

Review of a determination by the IPSA contingency panel and subsequent appeal decision

Review conducted at the request of Jim McMahon
Member of Parliament for Oldham West, Chadderton and Royton

Author and Review Officer
Matt Walker
Compliance Officer for IPSA

Introduction

1. This review has been conducted following a request made by Mr Jim McMahon MP for the Compliance Officer for IPSA to review a decision made by the IPSA Contingency Panel not to approve an application for funds to pay for continued storage of personal effects following the MP having to leave their London accommodation and not being able to secure a further property to reside in.

Background and timeline

2. Jim McMahon MP had IPSA funded London accommodation until July 2023, [REDACTED]
[REDACTED]
[REDACTED]
3. At this time, [REDACTED] for a range of reasons had not been able to find a suitable property. The MP sought contingency funding to place his personal effects into storage. Storage of possessions is outside the scheme and therefore contingency panel is the correct route for seeking IPSA to cover this business cost.
4. Due to exceptional circumstances, this application was granted by the panel on 19th July 2023. Mr McMahon was informed that this was a short-term funding agreement, with the wording in the approval email to the MP stating “The Panel did want to make clear, however, that this approval is for a limited time period only - 8 weeks. If storage is required for longer than 8 weeks, then this will not be funded by IPSA”. The approval was against an estimated cost of £1200.
5. On 27th September 2023, the contingency panel agreed a further £55.55, The approval for storage was extended until March 2024. The MP was informed that “If funding is required past March 2024 due to exceptional circumstances, then you will be required to apply to contingency again”.

6. On 3rd September 2024, the MPs [REDACTED] emailed the contingency panel asking for a further £558.09 to cover April to July 2024 plus the admin fee to close the account in August 2024. This request was retrospective to cover the months since March 2024, the only approved period.
7. The Contingency Panel did not approve this request, and in providing the panel's decision, the MP was informed that "The original contingency funding was granted on a short-term basis whilst arrangements for a new property could be made. [REDACTED]
[REDACTED]
[REDACTED] *[note – the underlining of 'on a short-term basis' is a direct lift from the email to the MP, thus IPSA highlighting that this was not open-ended funding].*
8. [REDACTED]
[REDACTED]
[REDACTED]
9. The MP appealed the Contingency Panel decision, in which, he set out that he had viewed 6 potential flats to rent [REDACTED]
[REDACTED] The MP [REDACTED]
[REDACTED] believed the storage costs would continue to be covered.
10. [REDACTED]
[REDACTED]
[REDACTED]
11. [REDACTED]
[REDACTED]
12. The MP has cited that a reason for being unable to view as many properties [REDACTED]
[REDACTED]

13. The Contingency Panel considered the appeal on 7th October 2024 and rejected the appeal. In providing their outcome to the MP, the MP was informed “The Panel considered your email dated 23/09/2024 and emails sent between IPSA and [REDACTED], provided by [REDACTED] on 25/09/2024. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] The Panel noted that contingency funding had been agreed on a short-term basis due to an exceptional circumstance and it was agreed until March 2024. The Panel have decided to uphold their original decision and have not approved further contingency funding for storage costs”. The MP was provided with a series of emails and narrative from the IPSA [REDACTED]
[REDACTED], all stating that funding was only granted up to March 2024.

14. On 15th October 2024, [REDACTED], on behalf of the MP requests that this IPSA decision be reviewed by the Compliance Officer. Within the material provided to the Compliance Officer, [REDACTED] advises that [REDACTED] only commenced [REDACTED] in March, and [REDACTED] had no experience in handling this side of the MPs business.

The Scheme

15. The 17th edition of The Scheme of MPs Staffing and Business Costs is the relevant scheme for the purpose of this review.
16. This review relates to Accommodation Costs which are set out in Part C of the Scheme from page 16. There is no provision for storage costs within Part C, therefore, unless specifically stated, anything which sits outside Part C can have no presumption of being paid and must be applied for in advance.
17. Contingency funding is set out in the Scheme on page 42, and states:

10.6 MPs may apply to IPSA for contingency funding, under the following circumstances:

- a. where they have incurred a cost, or a liability for a cost, which is not covered by the Scheme, but which they consider to be in support of their parliamentary functions;*
- b. where their spending under a particular budget has exceeded or may exceed the budget limit for the year and they consider this to be the result of exceptional circumstances.*

10.7 In order to apply for contingency funding, MPs must complete an application form and follow the process as set out in guidance.

10.8 IPSA may decide to accept or reject an application under paragraph 10.6 at its discretion. In considering its decision IPSA 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.*

Actions undertaken

18. To consider this case, I requested from the MP full details as to their correspondence with IPSA and any further information which they consider was not included in the original applications or the appeal which the Contingency Panel considered. The MP has not provided any additional information which had not been part of the application or subsequent appeal.

19. I requested full disclosure from IPSA for the details of the applications and the panel decisions at each stage of this application process. I also requested confirmation as to information held on [REDACTED] as to any conversations held where the matter of storage and this continuing contingency panel funding was discussed.

Parliamentary Standards Act 2009

20. Paragraph 6A PSA 2009 sets out the legal requirement on me as Compliance Officer. My duty is set out in Para 6 (2) The Compliance Officer must –
- (a) Consider whether the determination (or altered determination) is the determination that should have been made, and
 - (b) In light of that consideration, decide whether or not to confirm or alter it.

Procedures for investigations by the Compliance Officer for IPSA

21. Page 12 of the procedures sets out how as Compliance Officer I must handle the review.

The basis of the review from Mr McMahon

22. Mr McMahon had been unable to find alternative accommodation due to a range of factors. He had continued to keep his personal possessions in storage believing this was pre-authorised.

Mitigating factors

23. Mr McMahon's [REDACTED] had an adverse impact on him being able to find accommodations as quickly as he had hoped.
24. The cost of hotel accommodation and storage was less than the cost of accommodation had he had found an alternative flat to rent.
25. During this period, the general election was called, therefore seeking new accommodation prior to election results may have been unnecessary had the Member not retained their seat.
26. The change of [REDACTED] at the critical point of when the contingency funding ended.

Findings

27. I find that IPSA applied the policy correctly in firstly approving the initial claim made to the contingency panel.
28. I find that IPSA informed the MP in a timely and clear manner that this arrangement to provide storage was on a short-term basis only.
29. I find that IPSA took into account the information provided by Mr McMahon to consider his appeal, and that the information Mr McMahon provided to me as review officer has no fundamental difference to that he provided to IPSA.
30. Therefore – in accordance with PSA 2009 Para 6A (2)(a) my first finding is that the determination made by IPSA is the determination that should have been made.

Conclusion

31. Mr McMahon MP is the member responsible for compliance with The scheme of MPs Staffing and Business Costs. I do not consider that a change of [REDACTED] has any bearing on the case, as the decisions of the Contingency Panel had been shared with the

Member at each stage. [REDACTED]
[REDACTED]

32. The fact that the cost of hotel accommodation combined with the cost of storage is less than that which could have been claimed by the Member for accommodation has no bearing on my decision, as the question is one of policy and communication of decisions.
33. I do consider that [REDACTED] had an adverse impact on him being able to actively view properties in a fast-moving market, however, this does not change the fact that throughout, the communications had been that this was a short-term arrangement, which in the end became a year of storage. The MP and [REDACTED] had every opportunity to make further contingency applications prior to the previously communicated end of arrangement date of March 2024, and had these been completed in time, and the application rejected, the MP would not have incurred these additional costs.
34. Mr McMahon could have arranged for the removal of these personal effects at any stage, and removal costs can be claimed through the scheme without pre-approval being required. The cost of this has no bearing on my review as this would be permitted under the scheme.

Decision

35. In accordance with PSA Para 6A (2)(a), my decision is, that I consider that the determination made by IPSA is the determination that should have been made.
36. In the absence of any new information which was not known to the Contingency Panel at the time of considering the appeal made by Jim McMahon MP, I find that IPSA applied the correct policy, and I uphold the decision made by IPSA to reject this claim. Under PSA Para 6A(2)(b) I confirm that decision.
37. PSA 2009 Para 6A (6) provides that an MP requesting a review may appeal the decision of the Compliance Officer made under subsection (2)(b) to the First-tier Tribunal. (7) the appeal must be brought before the end of the period of 28 days beginning with the day on which notice of the decision is sent to the member (unless the Tribunal directs that it may be brought after the end of that period).

38. In accordance with the Guidance on the Conduct of Reviews by the Compliance Officer for IPSA, para 13, the details of this review will be published in such a manner as the Compliance Officer sees fit.

Matt Walker
Compliance Officer
7th January 2025