

Review of a determination by the IPSA Contingency Panel in relation to accommodation costs.

**Review conducted at request of Martin Vickers
Member of Parliament for Cleethorpes.**

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Introduction

1. This review has been conducted following a request by Martin Vickers, the MP for Cleethorpes, to consider a determination made by the IPSA Contingency Panel in relation to an overspend on the MPs accommodation budget in 2020/21.
2. 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 is intended to ensure that MPs' use of taxpayers' money is well regulated, and that MPs are resourced appropriately to carry out their parliamentary functions¹."
3. The guidance which applies in this case comes under Chapter 4 and Chapter 10 within the Eleventh Edition of the Scheme.
4. *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 to confirm or alter it.
5. Paragraph 9 of the notes for Guidance on the Conduct of Reviews by the Compliance Officer for IPSA states that:

¹ The Scheme of MPs' Business Costs and Expenses (Twelfth edition).

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.

“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”.

6. As IPSA has considered this matter as part of the contingency panel process which effectively reviewed a previous decision from IPSA staff, there is no impediment to the Compliance Officer accepting the request for a review from Mr Vickers.

The Review.

7. In conducting the review, the Compliance Officer has utilised the eleventh edition of the Scheme which came in to force in April 2019.
8. In addition, the Compliance Officer has conducted the following enquiries:
 - Reviewed the information provided by Mr Vickers.
 - Held a virtual meeting with Mr Vickers on 1st June 2021.
 - Reviewed the record of the contingency panel minutes.
 - Reviewed the notes held on the IPSA case records management system.
 - Researched the Scheme for MPS Business costs and expenses.

The basis for the review request by Mr Vickers.

9. During the financial year 2020/21, Mr Vickers incurred an overspend on his budget which included a £1289.17p overspend on accommodation. It transpired that the overspend occurred because rental costs which should have been paid from the MP's 2019/20 accommodation budget were debited from his 2020/21 budget. Although the MP anticipated incurring a small overspend at the end of 2019/20, it was not identified by IPSA until the end of the 2020/21 financial year (For reasons outlined below). When the matter came to light, the MP was advised to apply to the Contingency panel by his IPSA account manager.
10. The matter was considered by the contingency panel at meetings held on 24th April and 6th May. The panel, in part upheld his application. They agreed to reduce the amount of money owed by £721.52 because that was the amount the MP had left in his accommodation budget at the end of the 2019/20

financial year. The panel advised Mr Vickers he was still required to repay the outstanding amount of £567.65. It was at this point; the MP contacted the Compliance Officer and requested a review.

Position of the MP

11. In 2019/20, Mr Vickers moved from one rented property in London to another as the first property was unsuitable. For a short period of time, there was a cross over in dates between the old lease ending and new lease beginning which meant rental payments had to be made on both properties. This caused his accommodation budget to be overspent by £567.65. The MP expected an overspend of about £500 and made an enquiry of IPSA at the time but his budget did not show as overspent.
12. When the MP registered the new lease with IPSA expense system, he inadvertently requested that the rental payments be made over a ten-month period as opposed to twelve months. This was due to the complexities of the system and was a genuine error.
13. The two additional months rent which were due on 2019/20 were paid out of the MPs 20/21 budget which caused his 20/21 budget to be overspent. When the matter was looked in to, IPSA identified the mistake and realised that part of the 20/21 overspend was in fact due to the rental payments being apportioned from the wrong years' budget.
14. Mr Vickers had various communication with his account manager, who identified the above as the reason why the MPs 20/21 budget was so overspent. He advised the MP to submit an application to the contingency panel asking for £1289.17 to be credited to the 20/21 budget. The account manager wrote to Mr Vickers and said he would be supportive of the application. Mr Vickers submitted the comments of the account manager with his application to the panel.

Position of IPSA

15. The contingency panel considered the application at meetings held on April 29th and May 6th. The panel acknowledged the following points:
- The MP requested £1289.17 covering accommodation costs that were incurred in 2019-20 but wrongly apportioned to 2020-21 because of a process error.
 - It was acknowledged that the relevant part of the online system is unclear and is particularly confusing for inexperienced users and lots of MPs had experienced similar difficulties with the system in 2019-20 and therefore allowing the claim would be consistent with what had been done in other circumstances.
 - In this case due to circumstances around Covid, the MP was completing the claim himself rather than the proxy. At the time in March 2020 it was also difficult to get advice from IPSA due to staff.
 - It was suggested that the contingency amount should be reduced to take account of the fact that had the MP not made an error, he would have incurred an overspend in 2019-20. This was because the MP only had £721.52 remaining in the 2019-20 budget. If the £1298.17 had been correctly apportioned there, then the MP would have incurred an overspend of £567.65 in 2019-20.
16. Based on the above, the panel partly upheld the application and agreed that Mr Vickers should only be required to repay the deficit of £567.65.

Considerations of the Compliance Officer

17. The Compliance Officer, on receipt of a request for a review, shall consider whether it is within his or her jurisdiction (IE does it relate to a refusal in part or whole of a claim under the Scheme) and whether the MP has given IPSA a reasonable opportunity to reconsider the determination.
18. 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.

19. The guidance on the contingency panel process is set out in Section 10.10 of “the Scheme” which states:

IPSA may decide to accept or reject an application at its discretion. In considering its decision, IPSA shall take in to 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.

20. The IPSA contingency panel did exercise discretion in partly upholding the application agreeing that the circumstances of this case needed to be taken in to account. The panel acknowledged problems caused by the online expense system, which were exacerbated by COVID and unavailability of IPSA staff to advice and guide MPs at the relevant times. The panel very reasonably agreed to use the funds available from the 2019/20 budget to reduce the amount to be repaid by the MP in 20/21.

21. In April 2020, communications between the MP and his account manager are recorded on IPSA systems which demonstrate Mr Vickers expected his accommodation budget would be overspent by approximately £500. He repeated this to the compliance officer in their meeting on June 1st but said he was not asked to repay the money by IPSA at the end of 2019/20 because of the complexities of IPSA expense systems which did not identify the mistake until some 12 months later when it was discovered the overspend had been correctly apportioned to the wrong year.

22. The Compliance Officer has some sympathy with the position of Mr Vickers but does not feel as there are grounds to overturn the determination that has been made based on exceptional circumstance. The circumstances in which the overspend were incurred were caused by the fact, Mr Vickers decided to terminate the lease on one property and relocate to a more suitable property. This meant that rental costs were incurred on two properties for a short period of time, the reason he did so was because he felt the first property was unsuitable. This was a personal choice made by Mr Vickers and not due to any exceptional circumstance associated with his role as an MP. Mr Vickers was aware he had incurred an overspend at the end of 2019/20 in the region of £500.00.

23. In coming to a determination, the Compliance officer agrees with the decision of the contingency panel and adjudicates that Mr Vickers should repay £567.65.

24. 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>.

25. 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.

Tracy Hawkings