

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, when his landlord relisted their property for rent as the market rental value had increased. Mr McMahon received a Sec 21 notice to leave his flat.
3. At this time, the MP had been unwell, and 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 19<sup>th</sup> 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 27<sup>th</sup> 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 3<sup>rd</sup> September 2024, the MPs Office Manager has 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. However, no information has been provided that a new property has been obtained and/or that a new property was being looked for whilst the items were in storage. The use of storage also went through the dissolution period". *[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. The panel records also state that Engage records have been reviewed and MP Services contacted, and at no point has the MP nor their proxy office manager (POM) been told that costs could be claimed past the approval date, this being March 2024.
9. The MP appealed the Contingency Panel decision, in which, he set out that he had viewed 6 potential flats to rent between February and July 2024, making offers on 2 properties, one in March and one in May. The MP believed that his POM had been in regular contact with IPSA and believed the storage costs would continue to be covered.
10. The MP states that he viewed two more properties, however one was also for sale and therefore the MP thought this could be an uncertain move, and the other was in excess of the accommodation allowance.
11. The period relating to this claim includes the summer recess and also the dissolution period when the general election was called.
12. The MP has cited that a reason for being unable to view as many properties included matters pertaining to his health, being in pain and having a series of hospital procedures.

13. The Contingency Panel considered the appeal on 7<sup>th</sup> 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 your Office Manager Kyle, provided by Kyle on 25/09/2024. The Panel acknowledged the impact of your ongoing health condition; however, they did not accept that local elections, recesses, and your new government role were exceptional circumstances to justify the continued funding of storage costs of your personal belongings, which are not normally claimable under the Scheme. 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 Engage records, all stating that funding was only granted up to March 2024.
14. On 15<sup>th</sup> October 2024, the POM, on behalf of the MP requests that this IPSA decision be reviewed by the Compliance Officer. Within the material provided to the Compliance Officer, the POM advises that he only commenced as POM in March, and he had no experience in handling this side of the MPs business.

### The Scheme

15. The 17<sup>th</sup> 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 Engage 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 personal health 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 Proxy Office Manager 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 Proxy Office Manager has any bearing on the case, as the decisions of the Contingency Panel had been shared with the

Member at each stage. It was the Member's responsibility to ensure their POM was aware of all or any outstanding matters.

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 Mr McMahon's health 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 his POM 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).

Compliance Officer for

**IPSA**

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  
7<sup>th</sup> January 2025