

Member of Parliament
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28 May 2020

Dear Member of Parliament,

Re: Further changes to the Scheme of MPs' Business Costs and Expenses for 2020-21 in response to the coronavirus pandemic

I wrote on 24 April about changes to the Scheme of MPs' Business Costs and Expenses ('the Scheme') which IPSA put in place in response to the coronavirus pandemic. We have continued to monitor the situation and seek feedback to make sure that IPSA is supporting MPs and their staff appropriately in the current period. As a result, we are now considering further changes, and are consulting our statutory consultees before reaching a final decision to make a formal Addendum to the 2020-21 Scheme.

Submitting claims without evidence

IPSA's Scheme requires all claims to be accompanied by supporting evidence before being paid. In March, we published guidance to advise that, if MPs do not have access to a receipt or invoice as a direct result of the coronavirus, and cannot wait for reimbursement, we will pay a claim and ask them to send in the evidence as soon as possible afterwards. We have not yet specified a timeframe for the evidence to be submitted after the claim has been processed (in respect of the 2020-21 financial year).

We now propose to amend the rules for the current financial year to state that, where a claim is paid without supporting evidence in the first instance, that evidence must be submitted within 120 days of the date of claim submission. This gives MPs and their staff additional time to submit evidence while ensuring that IPSA fulfils its statutory duty to account for public money. IPSA could still extend this deadline in exceptional circumstances, on a case-by-case basis.

Question 1: Do you agree that the Scheme Addendum should state that, where a claim is paid in the 2020-21 financial year without supporting evidence in the first instance, evidence must be submitted within 120 days of the date of claim submission?

Additional funding for staffing costs

IPSA provides a staffing budget to MPs to cover the salaries of four full-time equivalent staff members to support them in carrying out their parliamentary work. Over the past weeks MPs and their staff have given us evidence, including through significantly higher casework and correspondence statistics, that they are facing a substantial increase in constituency office work as a result of the pandemic and the impact on constituents who are seeking support over issues such as Universal Credit applications, repatriation, housing problems and the closure of small businesses, among other things.

This has created a need for overtime and additional staffing in some MPs' offices, though requirements differ in constituencies across the UK. In order to respond to local need, and to support the well-being of constituency staff, we propose that MPs could request an increase to their staffing budget to fill a resourcing gap. MPs would have the discretion to decide how best to meet the demand, whether by hiring a new fixed-term caseworker or other member of staff or by increasing the contracted hours of existing staff members, within an overall cap for additional funding set by IPSA.

We propose that for the 2020-21 financial year this cap be set at £18,270 for London Area MPs and £16,480 for non-London Area MPs. This is equivalent to the cost of a full-time caseworker for six months. An MP could make multiple requests during the financial year, to respond to evolving needs, so long as the total amount requested does not exceed this maximum.

To apply for this additional funding, MPs would need to submit either new starter paperwork (if they wish to take on a new fixed-term staff member) or other relevant forms, stating that the additional funding is needed as a direct result of coronavirus-related demand.

The availability of this additional budget would be subject to the approval of a Supplementary Budget Estimate by the Speaker's Committee for IPSA. The additional funding would be published, in the normal way, as an uplift to the standard staffing budget for each relevant MP where this had been provided.

Question 2: Do you agree with the proposal (as described above) for providing additional staffing funding for those constituency offices experiencing high demand as a result of the pandemic, up to a maximum of £18,270 for London Area MPs and £16,480 for non-London Area MPs in the 2020-21 financial year?

Homeworking allowance for MPs' staff

MPs' staff members, like many employees, moved quickly to homeworking following Government advice in mid-March. Under the current rules of the Scheme, staff members are able to make claims for reimbursement where they incur costs as a result of homeworking that are in addition to the normal running costs of their home. These could include, for example, a proportion of energy bills or additional telephone costs incurred.

The Government has provided, through HMRC, that from 6 April 2020 employers can pay an allowance of up to £26 a month to cover additional costs for employees that have to work from home. In order to reduce the administrative burden on staff members making individual claims for these costs, IPSA could implement this HMRC homeworking allowance to cover eligible expenses. Payment of the allowance could commence in the June or July 2020 payroll, but be backdated to the start of April, when many staff in MPs' offices started working from home. This allowance would be an alternative, not an addition, to making claims for reimbursement for homeworking expenses during the same period.

We recognise that there are differing circumstances across constituency offices, and that not all staff members are working from home. Therefore, payment of the allowance would be on an 'opt-out' basis: MPs would need to notify IPSA if any of their staff members should not receive the allowance.

If a staff member returns to their normal workplace (whether the constituency office or Westminster), the MP would have to notify IPSA so that payment of the allowance could cease. The monthly allowance amount would be pro-rated for staff members who start or end their employment during a given month.

The homeworking allowance (which would amount to £104 per month, based on an average office of four staff) would be paid from the MP's office costs budget. The total amount paid during the financial year would be published by IPSA, as part of the annual publication exercise.

Question 3: Would provision of the HMRC homeworking allowance for staff members, on an opt-out basis, be appropriate to support the way most MPs' offices are currently working?

Some stakeholders have suggested that the homeworking allowance should not be payable to staff members who are connected parties (i.e. a family member or close business associate of the employing MP, as described in paragraph 3.20 of the Scheme) as it may present a risk of conferring a financial benefit to the MP. We propose that connected parties should not be eligible to receive the homeworking allowance; but could still make individual claims for the additional homeworking costs they incur, with supporting evidence, where this is appropriate and in line with the existing rules.

Question 4: Do you agree that a homeworking allowance should not be payable to staff members who are connected parties?

Time-limited nature of these proposals

As with the previous measures we announced, these would not be permanent changes to IPSA's rules or budgets, but a temporary response to the coronavirus pandemic. IPSA will review all aspects of our approach to the current circumstances and consider when to end the changes. In doing so, we will consider Government guidance relating to the pandemic and the economy, the ongoing impact of the pandemic on the workload of MPs' offices, and our statutory duty to resource MPs appropriately to carry out their parliamentary duties whilst ensuring the cost-effective and efficient use of public money.

How to respond

We welcome your views on the proposed changes; given the urgency of the circumstances, please send any comments by 5 June 2020 to consultation@theipsa.org.uk.

Yours sincerely,



Richard Lloyd
Interim Chair, IPSA