



Review of a determination by IPSA to refuse an expense claim.

Stephen Gethins
Former Member of Parliament for North East Fife.

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Introduction

1. This review has been conducted following a request by Stephen Gethins, the former SNP MP for North East Fife, to consider a decision of the IPSA contingency panel process to refuse to pay on-going rental costs for his constituency office in light of him losing his seat in the 2019 December General Election.
2. The guidance which applies in this case comes under Section C Chapter Six of the “The Scheme for MPs’ Business Costs and Expenses” (the Scheme). Mr Gethins agreed the lease for his constituency office on 24th July 2015, and at the time, the seventh edition of “the Scheme” was in force.
3. IPSA publishes and operates “The Scheme of MPs’ Business Costs and Expenses” (the Scheme) in exercise of the powers conferred on it by section 5(3)(a) of the Parliamentary Standards Act 2009. The Scheme had, since April 2012, contained **guidance**¹ that MPs were advised to negotiate a two-month break clause in any rental agreement, they entered in to.
The guidance read “MPs are strongly advised to negotiate a clause within their contract to allow them to extricate themselves from the contract within two months in case of a change in circumstances such as the loss of their seat at a General Election.”
4. This was the guidance that was in place at the time, Mr Gethins entered in to the lease contract with his Landlord. The lease agreement was for a period of 5 years and was due to terminate in July 2020. The lease agreement stipulated that the tenant “shall have a right to terminate the agreement without penalty on the first and each anniversary of the date of entry (24th July) upon giving the landlords at least three months written notice on their intention to do so. That being the case, Mr Gethins sought advice from IPSA, explaining the position with regards to the terms of the lease. Based on the advice and reassurance given by IPSA, Mr Gethins entered in to the contract.
5. In April 2017, IPSA published the ninth edition of the Scheme which addressed the issue of a break out clause within the main text of Chapter 6. In this later edition, more explicit and clearer instructions were given to MP’s. The guidance read that IPSA would not pay more than two months wind up costs in respect of rental agreements unless MPs could demonstrate the circumstances were unavoidable.
6. The main changes to ninth edition of “the scheme” were followed up with a communication bulletin issued on 16th March 2017, which also contained a link to a consultation report and a summary of the key changes. In addition, MP’s were also reminded on the guidance in the run up to the 2019 General Election.

¹ Within the “Scheme” are greyed out sections which denote guidance/advice only.

7. At the time, the guidance changed in 2017, Mr Gethins was unable to amend the terms of the lease he had entered in to because his Landlord refused to renegotiate the terms of the contract. In June 2019, he did manage to negotiate a two month break out clause with his landlord, but this was not due to come in to effect until after the initial lease date expired in July 2020.
8. In December 2019, Mr Gethins lost his seat and gave notice to his landlords to quit the premises. Under the existing terms of his lease, he was liable for rental payments until 24th July 2020. IPSA refused to pay the full amount on the basis that the guidance under the Scheme stipulated a two-month wide up clause. The sum of money in dispute is £4578.45 which covers the period between 24th December 2019 and 24th July 2020. In addition, there will be the costs of any utility bills incurred for this period.
9. The MP subsequently made an application for his case to be considered at the IPSA contingency panel.
10. The case was heard on three separate occasions at contingency panel meetings held, on 16th and 23rd January 2020 and 6th February 2020. Mr Gethins application was not upheld and in light of this, he made a request to the Compliance Officer to conduct a review on 12th February 2020.
11. *Section 6A of the Parliamentary Standards Act 2009* (the Act) provides that if:
 - (1)(a) the IPSA determines under section 6(3)² 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).
 - (2) 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 that consideration, decide whether or not to confirm or alter it.
12. 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”.

² 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.

13. As IPSA had conducted an internal review through the Contingency Panel process, there is no impediment to the Compliance Officer accepting the request for a review from Mr Gethins.

The Review

14. In conducting the review, the Compliance Officer has utilised the fourth, seventh and ninth Editions of the Scheme.
15. In addition, the Compliance Officer has reviewed the following information:
- ◇ Communication between the MP and IPSA.
 - ◇ The contingency panel application submitted by Mr Gethins.
 - ◇ The minutes of the contingency panel meetings which considered the request.
 - ◇ All communications sent out by IPSA with regards to changes in guidance concerning break out clauses.
 - ◇ All records relating to the MP recorded within the IPSA Case Record Management System.
 - ◇ Contents of a letter dated 18/12/17 sent by the CEO of IPSA to a fellow SNP MP.

The Basis for the Review request by Mr Gethins.

16. As previously stated, the claim subject of this review relates to a commercial tenancy agreement for the Constituency office of Stephen Gethins, who at the time, it was agreed, was the SNP MP representing the constituency of North East Fife. He was originally elected on 7th May 2015 for a fixed term period of five years.
17. The Constituency office was situated in Cupar in North East Fife and the terms of the lease were agreed on 24th July 2015. The lease agreement was for a period of 5 years and was due to terminate on 24th July 2020. The lease agreement stipulated that the tenant “shall have a right to terminate the agreement without penalty on the first and each anniversary of the date of entry (24th July) upon giving the landlords at least three months written notice on their intention to do so.
18. Prior to signing the lease, Mr Gethins sought the advice of IPSA and explained the terms of the lease did not comply with IPSA guidance. Based on the advice and reassurance provided by IPSA, he entered in to the contract.
19. There were a number of reasons why Mr Gethins thought the premises in Cupar were suitable for his Constituency office: -
- ◇ The Constituency of North East Fife is very rural but the location in Cupar is accessible with good rail and bus networks.
 - ◇ The premises were disabled friendly and had accessibility wheelchair users.
 - ◇ The MP could not find alternative accommodation which offered the same facilities.

20. When the guidance in relation to break out clauses was embedded in the ninth edition of the Scheme in 2017, Mr Gethins attempted to renegotiate the terms of his lease with his landlord but was unable to do so. Mr Gethins has provided written confirmation from his landlord which clearly demonstrates the fact that the landlord was not prepared to agree to a change in the terms of the lease. This was based on the fact it was a standard clause contained within all commercial contracts maintained by the property rental company.
21. The only option left open for Mr Gethins was to consider breaking the terms of the contract which would have attracted a financial penalty and legal costs. In addition, a significant amount of money had been spent on security arrangements for the constituency office, following the murder of Jo Cox, and Mr Gethins had invested in other costs such as signage, IT and office. Furniture. He made the conscious decision to remain where he was, as to relocate would have incurred significant additional costs to the public purse as well as causing considerable inconvenience and disruption for his constituents.
22. All of the above occurred against a backdrop of political uncertainty with two unexpected general elections called in 2017 and 2019 which was in contradiction to the principles of the 'Fixed Term Parliament Act' which came in to force in 2011. Brexit negotiations were on going throughout this period and Parliament's recess was cancelled as MPs were frequently required to be at Westminster.
23. Mr Gethins has asked the Compliance Office to consider the contents of a letter written by the CEO of IPSA to a fellow MP. The letter was dated 18/12/17 and was written in connection with a break out clause to an office lease contract. The letter clearly states, that IPSA would contact all MPs whose leases did not contain a two month break out clause. In addition, the letter goes on to state, that IPSA would adopt a flexible policy in cases where MPs could demonstrate they had failed to renegotiate a change to their existing leases through the contingency panel process.
24. Mr Gethins states, IPSA did not contact him in 2017 to inform him his existing contract did not comply with the new terms of "the Scheme". Neither did they object, when he notified them, he had negotiated a change in his lease but that it would not come in to force until July 2020.
25. Mr Gethins' position is that he has always acted in the best interests of his constituents and staff by ensuring value for money and his actions, in abiding by the terms of his original lease, placed a minimal burden on the public purse and was the most cost effective option open to him.
26. Mr Gethins made an application to the Contingency panel process for its members to consider his case to honour the rental payments as set out in the terms of his lease. When his application was rejected, he made a request to the Compliance Officer to conduct a review.

Position of IPSA

27. The first edition of the “Scheme” was published in 2010. There have been several amendments made in the intervening years and new editions published. The current edition in force is edition eleven. Before any changes can be implemented there has to be a period of public consultation and the consultation report is published.
28. Within each edition of the “Scheme”, there are greyed out text boxes which are used to provide advice only to assist with the interpretation of “The Scheme”. The first mention of the need for MPs to negotiate a two-month wide up clause in their rental agreements featured in fourth edition of the Scheme (Issued in 2012) in a greyed-out box and read ³“

“MPs are strongly advised to negotiate a clause within their contract to allow them to extricate themselves from the contract within two months in case of a change in circumstances such as the loss of their seat at a General Election.”

29. On 1 April 2017, following a comprehensive review, IPSA amended the Scheme to make it clearer and more explicit that it would not fund any rental costs beyond the two-month winding-up period. The below paragraph was embedded within the main text of the edition at paragraph 6.19 and read⁴
- “MPs should negotiate a clause in their contracts to allow them to give two months’ notice in the event of a change in circumstances, such as losing their seat at a general election. They will only be able to claim for rent and other office costs incurred during the two-month winding-up period after the election. Any further costs incurred after that period will not be funded by IPSA, unless MPs can demonstrate that they were unavoidable.”*
30. Prior to publication of the 2017-18 Scheme, an IPSA Bulletin was sent to MPs on 16 March 2017 setting out that IPSA was publishing a new edition of the Scheme⁵. This bulletin also linked to a short non-comprehensive list of changes to the Scheme and to a consultation report ⁶(which set out all of the changes in detail. Paragraphs 323-330 of the consultation report refer to the change to the rule above, which states that MPs should negotiate a two-month break clause in their rental contracts).
31. During the run up to the election on 12th December 2019, IPSA sent out a further communication to MP’s which reinforced this section of the guidance.

³ Fourth edition of the Scheme published April 2012.

⁴ Ninth edition of the Scheme – published April 2017.

⁵ (<https://www.theipsa.org.uk/media/1804/bulletin-5-16-march-2017.pdf>) – See Appendix one

⁶ <https://www.theipsa.org.uk/media/1606/2017-03-16-ipsa-review-of-scheme-of-mps-business-costs-web.pdf> (App two)

32. Mr Gethins lost his seat in the December election. At the point he submitted an expense claim in relation to his rental costs for the period up until 24th July 2020, IPSA rejected the claim citing the guidance outlined above as the reason.
33. This matter was subsequently reconsidered at the IPSA contingency panel process, following receipt of an application from Mr Gethins. The IPSA Contingency Panel considered the application on 16th and 23rd January and finally on 6th February 2020.
34. A decision could not be reached during the first two meetings as the panel felt they did not have sufficient information. The case was fully considered on 6th February 2020 by which time the MP had provided additional information and had had an opportunity to meet with the Head of Policy and Assurance to discuss the matter further.
35. The minutes of the meeting are brief but concluded that the panel felt, Mr Gethins had not demonstrated that the additional costs incurred outside of the two month wind up period were **unavoidable**, as he had opportunities to renegotiate his contract on an annual basis between 2016 and 2019.

Considerations by the Compliance Officer.

36. The compliance officer considers there are five areas which need to be taken in to account in making a decision on this matter:
 - ◇ How much weight should be given to the advice provided by IPSA to the MP in relation to his contract which was agreed on 24th July 2015.
 - ◇ The guidance that was in place at the time the lease contract was entered in to.
 - ◇ The subsequent changes to the Scheme and how they were communicated.
 - ◇ The definition of the term “Unavoidable” and how that should be interpreted.
 - ◇ What would the financial considerations have been to the public purse during the process of renegotiating a contract or relocating to a new office.
37. The scheme that was in place at the time, Mr Gethins sought advice, from IPSA, in relation to the terms of his lease agreement was the 7th edition. In that edition and previous editions of the Scheme, the general position from IPSA was that it would not provide advice on whether or not a claim is allowable, this would be determined at the point the claim is made together with any supporting evidence that is provided.
38. Clarity on this issue was given for the first time in edition nine of the Scheme which states “IPSA supports MPs and their staff to comply with the rules of the Scheme by providing advice on the rules and whether a particular claim is likely to fall within the Scheme. Such advice is not a decision to allow or refuse a claim. That decision can only be made when the claim is submitted together with the supporting evidence”.
39. However, the fact that the MP sought the advice from IPSA and received a response which effectively gave him an undertaking that the payment would be approved cannot be ignored. The

specific detail of the advice is not recorded on the case record management system maintained by IPSA, but the Compliance Officer has no reason to doubt the MP when he states he sought advice, and on the basis of it, entered into a legally binding contract. This fact is not disputed by IPSA.

40. At the point the advice was given, the position of IPSA, on a two month break out clause was an advisory one only. It later became incorporated into the main Scheme in April 2017, nearly two years after Mr Gethins entered in to a 5-year lease agreement, which coincided with his first term in office.
41. The changes to the Scheme stated that *MPs “should negotiate a clause in their contracts to allow them to give two months’ notice in the event of a change in circumstances, such as losing their seat at a general election. They will only be able to claim for rent and other office costs incurred during the two-month winding-up period after the election. Any further costs incurred after that period will not be funded by IPSA, unless MPs can demonstrate that they were **unavoidable.**”*
42. The new scheme was published in April 2017 and prior to that a bulletin was sent out on 16th March notifying MPs that a new scheme was coming in to force, The bulletin provided a summary of the key changes, **however**, there is **no** specific mention of the implementation of a two month break out clause in the bulletin⁷. IPSA also sent out the consultation report which is a 100-page report with a small section dedicated to the issue of a breakout clause.
43. The view of the compliance officer is that IPSA could and should have done more to raise this issue with MPs. The guidance is ambiguous and does not make it clear at what point new leases should be negotiated to secure a two month break out clause. At the time the guidance was issued in April 2017, MPs would have been mid-way through their 5-year term of office and at the point of being elected would more likely than not have negotiated a long-term lease agreement as was the case with Mr Gethins.
44. There was in fact a snap election called by Theresa May on 17th April 2017, which took place in June, but this could not have been predicted in 2015, when most MPs would have expected to have been in office until 2020. The Compliance officer acknowledges that prior to the April 2017 guidance being published, the advice within previous editions of the “Scheme” had always been to for MPs to try and secure a two month break out clause . However, the fact it was guidance only tends to suggest, IPSA had some understanding that it may not always have been possible to negotiate a two-month break clause with some commercial Landlords.
45. Perhaps a more pragmatic and realistic position for IPSA to have adopted, would have been to instruct MPs to try and secure a two month break out clause at the point their existing leases came up for renewal.

⁷ See bulletin 16th March Appendix one

46. At paragraph 6.19, it stipulates that MPs must negotiate a 2 month break out clause and IPSA will only pay for two months' worth of expenses unless an MP can establish the circumstances of not doing so were unavoidable.
47. The term "unavoidable" is not explained or defined further in the context of the paragraph. To take its usual meaning, unavoidable means not able to be prevented. In the context of this case, Mr Gethins was not able to negotiate a two month break out clause with his landlord. He has provided written evidence which demonstrates the fact he tried to do so, but his Landlord was not prepared to agree to a change in the existing lease. The Landlord did subsequently agree to a change in June 2019, which was due to come in to force at the end of the initial 5-year lease contract in 2020.
48. Mr Gethins had very good reasons for wanting to secure the lease on the premises in Cupar. These being – it was suitable in respect of location, working environment, security arrangements and accessibility for people with disabilities.
49. Mr Gethins did not consider relocating to a different premise, on the basis, that to do so, would have incurred **significant additional** expenditure, disruption and inconvenience for constituents.
50. To relocate to a new office midway through an existing contract would have necessitated the MP breaking the terms of a legally binding contract. Under the terms of the contract, additional costs would have been incurred to those outlined above.
51. The position of IPSA is that after they issued the 2017 guidance, Mr Gethins had ample time to renegotiate a new contract. He did not demonstrate in his application to the panel that the circumstances of not doing so were unavoidable.
52. The position of Mr Gethins is that:
 - A. The location of the Constituency Office was convenient and accessible for constituents.
 - B. At the time Mr Gethins entered in to the lease, the guidance was not in force but featured as advice only.
 - C. Mr Gethins did attempt to renegotiate the lease when the new guidance came in but was unable to do so as his Landlord refused to agree to his request.
 - D. Mr Gethins considered the financial implications of breaking the terms of his existing lease and relocating to a new office. He came to the conclusion this would have incurred significant additional costs to the public purse which would have far exceeded any costs incurred by remaining under the terms of his existing contract even in the event he lost his seat early and would have been liable for rental costs until July of the current year).
 - E. At the time he entered in to the lease, he expected to remain in office until May 2020 (as a minimum. He did renegotiate the new lease in June 2019 to come in to force in July 2020

which did contain a two month break out clause. The newly negotiated break clause would have complied with the guidance, if the General Election had taken place when it was anticipated to do so in May 2020, as opposed to the snap election called in December 2019.

53. The Compliance Officer is of the view, taking all the circumstances into account, the decision of the contingency panel was incorrect, and the application should be approved.

Conclusion

54. The Compliance Officer has come to the conclusion that IPSA should reimburse Mr Gethins for the sum of £4578.45 rental costs to cover the period between 1st March and 24th July 2020. In addition, any utility costs incurred for the running of the Constituency office should be paid.
55. Prior to concluding this review, the Compliance Officer sent a copy of the provisional findings to both Mr Gethins and IPSA offering them the opportunity to make representations. Neither party had any representations to make.
56. 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>.
57. 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.

Review Recommendations

58. There are no additional recommendations arising from this review to those recently made within a review on the same subject.

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Appendix One – Bulletin dated 16th March Summary of Key Changes

SUMMARY OF CHANGES

Below is a summary of the key changes made to the Scheme of MPs' Business Costs and Expenses ('the Scheme') for 2017-18. Most changes come into effect on 1 April 2017, except where otherwise stated. Please refer to the Scheme for full details of all the rules and guidance.

We have revised the Fundamental Principles to distinguish between the principles that MPs must adhere to when submitting claims and those that apply to IPSA in our role as an independent regulator to MPs.

General Conditions of the Scheme

- We have amended the examples of activities that are not considered as necessary for the performance of MPs' parliamentary functions to include 'activities whose purpose is to give MPs a campaign advantage during general elections or referendums'.
- We have simplified the definition of MPs' dependants to be 'dependent children up to the age of 18'.

Accommodation Costs

- The rental accommodation budget for London has increased to £22,760 per year which is based on the average cost of a one-bedroom property in Westminster and Lambeth (based on data from the Valuation Office Agency).
- For rental accommodation outside of London, the budget is £15,850. All five previous accommodation bands have been merged into this one outside-London band.
- The nominal amount included in the accommodation budgets for associated costs has increased for all MPs to £3,000 per year.
- We have increased the uplift for MPs who need to provide accommodation for a dependant to £5,435 per year to reflect the average difference between a one-bedroom and two-bedroom flat in Westminster and Lambeth according to Valuation Office Agency figures. MPs may claim up to three uplifts.
- We have simplified the dependant uplift rules to remove the requirement that dependants must reside 'routinely' with the MP. All MPs with a registered dependant will automatically qualify for the uplift.
- We have amended the rules so that MPs can group together the individual nights of a single stay, where the cost varies on different nights, and claim the full amount provided that the average cost per night does not exceed the nightly limit (£150 in London and £120 elsewhere in the UK).

London Area Living Payment (LALP)

- The LALP budget has increased in line with inflation to £3,820 and the additional LALP available to outer London MPs to £1,350.
- We have changed the rules so that LALP can only be claimable by London-area MPs. Those non-London Area MPs who are already claiming LALP can continue to do so until the next General Election.

Office Costs (formerly Office Costs Expenditure)

- • The office costs budget has increased to £27,550 per year for London-area MPs and to £24,850 per year for non-London-area MPs. This increase reflects inflation and one-off costs associated with IPSA's new online expenses system.
- • We have changed the rules to allow MPs to claim for hospitality, such as light refreshments, at their constituency offices.
- • There is no longer a separate start-up budget. It is now integrated into the office costs budget and will be a one-off £6,000 supplement for new MPs during their first financial year in Parliament.

Staffing Costs

- • The staffing costs budget for London-area MPs has been increased to £161,550 per year and for non-London-area MPs to £150,900 per year. This is to enable all staff to be moved to at least the minimum for their new salary range, which is in line with the voluntary living wage. MPs can use their discretion to make other pay increases as long as they remain within their overall staffing budget. The budget for non-London-area MPs has been calculated using an assumption that they employ at least one member of staff in London.
- • We have amended the rules to restrict reward and recognition payments to no more than 2 per cent of an MP's staffing costs budget per year. These payments will also be subject to an annual maximum of £1,000 per staff member.
- • We have placed a cap on the amount of untaken leave that can be rolled forward by MPs' staff to the next year to five working days.
- • There will be no IPSA funding for new connected parties following the next General Election. All current connected parties will have their employment protected. Employees who later become connected parties will continue to have their salaries paid by IPSA for a period of no longer than two years, once MPs have notified IPSA.
- • The costs of staff to cover for those absent on maternity, paternity, adoptive or long-term sick leave will be met from MPs' staffing costs budgets. The costs of the staff on long-term leave will be met central from a staff absence budget.
- • Redundancy payments to staff incurred at any time other than when an MP ceases to hold office must be funded from the staffing costs budget.

Winding-up and Loss of Office Payments

- We have allowed MPs who lose office to receive an amount equivalent to their monthly salary after they have left Parliament. This will be deducted from their Loss of Office Payment.

- MPs will also be able to request that any outstanding debts to IPSA are deducted from their Loss of Office Payment.

Travel and Subsistence

- • We have simplified the rules for MPs' European travel. All journeys to Europe for parliamentary purposes can be claimed, and we have removed the cap for the number of journeys that can be made in any year.
- • We have clarified the rules for travel between Westminster and constituencies.
- • We have removed the cap on the number of journeys that can be made by dependants and MPs' staff members.
- • MPs' spouses and partners can now claim for any journeys made between London and the constituency.
- • We have amended the rules so MPs' staff can claim the same travel costs as MPs within the UK.
- • We have amended the rule for late working to allow MPs to claim for taxis or hotels where they are working on parliamentary matters beyond 10pm. We have also removed the £80 limit for late-night taxi claims.

Appendix Two – extract from consultation report

Question 26: Do you agree that we should introduce a rule to make clear to MPs that they need to negotiate two-month break clauses in accommodation and office rental agreements, and clarify the rule allowing MPs to claim for accommodation in the constituency and London in exceptional circumstances?

Responses received

323. The majority of responses which addressed the question about two-month break clauses, including ones from some MPs, MPs' staff and members of the public, agreed that a rule should be introduced to the Scheme to make this clear. A member of the public said that this could not only be clearer, but better enforced.
324. Other respondents, however, cautioned that the addition of such a rule would inevitably make it more difficult for MPs to find suitable accommodation and office space. One staff member said that, whilst the proposal was prudent, in some areas suitable office accommodation is not easy to find and therefore it may not be possible for MPs to negotiate such a break clause. Similarly, one MP stated that insisting on a two-month break clause in London accommodation would almost certainly make it more difficult for an MP to secure suitable accommodation.

325. The response from the Liberal Democrat MPs argued that introducing a rule is not strictly necessary and should instead be reinforced through best practice guidance provided to MPs at the start of every Parliament. It would also have the potential to raise the costs of MPs' contracts over the lifetime of the contract.
326. Another MP was strongly opposed to the introduction of a rule, saying that IPSA should cover the penalty cost of breaking rental contracts if an MP is not re-elected.
327. Only a few respondents addressed the question about accommodation in two places explicitly. All of these respondents agreed that the rule should be clarified.

Our position

328. We recognise the point of view heard through the consultation that a new requirement could potentially cause significant difficulty for MPs in searching for suitable accommodation or office space. We also recognise that some MPs may find themselves in the position of having to renegotiate contracts they are already tied into. However, it is important that the Scheme encourages MPs to seek value for money in their expenses.
329. The Scheme has been amended to state that MPs should negotiate a clause in their rental contracts to allow them to give two months' notice in the event of a change in circumstances (such as losing their seat in a General Election). MPs will only be able to claim for rent and associated costs during the two-month winding up period, and that any further costs will not be funded by IPSA, unless they can demonstrate that they were unavoidable. We consider that this strikes the right balance between securing value for money for the taxpayer and recognising the reality of MPs' contractual obligations.
330. Additionally, in line with our proposal in the consultation, we have reworded the rule allowing MPs to rent and claim for more than one property in exceptional circumstances. Guidance in the Scheme also clarifies that an example of exceptional circumstances might be where the geography of an MP's constituency means that they may need two residences there, as well as a residence in London.