



Review of a determination by the IPSA in relation to Claim Numbers - 60043671 and 60050173.

**Review conducted at request of Ian Levy
Member of Parliament for Blyth Valley.**

Tracy Hawkings
Compliance Officer
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Introduction

1. This review has been conducted following a request by Ian Levy, the MP for Blyth Valley Northumberland, to consider a determination made by the IPSA in relation to a refusal to pay for claim numbers 60043671 and 60050173. which both related to the purchase of household items for his rental accommodation in London. The value of the combined claims totalled £282.69, and the purchases made in March 2020.
2. IPSA publishes and operates The Scheme of MPs' Staffing and Business Costs (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 functions."¹
3. The guidance which applies in this case comes under Chapter Four – Accommodation Costs and Chapter Ten within the Eleventh Edition of the Scheme 2019/20 as this is the guidance that was in place at the times the items were purchased by the MP.
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.

¹ The Scheme of MPs' Staffing and Business Costs. (Eleventh 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.

5. 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”.
6. As IPSA has conducted an internal review on this matter, there is no impediment to the Compliance Officer accepting the request for a review from Mr Levy.

The Review.

7. In conducting the review, the Compliance Officer has utilised the eleventh edition of the Scheme which came into force in March 2019.
8. In addition, the Compliance Officer has conducted the following enquiries:
 - Reviewed the information provided by Mr Levy and his office manager.
 - Reviewed the notes held on the IPSA case records management system.
 - Reviewed the internal review report conducted by IPSA
 - Researched the Scheme for MPs Business Costs and Expenses.

The basis for the review request by Mr Levy.

9. In March 2020, Mr Levy took out a tenancy on a property in London as is allowed under the Scheme in support of his role as an MP.
10. On 2nd and 9th March 2020, the MP used his payment card to purchase household items for property which included items of bedding, towels, electrical equipment and glasses and the total value was £282.69p. At the time the purchases were made, Mr Levy was under the impression they were allowable under the Scheme. This was on the basis, when elected, he attended various meetings with IPSA including the CEO which left him with the impression reasonable start-up costs could be claimed for newly elected MPs for rental properties.
11. The claim was subsequently rejected by IPSA on the grounds the claims were not permissible under the Scheme.

12. The MP requested a review of the decision and asked IPSA to consider the following points and exercise discretion:

“I believed at the time of purchase that these items were allowable under the scheme. The items are such that I could not reasonably bring them from home as I have family at home who would need some of them and others would be bulky to transport on a 700-mile round trip each week. They are items which I need to enable me to inhabit the property I rent in London”

13. As part of the review process, the MP provided supporting evidence from three other MP colleagues who were present at the IPSA meetings and were under the same impression that reasonable costs would be covered when MPs moved into a new property.

14. The internal review conducted by IPSA upheld the original decision and the Mr Levy was informed he was required to reimburse IPSA for the full amount. (See IPSA section of report for further detail).

15. The MP then made a request for a Compliance Officer review on 27th January 2021.

Position of IPSA

16. The claims were initially rejected as part of the payment card reconciliation process for the reasons set out above.

17. The matter was then considered as part of an internal review by a member of the policy and assurance team. The review concluded:

“This claim was originally rejected by our Validation team as the costs in question are not claimable under the Scheme rules. Chapter 4.3, 4.4 and 4.5.c of the Scheme outline that the only costs claimable from the accommodation budget are hotel costs or rent and associated costs. Associated costs do not include furnishings.

Whilst we understand you were informed that ‘reasonable’ costs were permitted; we deem reasonable costs as what is set out under Chapter 4.4 of the Scheme (associated costs). This does not cover the claim in question”.

Considerations of the Compliance Officer

18. 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.
19. The Compliance Officer will, considering 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 considering that, whether to confirm or alter it.

Rules under The Scheme for MPs Business and Staffing Costs

20. The guidance within the Scheme is set out in Chapter Four and Chapter Ten and states:

Chapter Four

Para 4.1

The accommodation costs budget is designed to meet costs incurred by MPs as a result of working from two permanent locations. (Para 4.1)

Para 4.3

Accommodation costs may be claimed for one of the following:

- a. hotel accommodation; or
 - b. rental payments and associated costs as set out at paragraph 4.4;
- or
- c. for MPs who own their property, associated costs only as set out at paragraph 4.4.

Para 4.4

Associated costs include:

- a. utility bills (gas, electricity, other fuel and water);
- b. council tax;
- c. ground rent and service charges;
- d. in the case of MPs claiming under 4.3c, buildings insurance;
- e. purchase, installation and maintenance of routine security measures;
- f. installation of a landline telephone line, line rental and usage charges; and
- g. installation of a broadband connection and usage charges. (para 4.4)

Chapter Ten

In addition to any other payments or assistance provided by this Scheme, IPSA may, at its discretion and on an individual basis, provide any additional financial assistance to MPs it deems necessary to assist them in carrying out their parliamentary functions. (10.19)

21. It is the opinion of the Compliance Officer, Chapter Four clearly sets out at paragraph 4.4 what additional costs, other than rental costs, that can be claimed through the Scheme and therefore believes the original decision by IPSA to reject the claims and the subsequent review decision was correct.
22. The compliance officer has further considered paragraph 10.19 and looked at the question of discretion. Mr Levy clearly bought the items in good faith in the belief he would be able to claim them back through the Scheme and acknowledges some of his colleagues were of a similar view. However, IPSA can only exercise discretion and consider additional funding in circumstances when it is in support of an MP's Parliamentary functions. The Compliance officer does not believe the purchase of household items is directly linked to an MP's parliamentary function.
23. The decision of the Compliance Officer is to uphold the original and review decisions of IPSA.
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

Compliance Officer.