

# Guidance on the Scheme of MPs' Staffing and Business Costs 2021-22

**18 March 2021**

IPSA has published the [Scheme of MPs' Staffing and Business Costs for 2021-22](#), which will be effective from 1 April 2021.

The topics below are covered in this guidance. These include new rules and rules that are changing for 2021-22, as well as guidance on coronavirus-related measures.

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## Deadline for the submission of claims

Last year, in light of the difficulties some MPs' offices faced in obtaining invoices and other documents, IPSA extended the normal 90-day deadline for the submission of claims, allowing up to 120 days after the cost was incurred for claims to be submitted.

In the 2021-22 Scheme, this deadline will revert to 90 days. Our data shows that very few offices needed more than 90 days to submit claims, and the number of claims submitted outside of this period has decreased significantly in recent months as MPs and their staff established new ways of working during the pandemic. Shortening the period for claiming back to 90 days will also help ensure offices have an up-to-date view of expenditure to help manage their budgets effectively.

## Requirement to provide supporting evidence with claims

Last year, IPSA also made a change to allow claims to be submitted without supporting evidence in the first instance, recognising that during the pandemic it may be more difficult to obtain invoices and other documents from suppliers and other evidence in order to support claims. Where IPSA paid claims without supporting evidence, MPs had to ensure the evidence was submitted no later than 120 days after the submission of the claim.

In the 2021-22 Scheme, the rules will revert to the normal requirement to provide supporting evidence when submitting a claim, rather than at a later date. Again, our data shows the vast

majority of claims continued to be submitted with supporting evidence in the first instance, even during the height of the pandemic. Requiring evidence to be submitted with claims helps IPSA to effectively carry out its duty to account for public money.

## **Homeworking allowance for staff**

Staff members who are working from home as a result of the pandemic are eligible to receive an allowance of £26 per month to cover homeworking expenses – such as telephone, internet, electricity and gas usage – that are additional to the normal costs of living in the home. While in receipt of the allowance, staff members must not claim separately for such costs.

The allowance was implemented on an opt-out basis in July 2020, with payments backdated to April 2020. It will continue in the 2021-22 financial year, until further notice. In line with current arrangements, the cost for the homeworking allowance will be allocated to the office costs budget. This budget has been increased in 2021-22 to help cover this cost.

Staff members need to be working from home regularly to be eligible for the allowance. In line with HMRC guidance, for most staff members the allowance will not be subject to tax. However, this position may vary depending on an individual's circumstances, and they may need to seek further guidance from HMRC.

The homeworking allowance will continue to be administered on an opt-out basis, meaning all staff members will receive the allowance by default. However, if staff members are not working from home, or should not receive the allowance for other reasons, the MP or payroll proxy must notify IPSA by emailing [payroll@theipsa.org.uk](mailto:payroll@theipsa.org.uk) by the 15<sup>th</sup> of the relevant month, so that the necessary changes can be made to the payroll.

IPSA will keep these arrangements under review as restrictions are lifted and staff begin to return to office working. If the homeworking allowance ceases to be payable, IPSA will give reasonable notice to MPs and staff members before ending the payments.

## **Additional staffing funding for coronavirus-related workload**

To respond to a rise in workload for their offices because of coronavirus, MPs have been able to request an increase to their staffing budget for 2020-21, up to a maximum of £18,270 for London Area MPs and £16,480 for non-London Area MPs.

This additional support is being extended into 2021-22, with a one-off increase of 50%. This means that from April 2021, MPs will have up to £27,680 (London Area) or £24,970 (non-London Area) on top of their normal staffing budgets to cover additional staffing costs. This funding will be available until 31 March 2022.

MPs can decide how best to meet the additional demand faced by their office, for example by taking on new staff on a fixed-term basis, or by increasing the contractual hours or overtime payments of

existing staff. Use of the additional funding is subject to the normal staffing budget rules set out in the main Scheme.

This additional funding will be available to all MPs automatically in 2021-22 – there is no longer a requirement for MPs to request funding by submitting a statement with relevant documents. However, any new payroll costs during the year will by default be allocated to the main staffing budget. Where these should be allocated to the additional coronavirus-related funding, MPs or their payroll proxies should contact [payroll@theipsa.org.uk](mailto:payroll@theipsa.org.uk) to request this move. If payroll costs for certain staff members are allocated to the coronavirus staffing funding as of the end of March 2021, this will continue automatically into 2021-22. Please contact the Payroll team if and when these costs should move back to the normal staffing budget.

The additional funding is available until 31 March 2022 only, after which IPSA will consider whether additional staffing is needed in future. Where an MP makes changes that commit them to costs beyond the end of the 2021-22 financial year, IPSA will not cover any resulting budget overspends in subsequent years.

## **Automatic annual pay increases for staff**

Following a consultation in late 2020, where additional funding is provided for staff pay via the staffing budget, IPSA will automatically apply an increase to all staff members' salaries unless they have been opted out by their employing MP. These arrangements, which are intended to help reduce administrative burdens, take effect from the 2021-22 financial year.

Effective from 1 April 2021, all staff will be given a 1% increase by default, to match the increase made to the overall staffing budget. Changes to the payroll will be made in May, and the increase will be backdated to the start of April. This means staff members will see the additional salary amount for April and May in their May salary payment. This short delay is designed to ensure the new process can be implemented as smoothly as possible.

MPs as employers retain an opt-out from the automatic arrangements. This is because there are some circumstances where awarding a pay increase may not be appropriate. For example, where there is a live disciplinary issue. If MPs wish to exercise an opt-out, they should ensure they are adhering to good employment practice and are treating their staff fairly. MPs are strongly encouraged to seek advice from the House of Commons Members' HR team on when opting out might be appropriate.

To opt out, MPs (or their payroll proxies) must email [payroll@theipsa.org.uk](mailto:payroll@theipsa.org.uk) by **30 April 2021**, ensuring they specify which staff member(s) the opt-out relates to.

This arrangement does not prevent an MP from providing a higher increase for their staff, so long as it remains within the relevant salary range for that job role (set out in the Scheme) and is affordable in their overall staffing budget. In this case, the MP should submit a contractual changes form, stating clearly what the overall change in salary should be using the free-text field (for example, an additional 1% on top of the automatic 1%, or state the final salary amount). This will help to ensure any additional changes are processed correctly.

In future the percentage increase to be applied via the automatic arrangements will be determined by the IPSA Board ahead of each new financial year. In doing so they will take account of a range of factors, including changes in the cost of living, guidance that applies elsewhere in the public sector, affordability, and value for money for the taxpayer.

## **Paid leave for armed forces reservists**

Existing guidance states MPs may agree to grant staff members who are armed forces reservists leave to participate in mandatory training. This could be paid annual leave, paid special leave or unpaid leave.

To support armed forces reservists to be able to take paid special leave for mandatory training, a change has been made to the 2021-22 Scheme to allocate the staff member's salary costs to the centrally held staff absence budget. This means an MP's ordinary staffing budget will not be impacted. The MP may then cover their reservist's absence through overtime or temporary cover, without additional call on their staffing budget. The office can continue to be fully resourced during the period of leave, while at the same time MP staff reservists will not lose out financially by taking unpaid leave or miss out on non-committed annual leave.

A maximum of 15 days per staff member per year can be allocated to the staff absence budget for this reason.

To request relevant costs to be reallocated to the staff absence budget, an absence form should be completed on IPSA Online, selecting 'Reservists duties paid' as the reason.

## **Cover for MP parental leave**

MPs who wish to take a period of leave following the birth or adoption of a child are eligible for funding to put cover arrangements in place during their absence. Following a consultation on this issue, the 2021-22 Scheme has been amended to formalise these funding arrangements, with the creation of an 'MP parental leave cover fund' and associated rules which set out MPs' eligibility for funding and how IPSA will provide it.

Funding for cover will normally be provided for a maximum period of seven months for the biological mother or primary adopter, and two weeks for the biological father, partner or second adopter. Longer periods may be agreed on a case-by-case basis. This does not restrict the length of time an MP may take as parental leave; it relates only to the funding that will normally be provided for cover in their office.

MPs who request funding for cover during parental leave need to provide IPSA with a MATB1 or an adoption matching certificate or have an agreed proxy voting arrangement in place.

MPs can choose how to bring cover resource into their office, for example by taking on new staff on a fixed-term basis, or by increasing the contractual hours or overtime payments in respect of existing staff. Use of the additional funding is subject to the normal staffing budget rules set out in the

Scheme, including the requirement for any new staff to be employed on a standard IPSA contract and job description and to be paid within the relevant salary range for their job role.

MPs who are considering taking time off for the birth or adoption of a child should contact their Account Manager by emailing [info@theipsa.org.uk](mailto:info@theipsa.org.uk).

## Updated budgets and salary ranges

The rental accommodation, associated costs, and office costs budgets for 2021-22 have been updated by 1.2% in line with forecast inflation over the coming year, as have the London Area Living Payment (LALP) and additional LALP.

The office costs budget has been increased by a further £1,250 to help cover the cost of homeworking allowance payments to staff.

The staffing budget has been increased by 1% to allow for at least a 1% pay increase for all staff (see information on automatic pay increases for staff above). The additional coronavirus funding has had a one-off 50% increase for 2021-22 and also includes a further 1% increase, so any staff whose salaries are being paid from that funding can be included in the automatic pay increases.

The maximum points of all staff salary ranges have been increased by 1%. This means that even staff who are at the top of their relevant range can have a 1% increase in 2021-22.

Changes have been made to the minimum points of small number of ranges:

- Level 1 Administrative (outside London): The minimum has been increased to match the UK Voluntary Living Wage, assuming a 37.5-hour work week.
- Paid Interns (London and outside London): The minimum has been increased to the new National Minimum Wage for 21-22-year-olds effective from April 2021, assuming a 37.5-hour work week. MPs must ensure they are meeting legal minimum pay rates for all staff.

Staff members whose salaries fall below these will have their salaries increased to at least the new minimum of their range. Unless opted out, these staff members will receive the automatic 1% pay increase for 2021-22. If their salary still falls below the new minimum, they will receive a further increase to match the minimum of the range.

The 2021-22 Scheme also includes a new note which states that where the Voluntary Living Wage changes mid-year (the Living Wage Foundation usually announces new rates in the autumn) such that it exceeds a published range, IPSA will accept changes to staff pay to match the new Voluntary Living Wage.

The full budget and salary range tables are attached at the annex.

## Annex: Budgets and staff salary ranges for 2021-22

BUDGET HEADING	AREA / ELIGIBILITY	2021-22 BUDGET
Accommodation – rental costs	London Area	£23,290
	Outside London Area	£16,320
Accommodation – associated costs only	(Non-London Area MPs only)	£5,480
Rental accommodation uplift for dependants	Per eligible dependant per year (max of 3 uplifts)	£5,500
Office costs	London Area MPs	£30,400
	Non-London Area MPs	£27,470
Staffing costs	London Area MPs	£190,750
	Non-London Area MPs	£179,330
Staffing costs – coronavirus uplift	London Area MPs	£27,680
	Non-London Area MPs	£24,970
Winding-up costs	London Area MPs	£57,150
	Non-London Area MPs	£53,950
London Area Living Payment (LALP)	96 London Area MPs	£4,140
Additional LALP	London Area MPs of 23 outer London constituencies	£1,470

**Salary ranges for London Area staff**

<b>JOB ROLE</b>	<b>ANNUAL MINIMUM (£)</b>	<b>ANNUAL MAXIMUM (£)</b>
<b>Administrative 1</b> (Administrative Officer)	<b>£22,402</b>	<b>£31,191</b>
<b>Administrative 2</b> (Senior Administrative Officer)	<b>£26,251</b>	<b>£37,305</b>
<b>Administrative 3</b> (Office Manager)	<b>£33,759</b>	<b>£48,844</b>
<b>Executive 1</b> (Caseworker)	<b>£24,000</b>	<b>£35,352</b>
<b>Executive 2</b> (Senior Caseworker)	<b>£32,000</b>	<b>£42,466</b>
<b>Research 2</b> (Parliamentary Assistant)	<b>£25,500</b>	<b>£36,374</b>
<b>Research 3</b> (Senior Parliamentary Assistant)	<b>£36,575</b>	<b>£52,067</b>
<b>Employed Interns</b>	<b>£16,302</b>	<b>£21,172</b>

**Salary ranges for non-London Area staff**

<b>JOB ROLE</b>	<b>ANNUAL MINIMUM (£)</b>	<b>ANNUAL MAXIMUM (£)</b>
<b>Administrative 1</b> (Administrative Officer)	<b>£18,525</b>	<b>£26,505</b>
<b>Administrative 2</b> (Senior Administrative Officer)	<b>£23,397</b>	<b>£33,078</b>
<b>Administrative 3</b> (Office Manager)	<b>£30,000</b>	<b>£46,008</b>
<b>Executive 1</b> (Caseworker)	<b>£21,529</b>	<b>£32,022</b>
<b>Executive 2</b> (Senior Caseworker)	<b>£28,311</b>	<b>£40,381</b>
<b>Research 2</b> (Parliamentary Assistant)	<b>£23,839</b>	<b>£33,399</b>
<b>Research 3</b> (Senior Parliamentary Assistant)	<b>£32,811</b>	<b>£45,884</b>
<b>Employed Interns</b>	<b>£16,302</b>	<b>£21,172</b>