



Review of a determination by IPSA to refuse an expense claim

Mr Angus MacNeil MP
Member of Parliament for Na h-Eileanan an Iar

24 February 2016

**Compliance Officer for the
Independent Parliamentary
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Introduction

1. In May and June 2015, Mr Angus MacNeil MP submitted a number of claims to the Independent Parliamentary Standards Authority (IPSA) for costs relating to overnight accommodation, under the *MPs' Scheme of Business Costs and Expenses* (the Scheme).
2. Following consideration, the claims were rejected in part by IPSA on the grounds that the amounts being claimed exceeded the daily limit of £150 per night for hotel accommodation in London or £120 per night for hotel accommodation outside London.
3. The hotel accommodation was paid for using an IPSA's payment card and after viewing the claims they requested repayment of the amount each hotel exceeded the daily rate.
4. On 29 January 2016, Mr MacNeil's office contacted the Compliance Officer for IPSA to request a review of the decision by IPSA to refuse, in part, the expense claim.
5. *Section 6A of the Parliamentary Standards Act 2009* (the Act) provides that if:
 - (a) *the IPSA determines under section 6(3)¹ that a claim is to be refused or that only part of the amount claimed is to be allowed, and*
 - (b) *the member (after asking the IPSA to reconsider the determination and giving it a reasonable opportunity to do so) asks the Compliance Officer to review the determination (or any altered determination resulting from the IPSA's reconsideration)*

The Compliance Officer must -

 - (a) *consider whether the determination (or the altered determination) is the determination that should have been made, and*
 - (b) *in light of the consideration, decide whether or not to confirm or alter it.*
4. Paragraph 9 of the notes for *Guidance on the Conduct of Reviews by the Compliance Officer for IPSA* states that

The Compliance Officer will, taking into account all information, evidence and representations, decide whether the determination (or the altered determination) is the determination that should have been made under the Scheme and in light of that, whether or not to confirm or alter it.

¹ Section 6(3) of the Act states that on receipt of a claim, the IPSA must – (a) determine whether to allow or refuse the claim, and (b) if it is allowed, determine how much of the amount claimed is to be allowed and pay it accordingly.

5. The claims referred to are numbered 440953 and 430124. There are five claim lines being reviewed, all relating to hotel accommodation. One additional claim for rail travel was paid following an internal review by IPSA and is not therefore considered in this review.
6. The total amount claimed in excess of the daily rate which was not allowed by IPSA is £888.20. The exact details of the claims submitted by Mr MacNeil are attached at Annex A.
7. The Compliance Officer has established that an internal review of the initial decision to reject the claims, in part, has been conducted by IPSA and the original decision upheld. As a result there is no impediment to the Compliance Officer accepting the request for a review of these claims.
8. Mr MacNeil requested the Compliance Officer to review two additional claim lines, however, as these claims have not yet been internally reviewed by IPSA they cannot form part of this review.

The Basis for the Review

9. On 29 January 2016, Mr MacNeil contacted the Compliance Officer to request a review of costs which he said: "IPSA has recently withheld [...] from me, costs which I incurred in my role as MP".
10. He added that: "IPSA have taken the decision not to pay me necessary costs. Therefore, I would be grateful for a review of my case and to ascertain what chance I have of recovering my money which IPSA have confiscated without agreement."
11. With regards to the specific claims, the MP sent the following justifications for exceeding the daily rate.

Claim number 440593

£35.00 –Post election rates. Despite best efforts unable to secure room within budget. This is legitimate cost hotel accommodation booked at short notice owing to parliamentary business.

£105.60 - Post election rates. Despite best efforts unable to secure room within budget. This is legitimate cost hotel accommodation booked at short notice owing to parliamentary business.

£320.40 – Post election rates. Despite best efforts unable to secure room within budget. This is legitimate cost hotel accommodation booked at short notice owing to parliamentary business.

Claim number 430124

£213.60 – Post election rates. Despite best efforts unable to secure room within budget. This is legitimate cost hotel accommodation booked at short notice owing to parliamentary business.

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The Review

17. In conducting the review, the Compliance Officer has relied upon the Seventh Edition of the Scheme (April 2015 to present) and, in addition, has utilised the following.

- Validation Notes – notes appended to a claim submitted by an MP by the IPSA Validator describing the reason for the rejection of a claim;
- Workflow History – shows the date the claim was opened by the MP or proxy, the date of submission to IPSA and details of how the claim was processed by IPSA;
- Correspondence between IPSA and the MP; and
- Copies of the invoices submitted in support of the claims.

18. The following areas of the Scheme are relevant to the review:

Chapter Four: Accommodation Expenditure

4.1 Accommodation Expenditure is designed to meet costs necessarily incurred on overnight accommodation which I required for the performance of an MP's parliamentary functions.

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.

Chapter Nine: Travel and Subsistence Expenditure

9.38 Where the House of Commons sits beyond 1am, an MP may claim for the cost of an overnight stay in a hotel and also the cost of a taxi under paragraph 9.37. Claims for hotels will be subject to an upper limit of £150 per night for each stay.

9.39 If in exceptional circumstances, under paragraph 9.38 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.

Annex C: Guidance on other payment methods

You can use the Payment Card to pay for any business cost or expense allowable under the Scheme.

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 marks it 'Not Paid' on the reconciliation form.

The Payment Card may not be used for personal expenditure or expenditure outside the Scheme. However, where this happens inadvertently, MPs should select 'Not Claimed, to repay' on the reconciliation form and repay the money to IPSA by cheque or bank payment with the reconciliation form. 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.

19. As noted within the payment card guidance, once a month each MP is sent a reconciliation form containing the details of each transaction made that month. MPs must complete the form and provide supporting evidence within 30 days of receiving the email.
20. In the case of claim number 430124, Mr MacNeil did not reconcile the payments within 30 days, despite reminders. As such, the claims were processed as 'not claimed' and the payments were passed to the IPSA Credit Control Team for recovery. As no reconciliation form or supporting evidence had been provided, IPSA was, at this stage, within its powers to refuse the claims in full.
21. A reconciliation form and supporting evidence for the claim 430124 was submitted on 28 September 2015. However the supporting documentation was sent to IPSA's old address and did not arrive until early October 2015. On 12 October 2015, despite the MP having missed the deadline to reconcile his payment card, the claims for hotel accommodation were paid up to the daily rate. In each case where the hotel exceeded the daily rate, the balance was marked as not paid.
22. In the case of claim number 440593, the reconciliation form was submitted on 9 September 2015, however, the supporting documentation was sent to IPSA's old address and was not received until late September 2015. On 30 September 2015, the claims for hotel accommodation were paid up to the daily rate. In each case where the hotel exceeded the daily rate, the balance was marked as not paid.
23. Daily limits for hotel accommodation are well established and have been in place since the First Edition of the Scheme in 2010; indeed, the limits themselves have increased since then.
24. The guidance notes within the Scheme state that the House of Commons Travel Office may be able to book hotels at a rate below the daily limit and hotel price comparison websites may be useful.
25. Further guidance, sent to all MPs within a bulletin on 8 June 2015, states: "*[IPSA] recognise that there may be less availability for hotels in the immediate vicinity of Parliament. As well as being able to use the House of Commons Travel Office, many MPs have found good hotel accommodation within a short travel distance and under the price limit of £150 by using price comparison websites.*"
26. The Compliance Officer can find no record of the MP having contacted IPSA at the time the costs were incurred to seek advice, to inform them of his attempts to locate a hotel within the daily rate or to inform them that he was unable to find Scheme compliant accommodation.

27. The Compliance Officer acknowledges that nightly rates for hotels in central London are considerably higher during the peak season, but notes that other MPs are able to locate suitable hotel accommodation at short notice within the daily rate.

Conclusions

28. The Scheme is clear and unequivocal in stating that Accommodation Expenditure may only be claimed for hotel accommodation up to a maximum cost of £150 per night in the London Area, or £120 elsewhere in the United Kingdom.

29. IPSA may use their discretion to approve claims above the daily rates if the MP contacts them at the time the costs are incurred and demonstrates that legitimate efforts have been made to locate a hotel. The Compliance Officer cannot find any record of this having taken place.

30. **Taking into account all available information, the Compliance Officer believes that the determination made by IPSA to refuse that part of the claims which exceeded the daily hotel rate was correct and made in accordance with the Scheme.**

31. **The Compliance Officer therefore concludes that IPSA were correct in recovering £888.20, the amount the claims exceeded the daily hotel rate.**

32. Section 6A(6) of the Act provides that an MP requesting a review may appeal the decision of the Compliance Officer to a 'First-tier Tribunal' if they are not satisfied with the outcome. The appeal must be submitted within 28 days of receiving the decision. Further information on how to appeal a decision by the Compliance Officer can be found at the following address: <https://www.gov.uk/guidance/mp-expenses-appeal-a-compliance-officers-decision>.

33. In accordance with the Guidance on the Conduct of Reviews by the Compliance Officer for IPSA, details of the review will be published in a manner decided by the Compliance Officer.

A handwritten signature in black ink, appearing to read 'Peter Davis', is centered on a light gray background.

Peter Davis
Compliance Officer for IPSA
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Annex A: Refused Claims

Form No.	Date	Expense Type	Nights	Total Amount Claimed	Amount Reimbursed	Amount Not Allowed
0000430124	14/05/2015	Hotel London Area	2	£513.60	£300.00	£231.60
0000430124	20/05/2015	Hotel London Area	2	£513.60	£300.00	£213.60
0000440593	04/06/2015	Hotel London Area	2	£405.60	£300.00	£105.60
0000440593	11/06/2015	Hotel London Area	3	£770.40	£450.00	£320.40
0000440593	18/06/2015	Hotel NOT London Area (Travel)	1	£155.00	£120.00	£35.00