



Review of a determination by IPSA to refuse an expense claim

Mr Liam Byrne MP
Member of Parliament for Birmingham Hodge Hill

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Introduction

1. On 26 May 2015, Mr Liam Byrne MP submitted a claim to the Independent Parliamentary Standards Authority (IPSA) for Professional Services under the *MPs' Scheme of Business Costs and Expenses* (the Scheme). Following consideration, the claim was rejected on the grounds that the cost was incurred in connection with his shadow ministerial role and not in connection with his parliamentary function.
2. On 1 October 2015, Mr Byrne's office contacted the Compliance Officer for IPSA to request a review of the decision by IPSA to refuse the expense claim.
3. *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
 9. *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.*
5. The claim referred to is numbered 428620 and contains a single claim line relating to Professional Services also referred to as Bought-In Services under the expense category of Staffing Expenditure.

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.

6. The Compliance Officer has established that an internal review of the initial decision to reject the claim has been conducted by IPSA and the original decision upheld.
7. As a result there is no impediment to the Compliance Officer accepting the request for a review.

The Basis for the Review

8. The proxy for Mr Byrne submitted the following information in support of his request for a review.
9. *I understand that claim ref: 428620 was rejected because additional information, when requested, referred to Liam's position as Shadow Minister. For ease I have copied the text of the additional information submitted below.*
10. *"Research and speech draft for Shadow Minister for Universities, Science and Skills, contributing research, copy and ideas. [name redacted] also provided a piece of research work into the impact of science and skills on the future. If you need further details, please call [name redacted] in Mr Byrne's office."*
11. *I am afraid this additional submission was misleading, apologies, the work provided by [name redacted] was related to Liam's parliamentary duties as an MP analysing Government policy on science and skills as well as providing speech writing assistance for Liam's parliamentary duties as an MP.*
12. *As discussed on Friday, I had a number of phone calls with IPSA prior to engaging [name redacted] services where I set out that [name redacted] would be providing bought-in services in the form of speech-writing and research on science and skills. I went to great lengths to receive assurance from IPSA that this would fall within the remit of the scheme.*
13. *I was told explicitly that it would fall under 7.3.c. as 'bought-in services'.*
14. *It was upon good faith in these assurances that we enter into an agreement with [name redacted]. We are now asking IPSA to allow this appeal and pay [name redacted] whose payment is now long overdue.*
15. In a conversation with staff from the Compliance Office on 22 October 2015 Mr Byrne referred to the *Quick Guide to the MPs' Scheme of Business Costs and Expenses* dated April

2015². He reiterated the reason for utilising Bought-In Services and, referring to the introduction section of the document he quoted the following:

“What are MPs’ parliamentary functions? There is no definitive description, but a parliamentary committee in 2007 suggested that MPs had the following responsibilities:

- *contributing to the development of policy and promoting public understanding of party policies.”*

Mr Byrne said that his claim had been submitted in consequence of reading this area of the guidance.

16. Mr Byrne went on to say that the speech had been given to the Parliamentary Links Day 2015, hosted by the Speaker and that the research had also focused on young people and science as his constituency contained a high proportion of young people.

The Review

17. In conducting the review, the Compliance Officer has relied upon the Sixth Edition of the Scheme (April 2014 to March 2015)³ and, in addition, has utilised the following:

1. Validation Notes – notes appended to a claim submitted by an MP by the IPSA Validator describing the reason for the rejection of a claim;
2. 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;
3. Correspondence between IPSA and the MP;
4. Internet research; and
5. Documentation provided by Mr Byrne.

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

Chapter 3: General Conditions of the Scheme

3.2 In making any claim under the Scheme, an MP must certify that the expenditure was necessary for performance of his or her parliamentary functions...

3.4 The following are examples of activities that are not considered as necessary for the performance of MPs’ parliamentary functions:

- b. work which is conducted for or at the behest of a political party;*

² The document can be found at:

[http://parliamentarystandards.org.uk/IPSAMPs/Scheme/Documents/Summary%20of%20the%20Scheme%20\(April%202015\).pdf](http://parliamentarystandards.org.uk/IPSAMPs/Scheme/Documents/Summary%20of%20the%20Scheme%20(April%202015).pdf)

³ Although the claim was submitted during the current financial year it relates to costs incurred during 2014-15.

g. work relating to the performance of Ministerial functions.

Chapter 7: Staffing Expenditure

7.3 Staffing expenditure may be used to meet the following costs:

c. payments for bought-in services

Guidance Note:

“Bought-in services refers to staffing services provided by companies, self-employed individuals or others not on the payroll.

Schedule 1: Fundamental Principles

2. Members of Parliament have the right to be reimbursed for unavoidable costs where they are incurred wholly, exclusively and necessarily in the performance of their parliamentary functions, but not otherwise.

19. The speech made by Mr Byrne at the Parliamentary Links Day 2015 (see Annex A) contains a number of references which could be construed as either parliamentary or shadow ministerial; the line between the two is blurred. It is therefore necessary to look elsewhere for evidence that supports these competing perspectives.
20. Mr Byrne attended the same event in 2014 where his speech was unequivocally given in his capacity as Shadow Minister, his own website describes it as “Launching Labour’s Green Paper on Science”.
21. The Royal Society of Biology who organised the event refer to Mr Byrne in their newsfeed not as the constituency MP for Birmingham Hodge Hill but as the Shadow Minister for Universities, Science and Skills.
22. The Minister of State for Universities and Science spoke at the Parliamentary Links Day 2015 prior to Mr Byrne, giving the impression that his speech was a response given in his capacity as Shadow Minister.
23. In addition to the speech written for Mr Byrne to deliver at the Parliamentary Links Day event, the claim also relates to research undertaken in connection with engagement with young people. Mr Byrne has kindly provided the Compliance Officer with a copy of the briefing he received. The content appears to be entirely in support of his parliamentary function. In addition, the Compliance Officer notes that Mr Byrne has a young demographic within his constituency.

24. In his submission to the Compliance Officer, Mr Byrne quotes from the *Quick Guide to the MPs' Scheme of Business Costs and Expenses*, which, as the title confirms, is a guide and does not form part of the Scheme. The passage on policy and party policies, while useful, is in no way conclusive and at the beginning of the paragraph, the reader is forewarned that there is no definitive description of parliamentary function.
25. The Compliance Officer notes that the proxy for Mr Byrne spoke with IPSA on a number of occasions prior to submitting the claim and would say that he received assurances the claim complied with the Scheme. The Compliance Officer does not contest this however, the review conclusions are based on the available evidence and his understanding of the Scheme. In light of subsequent events, it is unfortunate if assurances have been given, nevertheless, it cannot influence this review.

Conclusions

26. The limited information available points to the research and subsequent speech to the Parliamentary Links Day 2015 as being delivered by Mr Byrne, at best, in both his capacity as a constituency MP and the Shadow Minister. In the opinion of the Compliance Officer it is more likely that it was given in his role as Shadow Minister.
27. Fundamental Principle 2 of the Scheme is key and the Compliance Officer has seen no evidence that would attest to the research and subsequent speech being 'wholly, exclusively and necessarily' in support of his parliamentary function.
28. Work supporting a Shadow Minister's attendance at an event (in his or her role as a Shadow Minister) would ordinarily be funded by Short Money - money provided to assist an opposition party in carrying out its Parliamentary business. It is not the role of IPSA to supplement this funding.
29. The Compliance officer judges that the briefing provided on communication with young people was drafted entirely to support his parliamentary function.
30. **Taking into account all available information, the Compliance Officer concludes that:**
- 1. The proportion of the claim relating to the research and speech writing for the Parliamentary Links Day 2015 is at least, in part, shadow ministerial and therefore not allowable under the Scheme. On the basis of the information contained within the invoice submitted by the MP, the Compliance Office adjudges this to be £525; and**
 - 2. The proportion of the claim relating to research on engagement with young people is in connection with the MP's parliamentary function and should be**

allowed under the Scheme. On the basis of the information contained within the invoice submitted by the MP, the Compliance Office adjudges this to be £175.

31. 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>.

32. 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

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Speech to Parliamentary Links Day

“The Value of Science”

I want to begin by adding my thanks to the Parliamentary Links Day team and the Society of Biology for organising such a brilliant day.

I was honoured to speak at this same, annual, event last year and what is clear is that this network, this nexus, this community is getting bigger and bigger. And long may it continue.

I want my remarks today to cover 3 key areas. A word about global purpose, a word about national productivity and a word about priorities for this Parliament.

Let me start with global purpose. Very often people in my position, can sound very instrumentalist when they talk about Science policy and that's not because they're malevolent people or short-sighted or small minded.

It's because we know that the name of the game is to get more and more money out of the Treasury. And we know how the Treasury thinks.

However, over the next four or five years, I think that is important that all of us both in Parliament and in the Science community really do help keep the nation's eyes on the prize.

Because the next decade will be one of the most extraordinary decades for Science. Not only do we have the majority of the world's population coming together in our great hubs and cities around the world but more and more, perhaps up to 80% will be interconnected and within easy reach of the cloud. The internet of things will dramatically transform the way devices are connected together but equally the decisions that we take over the next three or four years will have a critical bearing over whether we keep global temperatures rises below 2%.

So our ability to work together on this planet has never been greater. And nor has the premium on together making the right decisions.

Now I think that British science will be critical in helping get those decisions right and I think the British science community and the British Parliament should be ambitious about the role that we seek to play.

Now national productivity crisis I think will be not far behind in the debate we have about science. The National productivity crisis is worse today than it was at the end of the 1970s.

And the Chancellor thank god has finally woken up to the problem.

He's promised to put productivity centre stage in his budget in two weeks' time. And we need to hope that means good things for Science and Innovation.

The crisis is very stark.

There is now a twenty per cent productivity gap between Britain and the rest of the G7. So what the rest of the G7 finishes making on a Thursday night, takes us until the end of Friday in order to get done.

It will be impossible for us to raise living standards in this country and to give people the future and the good jobs that they want unless we crack this problem.

And as is now well rehearsed in economic theory, innovation accounts for about 85% of economic growth. The science and innovation community will be critical in helping to tackle the national productivity crisis over the years to come.

The challenge that we've got is despite what Stephen has said about the Conservatives manifesto. Despite the good words this morning, the last figures show that national science spending in this country is not going up, its going down.

Indeed in 2012 it fell by about a billion pounds. The first fall in the science spend as a percentage of GDP since the mid-nineties. And friends this comes at a crossover point of historic proportions.

Because as the OECD science monitor reminded us a few weeks ago, we are probably now at the point when Chinese science spending is overtaking European science spending for the first time.

Indeed by 2019 Chinese science spending will probably outstrip the United States.

Four out of the top ten tech firms are already Asian, already familiar with the outperformance of Chinese school students in their PISA results over and above British results. We are perhaps now at the point in world economic development where the good jobs of the future are created in the East and the cheap labour jobs are created here in the West.

Now with that in mind I wanted to suggest three issues in the freedom that is currently prevailing among the frontbench.

Three priorities which I think we should seek to establish a consensus around over the course of this Parliament.

Let me hasten to add this is not Labour Party policy, this is Liam Byrne policy.

And these are the ideas that I will be spending this Parliament seeking to bang on about. The first is that we should build a cross-party political consensus on spending 3% of GDP on Science and Innovation.

This is a figure which has already been achieved in Korea, in parts of Scandinavia, in Germany and it is a consensus that we should seek here in Britain.

I was very struck in Berlin last year about the way in which my SPD colleagues very proudly told me about the way in which both CDU and SPD politicians agree about this.

This is already a feature of the Labour Party leadership campaign. I'm glad that the candidate that I'm backing Yvette Cooper has already come out and backed this particular call.

Second, we need to build in our country a technical education system. We designed one that was perfectly good for the German economy at the end of the Second World War. And we just forget to implement it here in Britain.

We need a clear line of sight on technical education from the age of fourteen up to the age of twenty-one that allows somebody not just on an academic tract but on a vocational tract to rise up to degree level skills. We cannot continue to live in a country where just two per cent of apprentices go onto degree level skills.

We have to change that. And over the last couple of weeks, Nick Boles and others have talked about their ambition to agree a set of high level design principles for what a British dual track system might look like.

I think that that is an opening which we should run through with some pace.

Third. And just as important. We need to establish a cross-party consensus around the principle of free movement of scientists and free movement of students.

We are a small island.

And the great powerhouses of science will not be on these shores in the years to come. They will be abroad. When the rest of Europe, when America, when China is spending hundreds of billions of pounds on science, we need to be intimately interwoven and connected with the development of those ideas.

And today our immigration system does not make that easier. It makes it harder.

So those are the three things that I think it should be possible around which to build a consensus.

But unless we make progress over the course of this Parliament, let's be very clear, we are about to fall behind.

Three hundred and fifty five years ago in Gresham College which is one the site of where Tower 42 stands together, two groups of men (and they were men) came together from two different points of the political spectrum. One group of men had backed the Crown and the other group of men had backed Parliament. They came together in a spirit of academic endeavour to found the Royal Society.

And under Hook and under Newton, they changed the way that our economy developed and became as important to the industrial revolution as either the Royal Exchange or the Royal Navy.

I think if Parliamentarians and Royalists were able to come together three hundred and fifty five years ago, then it should be perfectly possible for Labour and the Conservatives to come together to agree some sensible priorities that would transform our country and global science.

Thanks very much indeed.