £150 or less at short notice (for example, for that same night). We will proceed with this clarification of the existing rules.

Chapter 6: Miscellaneous Expenditure and Financial Assistance

Travel by MPs during the dissolution period

Question 12: *Should we allow MPs who are standing down to claim for an additional return journey to Westminster during the election period to wind up their affairs?*

49. **Context:** The aim of this proposal is to provide MPs who are standing down with further flexibility to travel during the election period, which will assist them in winding-up their affairs before the election. We proposed that MPs should be able to claim for one additional return journey, which would make a total of two return journeys allowed.
50. **Consultation responses received:** Respondents' views were mixed, with some questioning why there should be any limit on the number of journeys. The PLP stated: "An MP who has been in Parliament for a considerable amount of time will clearly need more than one journey to wind up their affairs". The PRU argued that it "seems somewhat penny pinching to restrict travel to one journey... The consequential costs of the chaos that ensues from a poorly managed handover to a new MP will far outweigh a few train fares".
51. **IPSA's response:** It could be argued that MPs who have made the decision to stand down should have already had sufficient time to prepare for winding-up, so may not need to undertake more than two return journeys. We note also that Parliament itself imposes restrictions on access to the estate during the election period and most standing down MPs would not require multiple trips back and forth to Westminster.
52. We will therefore amend the rules to allow MPs who are standing down to make two return journeys to Westminster following the dissolution of Parliament. MPs who are standing for re-election can continue to claim one single journey from Westminster back to the MP's residence or any point in his or her constituency during the dissolution period, as they may not commence winding-up their affairs until the outcome of the General Election is known.

Purchase of capital items in the event of an early General Election

Question 13: *Do you agree that we should amend the rules to prevent claims for purchases of capital items under Office Costs Expenditure from the day of dissolution until polling day, in the event of an early general election?*

53. **Context:** Chapter 10 of the Scheme currently includes a provision to prevent claims for purchases of capital items in the six months prior to a scheduled General Election. However, there is currently no such provision for an early election.
54. **Consultation responses received:** All those who responded to this question agreed in principle with the proposal. However, the Speaker suggested that in the event of an early election, we should introduce a moratorium at an earlier stage, either from the day after a vote to dissolve Parliament, or the day after the Government loses a vote of confidence, in order to reduce any opportunity for purchasing such items in the short period before dissolution occurs.

55. **IPSA's response:** We have decided to proceed with our original proposal and amend the rules to introduce a moratorium on the purchase of capital items from the day of dissolution until polling day. We do not consider it appropriate to introduce a moratorium earlier, since to apply one from the day after the Government loses a confidence vote would be to ignore the possibility of a new Government's being formed. Using a vote for dissolution would not have this complication. But the fact that Parliament could be dissolved in either way would make the rule relatively complex for MPs and their staff to understand, with different dates of commencement of the moratorium depending on the method of dissolution.
56. On the grounds of simplicity, and since we consider the risks referred to by the Speaker to be low, we will introduce a rule to prevent claims for capital purchases from the date of dissolution.

Disposal of capital items purchased with public funds by departing MPs

Question 14: *Do you agree that we should include guidance in the Scheme for departing MPs on the disposal of capital items purchased with public funds?*

57. **Context:** In the review of the Scheme in 2011-12, we consulted on whether it would be sensible or economic for us to seek to recover capital items purchased with public funds when an MP leaves office. This included office equipment or furniture purchased using funds from the House of Commons or IPSA. At that time, we concluded that it would not be economically or logistically feasible for us to dictate what should happen to the equipment left by outgoing MPs. We also noted that, from a tax standpoint, HMRC would view all such items as belonging to the MP personally. Instead, we provided guidance that departing MPs should dispose of such IPSA-funded assets safely and should offer them to their successor or a local charity if appropriate. However, we often get queries from MPs and MPs' staff asking what they should do with assets. While it would not be appropriate to introduce specific rules on this matter (as it is not realistic for us to tie the hands of either the outgoing or the incoming MP), we felt it would be helpful if we added this guidance to the Scheme itself, for the avoidance of doubt.
58. **Consultation responses received:** We received several responses to this question, mostly in support of including guidance on this matter in the Scheme. The Speaker stated: "I do not have strong views on the proposal... but I note that IPSA itself indicates that HMRC would view all such items as belonging to the MP personally. While the guidance is helpful, it would be undesirable for there to be a mismatch between HMRC's view and any mandatory requirement from IPSA".
59. **IPSA's response:** Guidance will be particularly helpful in the run up to the General Election. We will add wording to the Sixth Edition of the Scheme accordingly, encouraging departing MPs to dispose of publicly-funded assets safely and securely, and consider offering such assets to their successor or a local charity if appropriate. This guidance is in line with our publicly-stated position on this matter in response to the consultation on the Scheme in 2011-12. We have previously determined that it would not be financially or logistically feasible for us to reclaim these capital items or otherwise dictate what MPs should do with these items.

Advance Loans for MPs

Question 15: *Do you have any comments on the continuing provision of advance loans to MPs and, in particular, whether £4,000 continues to be the appropriate level?*

60. **Context:** All MPs can currently apply for an interest-free advance loan of up to £4,000 to assist with cash flow. This advance loan is repayable by the end of the Parliament. This provision was introduced after the 2010 election. We have since made several changes to our operational and financial processes, including making available direct payment procedures and a payment card for MPs to use.
61. However, we sought comments on whether there may be merit in continuing to offer advance loans in the next Parliament, particularly to help new MPs, who may have high outlays which they may have to fund themselves before being reimbursed by us. There is also a Start-Up budget of £6,000 for new MPs to set up their offices and MPs can also apply for loans to cover deposits on rental properties.
62. **Consultation responses received:** All those who responded to this question supported the continued provision of advance loans, particularly for new MPs. The PRU stated: “It allows them to be up and running quickly without devoting their first few weeks to learning the IPSA claims process”. The Speaker stated: “New MPs without private resources can be hard pressed at the beginning of a Parliament... it is unreasonable for MPs to be expected to advance money to support their business costs and expenses, and such an expectation would necessarily reduce the diversity of candidates”. Some argued that we should consider increasing the level available from £4,000.
63. **IPSA’s response:** The provision for advance loans will continue in the new Parliament. Such a facility will play an important part in our support arrangements for new MPs after the 2015 General Election. Advance loans will continue to be available to all MPs, not just new MPs, as some may still otherwise require assistance. We will introduce a new time limit on advance loans, which will have to be repaid in full by the end of the 2015-16 financial year. This should be sufficient time for MPs to set up direct payments, become familiar with the IPSA claims process, and equip their constituency offices. New MPs will also be able to take advantage of the Start-Up budget to assist with setting up their offices.
64. The changes to the rules on advance loans will not be made until the Seventh Edition of the Scheme, which will come into effect on 1 April 2015, in time for the new Parliament. No changes will be made for the Sixth Edition of the Scheme for 2014-15, other than to clarify the arrangements for the repayment of advance loans. We will amend the rules and guidance on advance loans to clarify that, if the MP ceases to be an MP before the advance loan is repaid in full, any outstanding amount will be repayable on the date the MP leaves office, not at the end of the Parliament (in line with wording in the form that MPs sign when applying for advance loans).

Recall of Parliament (travel for family members)

Question 16: *Do you agree that we should amend the rules to ensure MPs may claim any reasonable travel for both their spouse and dependants to return with them in the event of a recall of Parliament?*

65. **Context:** The current rules state that in the event of a recall of Parliament during recess, we will settle claims for any reasonable travel “by an MP and his or her spouse/partner or dependants” to London. In order to avoid any confusion in future, we proposed to clarify this rule to ensure that claims could be made “by an MP and his or her spouse/partner and/or dependants, and not simply for one or the other.
66. **Consultation responses received:** The majority of respondents agreed with this proposal.
67. **IPSA’s response:** We will clarify the relevant rule, as proposed.

Recall of Parliament (class of travel)

Question 17: *Do you agree we should clarify in our rules that, in the event of a recall of Parliament, MPs will be expected to travel standard class or equivalent unless they have no alternative?*

68. **Context:** The Scheme states that in the event of a recall of Parliament during Recess while an MP is overseas, we will cover the costs of reasonable international travel back to the UK and may include return travel to the foreign location. If MPs necessarily incur costs above £3,750, the Scheme states that we will consider making a contingency payment for the additional amount. Our previous guidance to MPs also states that MPs will be expected to travel standard class or equivalent unless they have no alternative. We proposed to incorporate similar guidance into the rules, for the avoidance of doubt.
69. **Consultation responses received:** There was a range of responses to this question, although most respondents did not support the proposal. The PLP stated: “This seems like a sensible change, but IPSA should consider that on rare occasions standard class may not be the cheapest available option”. The PRU suggested that we should determine which class of travel to allow depending on the duration of the flight. Some MPs feel that if they have travelled first class privately to a destination they should be able to claim for first class travel if returning in the event of a recall.
70. Several respondents also raised broader concerns about the guidance on incurring costs above £3,750, which states that “If MPs necessarily incur costs above £3,750 when returning to the UK for a recall, IPSA will consider making a contingency payment for the additional amount”. Many argued that this apparent limit was a disincentive for MPs to return for a recall. The PLP stated: “several MPs felt unable to return for a recent recall of parliament fearing that they would have to foot the extra cost themselves. It is clear that a recall is a vital part of an MP’s role and they should be supported”.
71. **IPSA’s response:** This proposal sought to clarify and build on previous guidance and advice that we have given to MPs. We do not consider that allowing first class travel would constitute good value for money for the tax payer. However, we recognise there may be circumstances when either standard class may not be the cheapest option (for example, where standard class may

not be available at very short notice) or it may be more cost-efficient to re-schedule an existing first-class booking rather than paying cancellation fees. We will clarify the rules to state that MPs will be expected to travel standard class or equivalent unless they have no alternative or there is a more cost-effective option available.

72. We have not seen evidence that any MPs have claimed for travel costs in excess of £3,750 or have not been reimbursed appropriately for their claims. MPs can currently claim for higher travel costs through the contingency process, should the need arise. However, to deal with the risk that the apparent limit may deter some MPs from returning during a recall or result in MPs incurring costs personally, we will remove the apparent limit, in addition to specifying that we expect travel to be by standard class or other more cost-effective alternative.

Chapter 7: Other matters

Referendum related spending

Question 18: *Should we allow MPs to claim, or prevent them from making claims, for expenditure which relates to the expression of views on the Scottish Independence Referendum question?*

73. **Context:** MPs can claim for the cost of websites through the Office Costs Expenditure budget, as long as the websites do not contain any party political material. Proscribed material would include any which could be construed as campaign material under the Political Parties, Elections and Referendums Act 2000 (PPERA). Some MPs have argued that stating their position on a single issue referendum, particularly one as nationally significant as the Scottish Independence Referendum, is not party political and should not be construed as campaigning under relevant legislation.
74. **Consultation responses received:** The majority of respondents considered that we should allow MPs to claim for expenditure related to the expression of views on the referendum question. The PLP stated “It is part of an MP’s duty to campaign on behalf of their constituents in the referendum. IPSA must remember that you cannot take the ‘politics’ out of a politician”. The 1922 Committee agreed “Members of Parliament are elected to have a view on the big issues of the day and these issues do not come much bigger than the potential break-up of the Union. Preventing Members from indicating their view on their publicly funded House of Commons websites would be unnecessarily restrictive and open to some degree of ridicule”.
75. **IPSA’s response:** Given the importance of the Scottish Independence Referendum to the future of the UK, we agree that MPs should be able to carry a statement on their IPSA-funded websites indicating which way they would vote in the referendum. We have amended the rules accordingly to state that MPs may use their IPSA-funded websites to make a statement about the Scottish Independence Referendum if they wish to do so. However, party political statements, or other material which could be construed as campaigning material under PERA will continue to be prohibited.

Any other comments

Question 21: *Do you have any other comments you would like to make about the MPs’ Scheme of Business Costs and Expenses?*

76. **Context:** There were a range of additional comments made about the Scheme, both in response to this specific question and following on from other questions in the consultation. Some of these suggestions have already been addressed elsewhere in this report, where relevant.
77. **Consultation responses received:** Under this question, the Electoral Commission submitted a response proposing several amendments to the Scheme. It made two central recommendations, as set out below.
- The Scheme currently prevents claims relating to the production or distribution of material under the Political Parties, Elections and Referendums Act 2000 (PPERA).

The Electoral Commission suggested that the Scheme could reflect more thoroughly all the activities that are treated as regulated party campaign expenditure under that legislation, as it is wider than just 'material'. For example, it also covers costs including market research, canvassing, press conferences, transport, and rallies. To minimise the risk of MPs claiming for activities that are party campaign expenditure, the Electoral Commission suggested that the Scheme make clear that any activities which could be construed as campaign expenditure within the scope of PPERA are not considered as necessary for the performance of MPs' parliamentary functions.

- b. All donations to election candidates are regulated under PPERA and the Representation of the People Act 1983. As IPSA is not a 'permissible donor' there is a risk that, if an MP accepts IPSA funding for any 'election expenses' in the run up to an election he or she would be committing an offence under the Representation of the People Act 1983. The Electoral Commission suggests that we should amend our rules "to avoid the potential for unintentional breaches of the candidate donation controls...", in a similar way we already restrict campaign expenditure. In particular, it suggests the Scheme makes clear that activities which could be construed as election expenses within the scope of the Representation of the People Act 1983 are not regarded as part of MPs' parliamentary functions.

78. IPSA's response: We have considered the Electoral Commission's two recommendations and we agree that we should make the Scheme rules more consistent with the Commission's rules on political donations. We will amend the General Conditions of the Scheme accordingly to reflect both recommendations. We will add any activities which could be construed as either campaign expenditure or election expenses within the scope of the relevant legislation to the list of activities not considered as necessary for the performance of MPs' parliamentary functions and we will not cover related costs. We will provide appropriate guidance as necessary.

Other rule changes

79. In addition to making changes in response to the consultation, we will make some minor adjustments to the Scheme for clarity and consistency. These changes are:

- a. amend the title of Chapter 8 from "Start-Up and Winding-Up" to "Start-Up, Winding-Up and Resettlement Payments" to avoid any confusion, as resettlement payments do not fall under the Winding-Up budget itself; and
- b. amend the heading to Section F of Chapter 10 from "Expenditure during a General Election" to "Expenditure during the Dissolution Period", more accurately to reflect the relevant period that the rules cover.

Chapter 8: Review of the budgets

80. **Context:** As part of the Scheme review each year, we examine all the budgets, drawing on research, data analysis and responses to the consultation. We look at a variety of factors, including consumer price inflation and changes in the costs of the different elements in each budget. As part of the consultation, we asked the following question:

Question 20: *Do you have any comments on the budget levels under the Scheme?*

81. **Consultation responses received:** We received several responses. The PLP suggested that the budgets should be increased in line with inflation while the 1922 Committee raised broad concerns that the budgets may not be sufficient as some MPs are funding their work-related activities and expenses out of their own pocket. Several MPs suggested we consider increasing the Accommodation Expenditure budget for the London Area in particular, suggesting that many MPs are being forced to move properties frequently to manage within budget. Other respondents raised concerns about the Staffing Expenditure budget. UNITE proposed that we consider increasing the budget as it had been two years since the last adjustment and the cost of living was rising. As noted above, we also received several related responses suggesting that we create a new intern placement scheme or fund an existing scheme.
82. **IPSA's response:** Having taken into account a range of relevant evidence, we have decided to adjust some of the budgets to reflect trends in inflation. We discuss each of the budgets in more detail below.

Accommodation Expenditure budget

83. Eligible MPs are provided with an Accommodation Expenditure budget, which is designed to meet the costs of overnight accommodation necessarily incurred in the performance of an MP's parliamentary functions. MPs claim rental expenditure in one location (the London Area or their constituency), and the rental budget also includes an element to cover associated expenditure (including utility bills, council tax and the costs of a landline and broadband connection). Alternatively, MPs can claim for hotel costs or, if they own their property, MPs may claim associated expenditure only.
84. Following last year's review, which involved an in-depth analysis of independent rental data on London rental properties, we decided it would not be right to increase the rental portion of the budgets at that time. For 2013-14, we increased the associated expenditure portion of the budget by 2.4% to reflect inflation. The Accommodation Expenditure budget for the London Area is currently £20,100 per year. There are also five regional rental bands currently ranging from £10,150 to £15,250, reflecting rental costs in different parts of the UK.
85. This year, we looked again at the rental costs in different parts of London, as well as changes in costs over the past three years and costs across the UK. Tables 1 and 2 in Annex A to this report show the detailed figures of London rental costs, based on data taken from the biannual survey of private market rents by the Valuation Office Agency for one-bedroom properties. These data demonstrate that, although there have been significant increases in rents over the past three

years in London in particular, properties in the majority of London boroughs remain affordable under the current Accommodation Expenditure budget.

86. We also looked at recent changes in the costs which comprise associated expenditure (such as utility costs and council tax), which form part of the total Accommodation Expenditure budget. The evidence we looked at showed that associated costs have risen recently, on average, by 2.4%.
87. To reflect increases in actual costs, and to make a contribution towards higher rents in London, we consider it appropriate to increase the Accommodation Expenditure budgets by 2.5% for 2014-15. The budgets for MPs claiming for rental payments in the London Area will increase to £20,600. There will be a corresponding increase in all five regional bands for those MPs renting within their constituency, which will now range from £10,400 to £15,650. Associated expenditure is also built in to the overall Accommodation Expenditure budgets and, consequently, we have increased the nominal amount identified for associated expenditure by 2.5%, to £2,800 (rounded up).

Associated Expenditure (for MPs who own their homes)

88. MPs who own their homes may claim associated expenditure only. The annual budget is currently £8,850. We continue to consider it important to provide a budget for MPs who stay in their own properties when they are in London or their constituency for parliamentary functions, as an alternative to renting a flat or staying in a hotel. We plan to conduct an in-depth review of the rules on MPs' accommodation following the General Election, including the type and amount of support the taxpayer should provide. In the interim, we have decided that the budget will stay at its current level of £8,850 for 2014-15.

Office Costs Expenditure (OCE) budget

89. The Office Costs Expenditure budget (OCE) covers the costs of renting, equipping and running an MP's office(s) or surgeries. Following last year's review, we increased the OCE budgets by 2.4% for 2013-14 to reflect inflation. The Consumer Prices Index (CPI) for December 2013 showed an annual inflation rate of 2.0%. Having looked at all the evidence, we have decided to increase the OCE budgets for London Area and Non-London Area MPs by 2.0% for 2014-15 to reflect inflation.

Staffing Expenditure budget

90. In 2011-12, the Staffing Expenditure budgets for MPs were increased from £115,000 to £144,000 for London Area MPs and £137,200 for Non-London Area MPs following a comprehensive review of MPs' staffing expenditure. There were no changes to the Staffing Expenditure budgets in 2013-14. We advised MPs that they should have regard to the terms of the wider public sector pay policy when setting pay for their staff, which capped pay increases at an average of 1% except where staff members had taken on significant extra responsibilities. We also stated that,

where providing staff with a 1% pay increase would take an MP over their budget limit, we would consider a contingency application to fund the difference. The public sector pay policy for 2014-15 remains that pay rises should be capped at an average of 1%.

91. We have decided to increase the Staffing Expenditure budget limits by 1% for 2014-15 for both London Area and Non-London Area MPs. An increase of 1% allows those MPs who are close to their budget limits to give their staff members a pay increase of 1%, in line with the public sector pay policy, without having to apply for contingency funding.

London Area Living Payment (LALP)

92. The London Area Living Payment (LALP) is intended to contribute towards the additional expenses of living in, or commuting regularly to, the London Area. The LALP is currently £3,760 per year. An additional amount is available for those London Area MPs who are outside Greater London (also known as the Outer LALP, or OLALP). The OLALP, which was introduced in April 2011, is an additional £1,330 per year.
93. We have decided it would not be appropriate to increase LALP or OLALP for 2014-15. Although public transport prices have increased, a fundamental principle of the Scheme is that MPs should be treated, as far as possible, like other citizens, who would have to absorb increased commuting costs from their own resources. These payments are intended to provide a 'contribution' towards transport costs, without necessarily covering the whole cost.

Winding-Up budget

94. The Winding-Up budget is available to MPs to meet the cost of completing their outstanding parliamentary functions when they cease to be MPs. It is for a maximum of two months and the budget limit is calculated as a proportion of the Staffing Expenditure and OCE budgets. The Staffing Expenditure and OCE budgets have been increased as a result of this review so the Winding-Up budget has been increased accordingly.

Hotel claim limits

95. MPs may claim for hotel costs when they are away from their constituency or home in the performance of their parliamentary functions (under either Travel and Subsistence or Accommodation Expenditure, as appropriate). The current limits for claims are up to £150 a night for a hotel in London, £120 a night elsewhere in the UK and £150 a night outside the UK. As part of the review of the Scheme, we analysed a sample of hotels close to Westminster and in other locations in the UK and Europe. We concluded that there is ready availability of suitable hotel rooms within budget both in the immediate term (i.e. for that night) and in one week's time and in two weeks' time. On that basis, we have not increased the limits for hotel costs for 2014-15.

Chapter 9: Equality and Diversity

96. **Context:** IPSA, as a public body, is required to meet the public sector equality duty set out in the Equality Act 2010. The duty includes a requirement that public bodies must consider the needs of all individuals in shaping policy and delivering services. In addition, that Act also makes it unlawful for public bodies to discriminate against individuals based upon certain “protected” characteristics. These characteristics are age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex, and sexual orientation.
97. In fulfilment of that duty, we have considered throughout this review what impact any changes to the *MPs’ Scheme of Business Costs and Expenses* may have on the equality and diversity of the House of Commons and on individuals with the protected characteristics. We have also considered the extent, if any, to which the Scheme may affect the wider diversity of the House of Commons. To gain feedback on how the Scheme is working in practice currently and about the proposed amendments, we asked the following consultation question.

Question 19: *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?*

98. **Consultation responses received:** Few respondents addressed this question. Several of those who did respond noted that improvements to the Scheme since 2010 had reduced any potential impact on the equality and diversity of the House of Commons. Some, including the PLP and the Speaker of the House of Commons, expressed the view that the arrangements for business costs and expenses should not affect the wider diversity of the Commons. Some respondents raised concerns about ensuring that staffing opportunities within Parliament are not restricted in any way that prevents those from less privileged backgrounds from taking part on a voluntary basis.
99. **IPSA’s response:** No respondent provided specific evidence to us either that our existing rules were having an impact on the equality and diversity of the House of Commons, or that the changes we proposed would do so. Furthermore, we have conducted an equality impact ‘screen’, an assessment of the proposed policies and their impact or potential impact on any of the Equality Act protected characteristics. We do not believe that the proposed changes will have an impact either on individuals with the protected characteristics, nor on the wider equality and diversity of the House of Commons.

Annex A: Valuation Office Agency data – London rental properties

**Table 1: Private Rental Market Statistics for one bedroom rental properties in London only
– 12 month percentage changes in annualised rent (2010 to 2014)**

VOA Private Rental Market Statistics	2010-11 to 2011-12	2011-12 to 2012-13	2012-13 to 2013-14 (indicative)	2010-11 to 2011-12	2011-12 to 2012-13	2012-13 to 2013-14 (indicative)	2010-11 to 2011-12	2011-12 to 2012-13	2012-13 to 2013-14 (indicative)
Area	Difference in Average (annual % change)	Difference in Average (annual % change)	Difference in Average (annual % change)	Difference in Median (annual % change)	Difference in Median (annual % change)	Difference in Median (annual % change)	Difference in Upper Quartile (annual % change)	Difference in Upper Quartile (annual % change)	Difference in Upper Quartile (annual % change)
Barking and Dagenham	-0.76%	10.51%	1.72%	1.20%	4.01%	7.14%	-2.34%	13.28%	5.99%
Barnet	3.01%	-1.86%	1.79%	4.00%	2.42%	1.93%	6.55%	-2.07%	3.37%
Bexley	2.92%	2.28%	2.83%	1.17%	3.85%	0.00%	3.70%	0.00%	3.57%
Brent	0.31%	2.03%	-2.55%	0.03%	2.11%	-4.22%	-1.78%	0.00%	-1.73%
Bromley	-0.32%	4.55%	0.51%	3.45%	3.33%	2.58%	3.23%	6.25%	0.00%
Camden	8.09%	-0.54%	1.08%	10.00%	0.00%	3.01%	9.98%	-2.58%	1.35%
City of London	3.68%	-3.55%	-0.37%	7.63%	-3.22%	-1.35%	3.93%	1.22%	-2.36%
Croydon	4.51%	1.36%	2.14%	3.57%	3.45%	0.00%	4.00%	2.56%	3.13%
Ealing	9.42%	3.65%	7.62%	7.34%	5.26%	9.60%	10.37%	4.55%	4.35%
Enfield	3.22%	5.29%	0.58%	5.49%	0.00%	6.25%	6.28%	0.00%	2.86%
Greenwich	-4.56%	11.63%	3.96%	-3.33%	15.17%	4.79%	-14.72%	22.35%	5.77%
Hackney	8.66%	1.22%	0.56%	10.03%	1.76%	1.81%	10.37%	0.00%	0.00%
Hammersmith and Fulham	7.83%	6.10%	1.17%	14.00%	5.26%	0.00%	9.52%	0.57%	1.56%
Haringey	6.33%	8.29%	1.11%	9.56%	8.63%	1.57%	8.13%	5.66%	1.81%
Harrow	5.48%	5.77%	-1.22%	4.15%	5.68%	0.00%	5.06%	3.58%	2.70%
Havering	-0.06%	1.78%	0.29%	3.85%	2.96%	0.00%	3.57%	3.45%	0.00%
Hillingdon	1.12%	2.20%	1.01%	0.00%	3.33%	0.65%	0.00%	6.25%	0.00%
Hounslow	6.94%	5.38%	8.24%	5.33%	9.32%	15.79%	17.00%	2.56%	8.33%
Islington	5.24%	9.53%	-0.14%	7.14%	8.31%	1.56%	6.08%	7.12%	0.00%
Kensington and Chelsea	2.56%	9.93%	-3.45%	6.27%	5.86%	0.00%	4.21%	6.06%	0.00%
Kingston upon Thames	3.07%	8.18%	0.32%	2.35%	6.32%	0.00%	5.56%	5.26%	0.00%
Lambeth	4.14%	7.22%	0.77%	5.53%	7.33%	2.04%	7.24%	1.72%	3.31%
Lewisham	6.67%	6.76%	-0.23%	6.67%	6.25%	0.00%	9.09%	11.11%	-4.70%
Merton	10.09%	5.25%	-2.88%	11.76%	5.26%	0.00%	15.26%	5.02%	0.00%
Newham	-1.76%	14.55%	0.75%	-2.60%	15.38%	-1.22%	-3.64%	20.74%	1.29%
Redbridge	3.91%	3.32%	2.19%	3.57%	3.45%	3.33%	3.23%	6.13%	0.12%
Richmond upon Thames	3.03%	8.44%	0.65%	5.40%	10.53%	0.00%	0.46%	9.09%	0.00%
Southwark	-0.98%	13.27%	-0.90%	-2.17%	12.82%	0.00%	-6.69%	19.70%	-2.82%
Sutton	3.54%	4.52%	4.46%	3.70%	3.57%	6.90%	3.45%	6.00%	0.63%
Tower Hamlets	3.79%	13.30%	-1.14%	3.80%	17.37%	-2.43%	6.45%	10.28%	-1.08%
Waltham Forest	5.97%	3.55%	3.06%	5.88%	2.82%	5.99%	5.77%	8.73%	0.33%
Wandsworth	1.23%	9.10%	-0.72%	4.36%	7.58%	1.21%	1.70%	5.77%	1.82%
Westminster	3.09%	3.97%	-0.11%	1.35%	5.35%	1.23%	5.88%	0.00%	0.00%
All London Areas (Average % change between years)	3.62%	5.67%	1.00%	4.56%	5.80%	2.07%	4.45%	5.77%	1.20%

Table 2: Private Rental Market Statistics for one bedroom rental properties in London only
- annualised rental prices (2010 to 2014)

VOA Private Rental Market Statistics	2011-12	2012-13	2013-14 (indicative)	2011-12	2012-13	2013-14 (indicative)	2011-12	2012-13	2013-14 (indicative)
Area	Average (annual)	Average (annual)	Average (annual)	Median (annual)	Median (annual)	Median (annual)	Upper quartile (annual)	Upper quartile (annual)	Upper quartile (annual)
Barking & Dagenham	£8,220	£9,084	£9,240	£8,076	£8,400	£9,000	£8,496	£9,624	£10,200
Barnet	£11,640	£11,424	£11,628	£10,920	£11,184	£11,400	£12,744	£12,480	£12,900
Bexley	£7,884	£8,064	£8,292	£7,800	£8,100	£8,100	£8,400	£8,400	£8,700
Brent	£12,444	£12,696	£12,372	£11,964	£12,216	£11,700	£14,556	£14,556	£14,304
Bromley	£8,976	£9,384	£9,432	£9,000	£9,300	£9,540	£9,600	£10,200	£10,200
Camden	£17,856	£17,760	£17,952	£17,160	£17,160	£17,676	£20,016	£19,500	£19,764
City of London	£20,256	£19,536	£19,464	£20,148	£19,500	£19,236	£21,576	£21,840	£21,324
Croydon	£8,832	£8,952	£9,144	£8,700	£9,000	£9,000	£9,360	£9,600	£9,900
Ealing	£11,844	£12,276	£13,212	£11,400	£12,000	£13,152	£13,200	£13,800	£14,400
Enfield	£9,756	£10,272	£10,332	£9,600	£9,600	£10,200	£10,500	£10,500	£10,800
Greenwich	£9,492	£10,596	£11,016	£8,700	£10,020	£10,500	£10,200	£12,480	£13,200
Hackney	£14,796	£14,976	£15,060	£14,304	£14,556	£14,820	£16,644	£16,644	£16,644
Hammersmith & Fulham	£14,556	£15,444	£15,624	£14,820	£15,600	£15,600	£16,800	£16,896	£17,160
Haringey	£12,012	£13,008	£13,152	£11,964	£12,996	£13,200	£13,776	£14,556	£14,820
Harrow	£10,188	£10,776	£10,644	£9,936	£10,500	£10,500	£10,716	£11,100	£11,400
Havering	£8,112	£8,256	£8,280	£8,100	£8,340	£8,340	£8,700	£9,000	£9,000
Hillingdon	£9,276	£9,480	£9,576	£9,000	£9,300	£9,360	£9,600	£10,200	£10,200
Hounslow	£11,604	£12,228	£13,236	£10,428	£11,400	£13,200	£14,040	£14,400	£15,600
Islington	£15,984	£17,508	£17,484	£15,600	£16,896	£17,160	£18,204	£19,500	£19,500
Kensington and Chelsea	£22,488	£24,720	£23,868	£22,104	£23,400	£23,400	£25,740	£27,300	£27,300
Kingston upon Thames	£10,560	£11,424	£11,460	£10,440	£11,100	£11,100	£11,400	£12,000	£12,000
Lambeth	£13,128	£14,076	£14,184	£12,600	£13,524	£13,800	£15,336	£15,600	£16,116
Lewisham	£9,936	£10,608	£10,584	£9,600	£10,200	£10,200	£10,800	£12,000	£11,436
Merton	£11,880	£12,504	£12,144	£11,400	£12,000	£12,000	£13,140	£13,800	£13,800
Newham	£9,816	£11,244	£11,328	£9,360	£10,800	£10,668	£10,764	£12,996	£13,164
Redbridge	£9,024	£9,324	£9,528	£8,700	£9,000	£9,300	£9,600	£10,188	£10,200
Richmond upon Thames	£11,940	£12,948	£13,032	£11,400	£12,600	£12,600	£13,200	£14,400	£14,400
Southwark	£12,936	£14,652	£14,520	£11,700	£13,200	£13,200	£14,556	£17,424	£16,932
Sutton	£8,496	£8,880	£9,276	£8,400	£8,700	£9,300	£9,000	£9,540	£9,600
Tower Hamlets	£14,892	£16,872	£16,680	£14,304	£16,788	£16,380	£17,160	£18,924	£18,720
Waltham Forest	£9,468	£9,804	£10,104	£9,360	£9,624	£10,200	£9,900	£10,764	£10,800
Wandsworth	£13,716	£14,964	£14,856	£13,776	£14,820	£15,000	£15,600	£16,500	£16,800
Westminster	£20,556	£21,372	£21,348	£19,500	£20,544	£20,796	£23,400	£23,400	£23,400
All London Areas (overall average annual rent)	£12,199	£12,882	£12,971	£11,826	£12,496	£12,716	£13,537	£14,246	£14,384

Source: <http://www.voa.gov.uk/corporate/statisticalReleases/PrivateRentalMarketStatistics.html>

The Valuation Office Agency (VOA) publishes Private Rental Market Statistics for England twice yearly. These cover the average prices paid monthly for renting private housing in England to the level of region and local authority. Where possible, we have taken the 12 monthly figures covering the financial year (1 April – 31 March) but for 2013-14 we have provided an indicative figure only based on the most recent figures published in December 2013 (covering 1 Oct 2012 to 30 Sept 2013). We have presented the average (mean), median and upper quartile gross rent paid on an annualised 12 month basis for a one bedroom rental property in London only, to represent each financial year. The data set underpinning these statistics from VOA is not a statistical sample and is not composed of tracked properties but rather is based on voluntary returns from various sources ranging from tenants living in a rented room to estate agents with national coverage. As a result estimates at local authority level and below are to be regarded as indicative figures. Please note that the areas may not aggregate to local authority boundaries and are for illustrative purposes.

