

Investigation Closure Report

Mr Johnny Mercer MP
Member of Parliament for Plymouth Moor View
COM – 1212 and 1217

January 22nd 2019

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Investigation Closure Report

This Closure Report is issued pursuant to paragraph 26 of the Procedures for Investigations by the Compliance Officer for IPSA ('the Procedure').

On 28th November 2017, following receipt of complaints from two members of the public, the Compliance Officer opened an investigation into claims submitted by Mr Johnny Mercer MP. The scope of the investigation was to consider¹:

• Office Costs in respect of website use and other 'e-presence', telephony costs and use of domain names.

Following the investigation, the Compliance Officer found that Mr Mercer was required to reimburse IPSA the total sum of £931.20 in respect of telephony costs as follows:

- A sum of £97.22 in relation to a duplicate claim for a telephone bill for the month of January 2016.
- A sum of £367.98 for the late claim submission of the April 2016 phone bill which was not submitted until September 2016.
- A sum of £466 due to increased telephony costs in March 2016 as a result of Mr Mercer's phone network being hacked.
- Other aspects of the complaints have been upheld and addressed by way of recommendations as set out below.

The Compliance Officer has invited IPSA to consider the following recommendations:

- IPSA should consider issuing guidance to MPs with regards to IPSA funded websites and social media accounts particularly in relation to campaign, electioneering and party political messaging (taking into account when claims are made and the incidence of Snap General Elections).
- IPSA should consider introducing an enhanced validation process in relation to claims made for high value items or services. In these cases, a minimum requirement should be the submission of an itemised invoice which clearly sets out the detail(s) of the purchase

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¹Notice of Investigation

or service provided. It is for IPSA to determine the monetary value which would initiate the enhanced validation process.

- IPSA should consider introducing enhanced scrutiny of invoices and a requirement that the MP provides evidence of an audit trail to demonstrate value for money where services have been purchased from people/organisations that have a close connection to the MP but do not fall strictly within the definition of a "connected person", and/or IPSA should consider issuing guidance to clarify what is expected from MPs in this regard (bearing in mind the arguably wider requirements of the Code of Conduct for MPs).
- IPSA should consider issuing guidance to MPs with regards to transferring budgets (particularly with regard to office and staffing budgets) and introduce enhanced scrutiny of claims where an MP exceeds a budget in any given year.

As a result of the investigation, the Compliance Officer issued a Statement of Provisional Findings to Mr Mercer and IPSA. This is included at **Annex 1** of this Closure Report.

Both IPSA and Mr Mercer were invited to make representations on the Statement of Provisional Findings in accordance with paragraphs 23 and 24 of the Procedure. The representations did not change the Compliance Officer's provisional findings. Factual corrections and IPSA's points of clarification are included at **Annex 2** and **3** of this Closure Report.

On 20th January 2019, Mr Mercer repaid the sum of £931.20 in full.

Under section 9(5)-(8) of the Parliamentary Standards Act 2009 ('the Act'), the Compliance Officer must prepare a Statement of Findings, unless the member accepts a provisional finding that the member was paid an amount under the MPs' allowances scheme that should not have been allowed and the member agrees to repay to the IPSA, in such manner and within such period as the Compliance Officer considers reasonable, such amount as the Compliance Officer considers reasonable (and makes the repayment accordingly).

As the above criteria have been met, the Compliance Officer has not issued a Statement of Findings.

No further action is required by Mr Mercer or IPSA and the investigation is now closed.

Tracy Hawkings

Compliance Officer for IPSA compliance@theipsa.org.uk

ANNEX 1 – Statement of Provisional Findings

Introduction

- 1. This Statement of Provisional Findings is issued in accordance with Section 9 and 9A of the Parliamentary Standards Act 2009 ('the Act') and the Third Edition of the Procedures for Investigations by the Compliance Officer for IPSA ('the Procedures').
- 2. The Compliance Officer may, under section 9(1) of the Act conduct an investigation if he or she has reason to believe that an MP may have been paid an amount under the Scheme of MPs Business Costs and Expenses ('the Scheme') that should not have been allowed. This may be initiated by the Compliance Officer, as a result of a complaint by an individual ('the complainant') or following a request for an investigation made by IPSA.
- 3. On 28th November 2017, following receipt of complaints from two members of the public, the Compliance Officer opened an investigation into claims submitted by Mr Johnny Mercer MP. A summary of the scope of the investigation (further to paragraph 10 of the Procedures) is set out at Appendix 1. The claims, depending when made, fall under the Seventh, Eighth and Ninth Editions of the Scheme.
- 4. Following the decision to initiate an investigation and in accordance with paragraph 11 of the Procedures, the Compliance Officer can make a formal request for information from IPSA or the MP concerned. During the course of this investigation information was sought from both parties.
- 5. Before the Compliance Officer makes any provisional findings about the matters under investigation, the MP concerned and IPSA shall be afforded an opportunity to make representations to the Compliance Officer. The Compliance Officer wrote to Mr Mercer on two occasions in letters dated 24th January 2018 and 13th July 2018 and asked for a formal response to a number of questions. His initial response to the first question set was received in writing on 20th February 2018 and he provided a further response to additional questions in a meeting with the Compliance Officer which took place on 19th September 2018. In advance of the meeting he was provided with a number of appendices which included details of the expense claim invoices relevant to the complaints and examples of posts found on his website or social media accounts which were found as a result of research from IPSA or the Compliance Officer. Following the meeting he was asked to clarify certain matters and his response was received in writing on 25th September 2018.

- 6. During the course of the investigation, the Compliance Officer contacted the Policy and Assurance Team at IPSA on a number of occasions and sought its view on matters relevant to the complaints.
- 7. Paragraph 16 of the Procedures require that the Compliance Officer shall at the same time inform the MP concerned and IPSA of all material information which the Compliance Officer has received (which may be communicated in summary or by the supply of copy documents). A summary of both parties' responses were shared with the other prior to the writing of this Statement of Provisional Findings and they were given the opportunity to make representations to the Compliance Officer. Mr Mercer did take issue with one aspect of the IPSA response relating to social media management costs which is detailed in paragraph 68 of this report.
- 8. The investigation has now been concluded. It is regrettable that it has taken a considerable amount of time to reach this stage. This has been in part on account of a thematic review conducted by IPSA of claims made during the 2017 election period (General Election Assurance review) which caused the assessment of the initial complaint to be suspended and then a change of Compliance Officer on 30th May 2018.

The Complaints

- 9. There are two Complainants in this case who will be referred to as Complainant A (Complaint ref 1212) and Complainant B (Complaint ref 1217). Both Complainants have raised very similar issues and that is the reason why all matters are being dealt with as part of one investigation.
- 10. Complainant A first registered their complaint with the Compliance Office on 28th April 2017. The original complaint relates to the cost of the MP's IPSA funded website (£6,000) and the fact that it was being used for campaigning and electioneering purposes in the build up to the 2017 June Election.
- 11. Further e mails were received from Complainant A regarding a Splash page which featured on the MP's website (2nd May), a book promotion article (7th August) and social media management costs (7th November).
- 12. The timing of the initial complaint coincided with other complaints being made against a number of MP's relating to the use of websites for political campaigning. The Policy and Assurance Team at IPSA decided to conduct a thematic review in relation to this subject and at the request of the Compliance Officer they considered Mr Mercer's website as part of the review. The General Election Assurance review findings were published by IPSA on 15 November 2018.

- 13. The outcome of the Policy and Assurance review found that although the website of Mr Mercer did contain campaigning material, there was no breach of the Scheme. This decision was made on the basis that although IPSA had funded the initial development of the MP's website in 2015, they were not funding the ongoing costs for hosting of the website. IPSA Policy concluded that no further action was required in respect of Mr Mercer.
- 14. In a letter dated 19th September 2017, the Compliance Officer informed Complainant A of the outcome of the review and gave notification that the assessment would not be progressed further.
- 15. In subsequent communications with the Compliance Officer, Complainant A made it very clear they were not happy with the outcome as they did not believe the Compliance Officer had addressed the original issue which related to the initial set up costs of the website and its subsequent use.
- 16. In an e mail dated 7th November Complainant A raised the issue of expense claims for social media management costs and the fact that party political messages/adverts were appearing on the MP's website, Facebook and Twitter accounts. Complainant A had also sent previous e mails which are referred to in paragraph 11 of this report.
- 17. Following receipt of the e mail, the matter was reconsidered by the Compliance Officer and a formal investigation was opened. Complainant A was notified in a letter dated 28th November 2017.
- 18. Complainant A's complaints can be summarised as follows:
 - In October 2015, IPSA funded a website "www.Johnnyforplymouth.co.uk" at a cost of £6,000 which was subsequently used for campaigning and electioneering purposes.
 - A splash page was added to the website advertising the election campaign in 2017.
 - Further claims were made from IPSA for a social media management service and again used for campaigning purposes.
 - Promotion of the MP's book featured on his website.
- 19. Complainant B first registered their complaint with the Compliance Officer on 13th November 2017. The complaint was in relation to the cost of the MP's website and its subsequent use, the cost and use of social media management services, the use of political

- advertisements on Facebook, the close personal links of the MP to some professional service providers and inconsistencies in practice when making expense claims.
- 20. On 5th December 2017, Complainant B produced a comprehensive document which contained both narrative and copies of a number of expense claims which had been obtained as a result of several freedom of information requests. This included detail of the points set out below and some additional matters.
- 21. Complainant B's areas of complaint can be summarised as follows:
 - In October 2015, IPSA funded a website "www.Johnnyforplymouth.co.uk" at a cost of £6,000 which was subsequently used for campaigning and electioneering purposes. The Complainant also raised concerns about who paid for hosting the website.
 - The invoice for the web design (cost £6,000) lacked detail and transparency in relation to the web designer.
 - Further claims were made from IPSA for social media management services which was used for campaigning including a bespoke Facebook page "Johnny for Plymouth".
 - Breach of fundamental principles by use of professional services, the directors of which have links to a member of the MP's staff.
 - Significant increase in telephony costs around local election campaign times and the MP claimed costs for multiple phone lines within the constituency office.
 - Some expenses claimed were under incorrect categories, or submitted late. There are
 also possible duplicate claims. Complainant B is of the view that claims were submitted
 late or claimed under the wrong category to mask expenditure around election times
 or expenses were incurred in one year and claimed against the following year's
 budget.
 - IPSA have funded a number of domain names which are not and never have been in use at a cost to the tax payer.
- 22. Complainant B was notified in a letter dated 28th November that the matters raised were to be the subject of a formal investigation.

Relevant areas of the Scheme to be considered during the investigation

- 23. This investigation spans three versions of the scheme i.e.: the Seventh for claims made in 2015/16 (in force 1 April 2015), Eighth for 2016/17 (in force 1 April 2016) and the Ninth for 2017/18 (in force 1 April 2017).
- 24. The fundamental principles as set out in the 15/16 and 16/17 Scheme that are relevant state:
 - "1. MPs should always behave with probity and integrity when making claims on public resources. MPs should be held, and regard themselves, as personally responsible and accountable expenses incurred, and claims made, and for adherence to these principles as well as to the rules.
 - 2. MPs 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.
 - 8. The scheme should provide value for the tax payer. Value for money should not necessarily be judged by reference to financial costs alone.
 - 11. The system should prohibit MPs from entering into arrangements which might appear to create a conflict of interests in the use of public resources."
- 25. The fundamental principles as set out in the 17/18 Scheme state:

"In claiming for public funds through the Scheme, MPs must adhere to the following principles.

- 1. **Parliamentary**: MPs may only claim for expenditure for Parliamentary purposes.
- 2. Value for Money: MPs must have regard to value for money when making claims.
- 3. **Accountability**: MPs are legally responsible for all money claimed and for managing their budgets and their staff.
- 4. **Probity**: When making claims, MPs must adhere to the MPs' Code of Conduct, including the seven principles of public life."

- 26. The other sections of the three Schemes that are relevant to this investigation are set out in Appendix 2. Critically, claims for expenses made during 15/16 and 16/17 are only payable where the expenses are incurred "wholly, exclusively and necessarily in the performance of (an MP's) parliamentary functions" (the former test). In relation to claims for expenses made during 17/18 these must be "for parliamentary purposes" (the current test). Previous decisions of the First Tier Tribunal which relate to the 15/16 and 16/17 Schemes, and which are not binding but set useful guidance, have interpreted the former test as meaning there can be no duality of purpose (ie: an expense is not payable at all if incurred for two purposes, one parliamentary and one not, that being tested on an objective basis) but that the MP has a wide discretion as to how to interpret what is necessarily incurred for parliamentary purposes (that being tested on a subjective and reasonable basis). The current test which has applied since the commencement of the 17/18 Scheme is just that the expenditure must be for a parliamentary purpose. The three versions of the Scheme all set out what is not to be considered necessary for the performance of MP's parliamentary functions.
- 27. The Compliance Officer has also taken into account that paragraph 3.4 of the 15/16 Scheme (which is materially the same in all three Schemes) provides in so far as is relevant:

"The following are examples of activities that are not considered as necessary for the performance of MP's parliamentary functions:

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

d. activities which could be considered as campaign expenditure within the scope of the Political Parties, Elections and Referendums Act 2000;

- e. activities which could be construed as election expenses within the Representations of the Peoples Act 1983;"
- 28. There was a new limb added to this provision in the 17/18 and 18/19 Schemes which states "any other activities whose purpose is to give MP's a campaigning advantage in general elections and referendums".

Relevant Information about the MP

- 29. Mr Mercer has been the MP for Plymouth Moor View since May 2015. He was re-elected to Office in the 2017 General Election. Before entering politics, Mr Mercer served as an Officer with the British Army.
- 30. His Constituency office is based at Eurotech House, Burrington Way, Plymouth.
- 31. The MP's Westminster portfolio is as follows:
 - Member of the Defence Committee;
 - Member of the Defence Sub-Committee;
 - Member of Health and Social Care Committee.
- 32. With regards to the management of his budget, a general comparison of expenditure between Mr Mercer and the rest of the House for a two year period between 2016/17 and 2017/18 shows that his total claims across every budget place him in the bottom quarter of all MP's expenditure. This is not an exact science because some MP's have larger constituencies and larger budgets than others but certainly the figures show Mr Mercer's budgets are well managed.

The Investigation into the Complaints

- 33. During the course of this investigation, the Compliance Officer has:
 - a) Considered all the information provided by the complainants;
 - b) Obtained relevant documentation and data from IPSA;
 - c) Conducted extensive open source research in to the MP's website and social media accounts;
 - d) Visited the MP's constituency office and met with the MP and his proxy;
 - e) Obtained information from the MP;
 - f) Obtained views on policy matters from IPSA;

- g) Obtained comparative data on expenditure and website costs.
- 34. The time parameter set for this investigation is October 2015 to December 2017. This covers the time period between the initial submission of the web design invoice and six months claims post the 2017 General Election.

Complaint One – MP's website and campaign/party political messaging

- 35. Both complainants registered complaints in relation to:
 - the original cost of the MP's website which they believed to be excessive and not value for money; and
 - the fact it was being used for campaigning purposes during the 2017 General Election period.
- 36. Both complainants provided examples of entries on the MP's website/Facebook/Twitter which in their view demonstrated the MP was publicising his campaign/electioneering activities through social media mechanisms which were funded by IPSA. This included a splash page on Facebook advertising the fact that Mr Mercer was running for re-election.
- 37. In October 2015, Mr Mercer submitted an invoice to IPSA for the cost of the creation of the website "Johnnyforplymouth.co.uk" based on a WordPress CMS system. The cost of the web design was £5,000 and the invoice totalled £6,000 to cover a 20% VAT charge. The web designers were a company called Smallporate who traded out of Eurotech House, Plymouth, which is also the location of the MP's Constituency Office. The invoice was claimed under the category of office costs and paid by IPSA without challenge. There will be further reference to Smallporate later in this report when dealing with another aspect of the complaint which is the MP's relationship with professional service providers (see paragraphs 75-78).
- 38. Both complainants are of the view that the cost of the web design based on a CMS WordPress system was excessive and could have been obtained at a lower cost. They compared the cost of the MP's pre-election website which was designed by a company called Tin Digital for a cost of £500.
- 39. Between April 2016 and December 2017 Mr Mercer submitted a further seven invoices relating to the website. The claims related to ongoing IT support and maintenance, the development of internet polling programmes and the editing of the website to remove parliamentary references and debugging. The invoices were initially paid to a company

- named Intrinity and more latterly a company called Whitelabel. The total cost claimed for this period was £1,910.
- 40. The complainant questioned whether the invoices for the internet polling programmes were in reality the same piece of work and a duplicate claim and whether or not the MP was entitled to claim for the removal of parliamentary references.
- 41. The company named Intrinity had the same Directors as the original web design company Smallporate and one of the Directors of Smallporate/Intrinity later became the Director of Whitelabel who still currently provides on-going IT support to the MP. This will be commented on later in this report.

The view of Mr Mercer on complaint one

- 42. Mr Mercer provided the following information to the Compliance Officer in respect of complaint one. When Mr Mercer was elected to Office, he wanted a web site which would represent him and his office as a professional body. He wanted the website to provide him with a number of functions which included: a) engagement with his constituents through the facility to easily post updates, b) a strong security facility to prevent hacking, c) the ability to conduct internet polling in order to enable him to ballot his constituents, d) the facility to import directly from social media feeds such as Facebook and Twitter and e) the facility to enable social integration, access contact forms and google maps. This is not an exhaustive list. The MP and his office manager worked very closely with the web designers to ensure the final product met his requirements as a customer.
- 43. Mr Mercer stated he looked at a number of web designs including a system from Tin Digital who had previously provided him with a website (pre-election) and Blue Tree which is a company used by several of his MP colleagues and the reason he did not commission their services was because they could not provide all the facilities he required as a customer, they were too expensive and/or there was a requirement to pay annual fees as opposed to a one off cost as was the case with the Smallporate design. Mr Mercer stated "I just looked at what I was looking for, what the market value of those things were, how I could get value for money for the tax payer, have a professional operation as a Member of Parliament and then I made the decision to go to Smallporate and build the website".
- 44. Mr Mercer stated he had received quotes from the other web design companies but due to the passage of time, no longer had them. He was firmly of the view he had a fair and transparent procurement process and the system he selected did provide value for money.

- 45. On the question of campaign material being posted on to his website either directly or as a result of a direct transfer from his social media accounts, Mr Mercer does not dispute some of the material relates to campaign activities or party political messaging. He does dispute the fact that these articles are in any way linked to expenses he has claimed from IPSA. He was adamant that any such material which featured on his website was either posted by himself, a member of his team or volunteers in their own time.
- 46. In relation to ongoing IT support, Mr Mercer confirmed that the invoices relating to internet polling were for separate pieces of work. He wanted to engage his constituents on matters that were being voted on in Parliament. Each time, the programme had to be adapted to ensure those using the system were eligible to vote.

The view of IPSA on complaint one

- 47. The view of IPSA with regards to the original web design costs and ongoing IT support is that it is a legitimate expense. The majority, if not all MPs have web sites designed in order to communicate with their constituents with regards to their parliamentary duties. Mr Mercer was elected to office in June 2015 and claimed for the web design in October 2015. The claim was processed by IPSA without challenge.
- 48. During the build up to the 2017 election, a number of complaints were received in relation to MPs' use of websites/social media to advertise campaigning and electioneering activities. This included the complaint from Complainant A. As a result of this, the Policy and Assurance Team at IPSA dip sampled the content of a number of social media accounts, websites and Facebook accounts including that of Mr Mercer. The period sampled by IPSA was April, May and June 2017. IPSA concluded that there were party-political posts on Mr Mercer's Facebook account and website, some of which included content in the pre-election period. The Compliance Officer also undertook a wider review of Mr Mercer's social media accounts including his website, Facebook and Twitter accounts and again found there were entries linked to campaigning/electioneering/party political activities outside of this period.
- 49. The Head of the Policy and Assurance Team at IPSA has confirmed that a number of MPs' were required to reimburse IPSA a proportion of their expense claims for breaches of the scheme during the three month election period. Mr Mercer was not one of those because he had not made any specific claims from IPSA during the three month campaign period with regards to the web site hosting costs.
- 50. During the course of the review, the Head of the Policy and Assurance Team did contact the MP's office because there were claims made under the heading of website hosting which covered the period April, May and June (claim forms 501886, 509155 and 516023).

The MP's office clarified that these claims actually related to e mail accounts and not hosting costs but there was no specific category on the online expense system to claim for e mail accounts. The MP's office supplied supporting evidence which has since been reviewed by the Compliance Officer who is satisfied this was the case.

- 51. The Policy and Assurance Team at IPSA have conducted a General Election Assurance review on the subject which was published on 15 November 2018.
- 52. The Compliance Officer has found the entries on the MP's website which relate to the splash page and the MP's book and confirmed that no expenses were claimed in respect of either of these matters.

Complaint Two – the invoice for the web design (cost 6K) lacked detail and transparency in relation to the web designer

- 53. Complainant B provided the Compliance Officer with a copy of an IPSA expense claim publication relating to the website and a copy of the invoice from Smallporate which under the heading description reads "Creation of a new website based on WordPress cms http://www.johnnyforplymouth.co.uk Includes spec as per business requirement specification".
- 54. The complainant is of the view that the IPSA publication does not disclose detail of whom the invoice is from which it should have done and that the invoice itself does not provide sufficient information to justify the cost. The complainant makes references to other websites they had researched including Butter Mountain who supply websites to other MPs and does acknowledge they could cost as much as the Smallporate website design. The point the complainant makes is that the lack of detail on the invoice makes it difficult to assess whether the Smallporate web design provided value for money. They believe there is vital information missing such as what were the arrangements for hosting the website or how ongoing technical support was to be provided if at all.

The view of Mr Mercer on complaint two

55. Mr Mercer's position on complaint two is already outlined in paragraphs 42 to 46 of this report. He was asked to provide the detail of the business specification as referred to in the invoice and he provided the following detail in his initial response to the Compliance Officer received on 20th February 2018, "The £5,000 + VAT cost included a number of bespoke features. This included feeding calendar day entries from the Google Calendar API, importing directly from social feeds (including YouTube playlists.). During the build process, we worked on a development version that was staged multiple times so it could be viewed and feedback taken on a bespoke site. The website also includes various social

sharing integrations, contact forms and interactive google maps". He is adamant the web design provided excellent value for money and is an effective means through which he can communicate with his constituents.

The view of IPSA on complaint two

- 56. IPSA did not challenge the invoice and the expense claim was settled in early November 2015. The Compliance Officer has subsequently sought the views of the Policy and Assurance Team with regards to the detail contained within the invoice and they are of the view the invoice detail falls below the standard they would wish to see to ensure its subsequent use was wholly parliamentary. There is no mention on the invoice as to whether the total cost includes hosting fees.
- 57. The Compliance Officer has established that the IPSA expense claim publication was completed by IPSA staff based on the submission of the Smallporate invoice. There was no attempt on the part of Mr Mercer to conceal any detail with regards to the web design company.
- 58. The Compliance Officer has also established with Mr Mercer that two years' worth of hosting costs were included in the initial fee for the web design which would cover the period of the 2017 election campaign. The only other claim for hosting costs that the MP has made to date was a claim submitted in September 2017 for the sum of £288 which included a 20% VAT charge. This was paid to Whitelabel and equates to a £20 per month plus VAT charge for hosting costs.
- 59. The Compliance Officer has confirmed both facts with the Director of Whitelabel (formerly Director of Smallporate).

Complaint Three – the use of social media management services

- 60. Both complainants have registered complaints in relation to the MP's use of professional social media management companies. They believe this does not represent value for money and a member of the MPs staff could have fulfilled this function. They are also of the view that the companies assisted with posting articles across the MP's website/Facebook and Twitter accounts which advertised campaign activities or party political messaging which is a breach of the Scheme.
- 61. During the period between May 2015 and April 2017 Mr Mercer submitted seventeen invoices relating to social media management costs. The invoices were initially paid to a company called Tin Digital covering the period May 2015 and April 2016 and from April

- 2016 to April 2017 to a company called Sole Trader. The total costs claimed for this period was £9,411.14.
- 62. The Director of Tin Digital had originally designed the web site for Mr Mercer prior to the 2015 General Election. There will be further comment of this aspect of the complaint later in this report.

The view of Mr Mercer on complaint three

- 63. During the investigation Mr Mercer was provided with copies of entries from his website, Facebook and Twitter accounts which were either provided by the complainants or as a result of sampling conducted by the Assurance Team at IPSA or the Compliance Officer. Mr Mercer does not dispute there is material on his website, Facebook and Twitter accounts which is linked to campaigning/electioneering or other party political messaging, but he does dispute the fact that these are linked to any expense claims he made from IPSA.
- 64. Mr Mercer wanted to make a clear distinction between those who provided the technical support in relation to his parliamentary functions and those who placed posts on to his website or other social media accounts in relation to campaign/electioneering or other political messaging. He stated any information in relation to his parliamentary work was usually provided by the social media management companies he commissioned and any other material would have been posted by himself, a member of his team or associated volunteers in their own time. Mr Mercer was very clear that the social media management companies were not involved in any way in supporting his campaign activities or other political messaging. He has stated "I am absolutely aware that the IPSA scheme is for your Parliamentary duties and nothing else".
- 65. Mr Mercer stated he was commissioning a unique service with regards to social media support. Upon election to the office of MP, he was overwhelmed by the "beast" that is social media and decided he wanted to commission a professional service to assist him with the day to day management of his Facebook/Twitter/Google and LinkedIn accounts. Much of the content of those posts automatically uploaded on to his website.
- 66. He initially commissioned Tin Digital whom he had previously worked with but changed to Sole Trader as he thought they provided better value for money. He always exercised due diligence in commissioning professional service providers and did consider various options before deciding on which company to use.
- 67. Mr Mercer stated he was absolutely aware that the IPSA scheme is for parliamentary duties and nothing else. He had been very careful all along, to the point where when on

the day the 2017 General Election was called, he terminated the contract with Sole Trader to ensure he was not in breach of the scheme.

The view of IPSA on complaint three

- 68. The view of the Policy and Assurance Team at IPSA on this matter is, "The question of whether Mr Mercer's use of Facebook and Twitter breached the rules of the Scheme depends on whether these activities were funded by IPSA. Clearly an MP is at liberty to express their opinions, including party-political ones, on social media, and many do. However, the important factor here is that Mr Mercer had claimed for the cost of social media management, which means that IPSA funds were directly used by the MP to support social media activity with (at least partly) non-parliamentary content. Therefore, our view is that the social media management costs were not eligible to be claimed".
- 69. However, IPSA have also stated, "Unfortunately, this is one of the consequences of a snap general election. Mr Mercer claimed the costs in advance of the work being carried out by the service provider and therefore would not have been aware that these posts would have been considered non-compliant during the short campaign period. We would have expected that MPs take this into consideration when using their social media during the IPSA funded period. As Mr Mercer did not claim for social media management in May, we have not contacted the MP to repay the proportion incurred in April".
- 70. It is worthy of note that when IPSA provided this information, they were not aware of Mr Mercer's position that all campaign posts or party political messaging were posted either by himself or a member of his staff/volunteers.

Additional enquiries made by the Compliance Officer

- 71. Mr Mercer did submit an invoice for social media costs for April 2017. This invoice was submitted on 31st March 2017 which was in advance of the General election being announced on 18th April. Thereafter, he cancelled the contract with Sole Trader and made no further claims.
- 72. The Compliance Officer has made contact with both the Directors of Tin Digital and Sole Trader to seek clarity around the services they provided for Mr Mercer. The Director of Sole Trader has confirmed the following:

"I am happy to confirm that social media services provided for Johnny Mercer included:

- General site management such as accepting invitations, following and listing people
 as instructed and setting up tools for scheduling local announcements and monitoring
 analytics.
- Posting public notices, local announcements and community charity and other events including appropriate images and links which would be of general interest to constituents.
- Checking replies and saying thank you if appropriate and/or forwarding constituents' enquiries and potential case work to Johnny and his team.

I confirm that I was not involved in any campaigning or election work for Johnny Mercer at any time".

73. The Director of Tin Digital has not responded to the Compliance Officer, but a review of the invoices relating to Tin Digital make no reference to assisting with campaign messaging or election work. It is believed this company has ceased to trade.

Complaint Four – the MP's relationship with professional service providers

- 74. Complainant B believes Mr Mercer may have breached the fundamental principles as set out in the Scheme by his use of professional service providers. He made particular reference to the Directors of Tin Digital, Smallporate/Intrinity, Whitelabel and Go Communicate, all of whom he alleges Mr Mercer had a personal rather than professional working relationship with.
- 75. To take each one in turn and put it in to the context as set out in the complaint. The Director of Tin Digital was commissioned as the MP's first social media management service provider. A total of £5,000 was paid to Tin Digital for services provided between May 2015 and April 2016. The complainant alleges the reason why Mr Mercer selected Tin Digital was because they had previously worked together and Tin Digital designed his website prior to his election to the office of MP.
- 76. One of the Directors of Smallporate who designed the website at a total cost of £6,000 is married to a member of the MP's staff and also traded out of the same building where the MP's constituency office is located. Smallporate later became Intrinity and this company provided on-going IT support and maintenance. One of the other Directors of Intrinity subsequently set up a company called WhiteLabel and continues to provide IT support for the MP's website. A total of £1,910 was claimed for ongoing IT support and development between August 2016 and December 2017.

77. The Director of Go Communicate provided the telecommunications system for the Constituency Office and is the brother in law of Mr Mercer's member of staff. A total of £3,242.88 was paid to Go Communicate between the relevant dates Oct 15 to Dec 17.

The view of Mr Mercer on complaint four

- 78. Mr Mercer provided the following information on this point. He did not dispute he had previously worked with and knew the Director of Tin Digital. He looked at various service providers including Tin Digital and thought Tin Digital could provide the support he required. He was ever mindful of ensuring he provided value for money and subsequently changed to Sole Trader who could provide an equally effective service for less money.
- 79. The Director of Smallporate was known to Mr Mercer prior to his election to office. They met when Mr Mercer was speaking at a public engagement and subsequently became friends. Through this friendship, he then met and subsequently employed his member of staff. She initially assisted him as a volunteer during the campaign trail and when he realised how efficient she was, he offered her a full time position. The MP has stated, "in terms of nepotism or favouritism or anything like that, people like me are acutely aware of that, but the reality is if you have the best person for the job, the fact that they are your friends wife is irrelevant, it's irrelevant because it's all about service to the people who voted for me and the people who pay those wages and that is the tax payer. I know you are not asking me to but publicly I will make no apologies for employing (names member of staff). The truth is these guys are the best at it and in my view that's value for money for the tax payer and the best service for the tax payer and that's why I employ these individuals".
- 80. He confirmed he considered other web site designers but used Smallporate as they could fulfil his requirements as a customer and provided value for money. He carried on this professional relationship through Intrinity and more recently Whitelabel with regards to ongoing IT support as they did the original web design and were efficient and provided value for money.
- 81. Mr Mercer confirmed he met the Director of Go Communicate through his staff member and was aware of the familial relationship. He stated he did consider other service providers before selecting Go Communicate.

The view of IPSA on complaint four

82. The view from the Policy and Assurance Team on the use of the professional service providers in this case is, "Rule 3.20 of the Scheme states that IPSA will not pay any claims

where a connected party of the MP is the provider of the goods or services. The term 'connected party' has a specific meaning in the Scheme, as set out in rule 3.19 as follows:

- a. a spouse, civil partner or cohabiting partner of the MP;
- b. parent, child, grandparent, grandchild, sibling, uncle, aunt, nephew or niece of the MP or of a spouse, civil partner or cohabiting partner of the MP; or
- c. a body corporate, a firm or a trust with which the MP is connected, as defined in section 252 of the Companies Act 2006".
- 83. The view of the IPSA Policy and Assurance Team is "There is no provision in the Scheme which specifically prevents MPs from utilising service providers who have another personal connection to the MP, outside of the definition above. However, MPs must also adhere to the Fundamental Principles of the Scheme, which include the requirement that they act with probity and in line with the MPs' Code of Conduct and seven principles of public life. Among other things, this means that they should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends (this is taken from the definition of 'integrity', one of the seven principles of public life). Such cases are less clear where an MP has both a professional relationship and has developed a personal friendship with a service provider".

Complaint Five – increase in telephony costs around the 2016 local council election times and excessive number of telephony lines within Constituency office

84. Complainant B has alleged there was a significant increase in telephony costs around the 2016 Local Election campaign. He made particular reference to the March and April 2016 telephony bills and believes one explanation for the spike in costs could be the phones were being used for canvassing potential voters. The March bill totalled £660.40 (excessive call charges) and the April bill totalled £367.98 (excessive charge for line rental). The average monthly phone bill was around £100. Complainant B has also questioned why the MP had six phone lines installed in the Constituency Office when he did not have that many staff members working for him.

The view of Mr Mercer on complaint five

85. Mr Mercer has provided the following information in relation to this matter. The telephone bill for April 2016 was so excessively high because his telephony system was hacked. There were several calls to an Albanian mobile phone and this accounted for £466.00 worth of the call charges. He challenged this with Go Communicate and was told he was still liable to pay the bill because the calls had been made from his network. He

- was absolutely adamant that neither he nor his staff used the phones for canvassing purposes, it is not something he agrees with.
- 86. In relation to the six phone lines being installed in to his constituency office Mr Mercer has stated when he originally set up his constituency office he was unsure about how many members of staff he would have working for him on case work and other functions. He made an assessment at the time and decided to have six lines installed. Now his office has been functioning for some time, he realises that in reality he probably only needs four. It is his intention to move offices in the near future and he will reduce the number of lines required at that time.
- 87. The Compliance Officer did not challenge him on the March bill due to prior information received from IPSA which is outlined below.

The view of IPSA on complaint five

- 88. The view of IPSA on this matter is as follows, "We have reviewed the large claims for landline telephony costs. The June 2015 bill covers installation as well as usage costs; and the April 2016 bill includes a call-out fee to resolve an issue the MP's office was experiencing. There is no information which suggests these costs were related to campaigning. However, the March 2016 bill includes approximately £466 for international calls to an Albanian mobile number. There were around 65 calls (of between one and 30 minutes) to the same Albanian number on the 20th and early hours on the 21st of March. There is insufficient information to determine the purpose of these calls, but it is certainly unusual and we suggest there may be merit in including these as part of an investigation into high telephony costs".
- 89. The Compliance Officer subsequently asked IPSA for a view on who should be liable to pay for the March phone bill and was provided with the following information, "This is not a parliamentary cost and therefore outside of the Scheme. In the first instance, the MP should seek a refund from the phone company (which I note he says he did unsuccessfully). From an initial review of previous correspondence, we do not believe that IPSA was made aware of the alleged hacking though, of course, to be sure we would need to do a detailed review of correspondence and phone calls with the MP. If he had told IPSA, either by phone/email or provided information on the claim form, we would have sought evidence that he had disputed the bill and discussed other options, including potential consideration as a contingency case for a cost outside the Scheme".
- 90. The Compliance Officer has seen evidence that Mr Mercer did challenge the March 2016 telephony costs with Go Communicate but was informed he was liable for the cost due to the fact the calls came from his network. He was unable to say whether or not his proxy

informed IPSA about the matter. The Compliance Officer has reviewed the CRM system within IPSA which is the system where all communications between IPSA staff and MPs are recorded and could find no evidence that IPSA were made aware of this issue. The March phone bill costs were paid by IPSA.

Complaint Six – claims made under incorrect categories, submitted late claims and in one case a duplicate claim was made

91. Complainant B is of the view that Mr Mercer submitted claims under incorrect categories to mask the high costs, particularly in relation to the social media management claims. With regards to late submissions, the complaint is that the April 2016 phone bill was not submitted until September 2016, the inference being to hide the high cost of the March and April bills. The complainant provided evidence of two invoices for Go Communicate for January 2017 for the amount of £97.22 and believes it is a duplicate claim.

The view of Mr Mercer on complaint six

- 92. Mr Mercer acknowledged the fact that social media management costs were claimed both under the staffing budget or the office costs budget. He had discussed this matter with his office manager (at the time of expense submissions) and stated it was purely a budgeting decision making the best use of his available budget. There is no specific category to claim for professional services and so in his view he was entitled to claim from both budgets.
- 93. In relation to the late submission of the April 2016 phone bill, Mr Mercer maintains the invoice was submitted on time together with other invoices and mislaid by IPSA. There was no intention on his part to mask the fact it was a high cost phone bill.
- 94. In relation to the duplicate claim for the January 2017 phone bill, Mr Mercer accepts this is a duplicate claim submitted in error.

The view of IPSA on complaint six

95. The Compliance Officer requested a view from IPSA in relation to the social media management costs being claimed between two budgets. The view of IPSA is, "Social media has typically been split across two budgets as we have agreed that the design, development and hosting of a website would typically be office costs (professional services) and that the ongoing creation of social media content could come from either budget because you might employ a staff member directly to do it or someone on a contracted basis. There is a professional services category in both the office costs and staffing budgets - which is why the MP uses both".

- 96. The Compliance Officer has reviewed the CRM system between April and September and can find no recorded entries in relation to the April 2016 phone bill being mislaid. The bill was paid by IPSA in September 2016 which is outside of the 90 day time period for providing supporting evidence in respect of a claim.
- 97. The Compliance Officer requested IPSA review the progress of the claim and was provided with the following information, "The expense below for the £367.98 phone bill was submitted to IPSA via the online expenses system on 16 September 2016 and was streamlined, therefore went straight to finance for payment. The claim does not appear to have been submitted on time and lost by IPSA the claim was not submitted until 16 September. On 15th September the claim was set up on the expenses system by the MP or his Proxy they would have clicked save and come back to it on 16th when it was submitted to IPSA. We then waited for receipt of the evidence which we got via hard copy on the 19 September, scanned in and attached it, then the claim was forwarded on via the system, to finance". IPSA provided a screenshot of the online system which support the information provided.
- 98. The duplicate claim for the January phone bill was submitted under claim reference numbers 0000562969 and 0000565991 and submitted both in February and March 2017. There is no evidence to suggest this was anything but a genuine mistake on the part of Mr Mercer's office.

Complaint Seven – IPSA have funded a number of domain names for the MP which are not in use

99. Complainant B disagrees with the fact that IPSA fund the renewal of several domain names for Mr Mercer. The supplier of the domain names is a company called "Go Daddy" or "Google" and there are various iterations which include "johnnyforplymouth.co.uk", "Johnnyforplymouth.com", "Johnnymercermp.uk", "Johnnymercermp.co.uk", "and Johnnymercermp.com". During the relevant period, Mr Mercer has claimed £108 in relation to domain names and their renewal.

The view of Mr Mercer on complaint seven

100. The Compliance Officer challenged Mr Mercer over this issue and he stated he bought all the domain names for two reasons; 1) security and 2) to prevent others using the domain names to set up duplicate sites. Mr Mercer wanted to ensure, anyone searching for him on line would be directed to his official website.

The view of IPSA on complaint seven

101. IPSA's view on this issue is "It could be argued that this may not be a good use of taxpayers' money, but it is not technically against the Scheme. Presumably this was done to stop other people from creating a website which purported to be the MP's. We consider that this falls within the MP's discretion".

Summary of the Provisional Findings

- 102. There are some important matters to note when detailing the provisional findings of the Compliance Officer. Firstly there is no guidance currently contained within the Scheme which relate to the initial design costs, subsequent use or ongoing IT support for MP's websites, nor is there any reference or guidance available with regards to the use of social media management companies.
- 103. There is no guidance in relation to the Scheme which specifically relates to the use of websites or other social media accounts in support of campaign/election activities or other political party messaging. There is provision within the ninth edition of the Scheme which came in to force on 1st April 2017 which clarifies examples of activities which are not considered as necessary for the performance of MPs parliamentary functions. It states, "any other activities whose purpose is to give MPs a campaigning advantage in general elections and referendums".
- 104. There is no guidance contained within the Scheme to state that MPs must have a procurement process when purchasing high value items or commissioning professional services. They must, of course, abide by the fundamental principles as set out within the scheme and which are detailed at paragraphs 25 and 26 in this report.
- 105. In reaching the provisional findings, the Compliance Officer can only rely on the guidance that is available and make recommendations where appropriate for IPSA to consider where there is none.

View of the Compliance Officer on Complaint One – cost of MP's website and campaign activities

106. When considering this aspect of the complaint, the Compliance Officer obtained comparative data on the cost of a randomly selected number of MP's claims in relation to websites and ongoing costs. There are some variances which need to be considered because some MP's did not submit claims for initial set up costs but instead submitted ongoing monthly costs in relation to web sites. The data obtained provides the total cost for 60 MP'S websites. The most expensive website cost in excess of £31,000 and

the cheapest as little as £275. Of the 60 MP's websites reviewed, Mr Mercer's ranks 25th highest in terms of cost. If this sample is indicative of the total number of MPs, there is no suggestion Mr Mercer's website costs are excessive when compared to others.

- 107. IPSA are of the view this is a legitimate claim. The Compliance Officer agrees that the expenditure was necessary for the performance of Mr Mercer's parliamentary functions and that he exercised his discretion reasonably when claiming this cost. It is one of the most effective ways in this era of information technology and social media for an MP to communicate with their constituents. Under the versions of the Scheme for 15/16 and 16/17, in order to be a legitimate claim, it must have been incurred "wholly, exclusively and necessarily" in the performance of parliamentary functions. One question therefore in relation to the cost of website design is the extent to which subsequent usage by the website is relevant, perhaps years later, and whether this can be taken as evidence when testing the original intent behind the claim (bearing in mind that at that time, there was no duality of purpose on what may be claimed - see paragraph 27. In the Compliance Officer's view the MP was at that time seeking the costs of the setup of a website for communicating with the public whilst as a sitting MP, and most particularly with his constituents. When the MP made the claim for the expenses for the original design of the website, the Compliance Officer is satisfied that it was for a parliamentary purpose and any subsidiary purpose related to the website subsequently being used in a pre-election period for a campaigning purpose was so minor as to be immaterial. The next scheduled General Election was not meant to be for another 4/5 years, by which time the website might reasonably have been completely redesigned. Moreover, as far as the Compliance Officer is aware, there were no aspects of the website design itself which were geared towards campaigning/electioneering. The Compliance Officer has made a recommendation below that IPSA should consider issuing guidance to clarify this point.
- 108. In turning then to the question of whether there were in fact entries on the MP's website and/or social media accounts which relate to campaigning or other party political messaging, this is not disputed by Mr Mercer. The activity on the website/social media sites is particularly prevalent during the election campaign of 2017 and this is the period of time being considered by the Compliance Officer. Mr Mercer does dispute however, the entries are in any way associated with an expense claim he submitted. He stated in interview, anything to do with his campaign activities were posted by himself or a member of his team in their own time and as opposed to the social media management companies he had commissioned. The Compliance Officer has no reason to disbelieve this. In any event, there was only one relevant claim for social media management costs in April 2017 and this was submitted prior to the election being called, thereafter he cancelled the contract to ensure he was not in breach of the scheme.

- 109. The investigation has established that 2 years' worth of hosting costs were included in the original invoice for the design of the website and therefore IPSA had in fact contributed towards the funding of the hosting costs at the time the relevant entries were posted. The Compliance Officer takes in to account the fact, at the time the website/hosting costs were paid for, no-one could have foreseen that a snap General Election would be called some eighteen months later. The Compliance Officer notes that the relevant test is whether, at the point the expenses are claimed, that the expenditure was "wholly, exclusively and necessarily" for the performance of the MPs parliamentary functions. The Compliance Officer is satisfied at the time Mr Mercer claimed these costs, under the relevant versions of the Scheme, that they were wholly, exclusively and necessarily for the performance of his parliamentary functions and that he had exercised his discretion reasonably in so doing. This aspect of the complaint is not upheld.
- 110. The other aspect of complaint one is the ongoing IT costs. The Compliance Officer is of the view these are legitimate claims being for a parliamentary purpose (noting that at the time of these claims, the relevant test had changed to being "for a parliamentary purpose"). The only one which is slightly contentious is the invoice submitted on 28th April 2017 for the sum of £300 for the removal of parliamentary references and debugging. One could argue that IPSA should not have to be liable for the cost of the removal of Parliamentary references for an MP who is not an MP during the election period. However, technically Mr Mercer remained an MP until 3rd May and in accordance with the House of Commons Dissolution Guidance ensured his website and social media accounts had all references to being an MP removed. The guidance states that "All Members' websites and any other online or social media presences (such as Facebook, Twitter, etc.) must bear a clear disclaimer throughout the dissolution period which makes it clear that you are not currently a Member of Parliament. The disclaimer should say (or words to this effect): "I am not currently an MP, as Parliament has been dissolved until after the General Election". The invoice was paid by IPSA without challenge. The MP was acting in accordance with guidance issued by Parliament. The Compliance Officer is of the view, this was a legitimate claim for a parliamentary purpose. The complaint is not upheld.
- 111. In relation to the development of internet polling, the Compliance Officer found Mr Mercer's explanation credible and accepts that these costs were necessary for the performance of his parliamentary functions and Mr Mercer had exercised his discretion reasonably in making this claim. This aspect of the complaint is not upheld.

View of the Compliance Officer on Complaint Two – the invoice for the website lacks detail and transparency

112. The Compliance Officer agrees with both the complainant and IPSA that the invoice relating to the web design costs lacked significant detail for such a high value item. This subsequently caused difficulties during the General Election Assurance review as the Policy and Assurance Team were unable to establish whether or not IPSA had funded hosting costs for the MP's website for the relevant period and therefore did not require him to reimburse any monies to them. The Compliance Officer will make a recommendation in respect of the issues raised here.

View of the Compliance Officer on Complaint Three – use of social media management companies

113. As previously mentioned, there is no guidance in relation to the commissioning of such services. IPSA take a pragmatic view around MP's discretion and are not prescriptive in relation to how the office or staffing cost budgets should be spent. Mr Mercer provided a plausible and reasonable explanation in relation to why the commissioning of these services assisted him in his day to day duties as a Parliamentarian and told the Compliance officer that all campaigning output had been posted by himself, volunteers or his staff in their own time. The Compliance Officer has no reason to disbelieve the MP on this and indeed in relation to the invoices from Sole Trader this is supported by their evidence in this investigation and the fact that the MP cancelled the contract as soon as the General Election was called. The evidence supports a finding that, at the point the social media service costs were claimed, the expenditure was for the performance of the MPs parliamentary functions and that Mr Mercer had exercised his discretion reasonably. This aspect of the complaint is therefore not upheld.

View of the Compliance Officer on Complaint Four – MP's relationship with professional service providers

114. None of the professional service providers used by Mr Mercer would constitute a 'connected party' as defined under the Scheme, in relation to which claims for expenses would thereby be prohibited. However, other provisions of the Scheme remain relevant. The fundamental principles contained in the 15/16 and 16/17 versions of the Scheme include the provisions that "the scheme should provide value for money for the taxpayer" and "the system should prohibit MPs from entering into arrangements which might appear to create a conflict of interests in the use of public resources". The fundamental principles in the 17/18 Scheme refer to value for money and probity ("When making claims, MPs must adhere to the MPs' Code of Conduct, including the

seven principles of public life"). The MPs' Code of Conduct states that (so far as is relevant):

"7. Members should act on all occasions in accordance with the public trust placed in them. They should always behave with probity and integrity, including in their use of public resources.

<u>Integrity</u>

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit".

- 115. Although in terms of direct application, the MPs' Code of Conduct falls outside the remit of the Compliance Officer it is relevant in so far as the Scheme itself requires adherence to the Code (and any non-adherence would therefore be in breach of the fundamental principles of the Scheme). As this forms part of the complaint it falls within the Compliance Officer's jurisdiction.
- 116. Mr Mercer has provided an explanation regarding the companies he commissioned and the relationship with his staff member. He stated he did consider other service providers but selected the ones he did on the basis he knew they would provide an effective service and value for money. The Compliance Officer accepts Mr Mercer's explanation in this regard. She has also taken into account that the expenditure is not excessive when compared with other MPs. This part of the complaint is not upheld.
- 117. However, the Compliance Officer considers that Mr Mercer should, given the close relationships involved, have kept a better audit trail of the alternative providers that were considered in order to demonstrate that he obtained value for money and acted in accordance with the fundamental principles of the Scheme and the MPs' Code of Conduct. The Compliance Officer acknowledges that the Scheme is not clear in situations where a professional relationship goes beyond the definition of 'connected person' in the Scheme and will make a recommendation on this point.

View of the Compliance Officer on Complaint Five – increase in telephony costs during the 2016 Local Election period

- 118. Complainant B made particular reference to two phone bills for March and April 2016 and reached the conclusion that the excessive costs may be attributable to telephone canvassing. This has proven not to be the case, the increased costs were in fact due to the phone network being hacked in March and £466 worth of calls made to an Albanian mobile phone number and a call out fee in April for technical repairs. There is no evidence to support the fact the MP notified IPSA of the phone hacking and had he done so, he may have been able to seek reimbursement through the contingency fund. The view of the Compliance Officer is that Mr Mercer should reimburse IPSA for the cost of the calls to the Albanian mobile number which total £466. This aspect of the complaint is upheld.
- 119. In relation to the six phone lines, the Compliance Officer does not consider six phone lines for a busy Constituency Office to be excessive and that Mr Mercer exercised his discretion reasonably in claiming these costs. This aspect of the complaint is not upheld.

View of the Compliance Officer on Complaint Six – claims made under incorrect categories, submitted late claims and in one case a duplicate claim was made

- 120. In relation to the complaint that claims were made under incorrect categories, the complainant was referring to the fact that the social media management costs were submitted under both the office cost and staffing cost budgets. The explanation given by Mr Mercer was that this was simply an effective way to manage his budgets and permissible under the Scheme. The view of IPSA is this is permissible under the Scheme.
- 121. The Compliance Officer has considered the wording of the 15/16 and 16/17 Schemes (the applicable Schemes to these expenses) which states at 3.12 that "expenses may not be transferred between budgets...except with IPSA's agreement" and further at 7.3(c) that staffing expenditure may be used to meet the costs for payments for boughtin services. The Compliance Officer is of the view that the Scheme is unclear as to whether 'bought-in services' includes services other than traditional 'staffing services' (such as payroll and benefits) and therefore whether it should have been allowed under the Scheme to claim social media service costs against both the staffing and office cost budgets. IPSA's comments in relation to this particular matter (see paragraph 95 above) seem more apt for circumstances where a staff member, rather than an outside company, is managing and putting together social media output.

- 122. If the Compliance Officer takes the view that these costs should not have been allowed (and that amount has not been repaid), she must give the MP a direction to repay the amount. However, in this case, IPSA allowed the claims and it can therefore be argued that the expenses were transferred "with IPSA's agreement". On balance, the Compliance Officer accepts that the MP was paid an amount that was allowed under and was in accordance with the Scheme and this part of the complaint is not upheld. However, if the Compliance Officer is wrong on this and the MP was paid an amount under the staffing budget that should not be allowed, then the Compliance Officer finds that this was wholly or partly IPSA's fault. In which case she has a discretion as to whether to direct repayment and would find in this case that Mr Mercer does not have to repay.
- 123. The Compliance Officer notes that the Scheme is unclear and will make a recommendation on this point.
- 124. The late claim submission was in relation to the April 2016 phone bill which was not submitted until September 2016. The value of the phone bill was £367.98. The view of the complainant is that this was in order to mask the cost of telephony bills during the 2016 local election period. Mr Mercer was asked about this and stated he believed the expense claim was submitted on time and misplaced by IPSA. This fact is disputed by IPSA who have provided evidence to the Compliance Officer which supports the fact the claim form was not submitted until September 2016. The claim form was paid by IPSA despite the fact it was submitted some four and a half months after the expense was incurred. The view of the Compliance Officer is this is a breach of the Scheme which clearly states all expenses must be submitted within 90 days of the expense being incurred. Mr Mercer is required to reimburse IPSA the sum of £367.98 for late submission of the phone bill. This aspect of the complaint is upheld.
- 125. The duplicate claim is in relation to two claims made for a telephone bill for the month of January 2016 for the value of £97.22. This is accepted by Mr Mercer and not a source of contention. The Compliance Officer believes and accepts this was a genuine oversight, but nevertheless requires Mr Mercer to reimburse IPSA £97.22 for the duplicate claim. This aspect of the complaint is upheld.

View of the Compliance Officer on Complaint Seven – IPSA have funded a number of domain names for the MP which are not in use

126. Mr Mercer provided an explanation in interview for the reason why he has acquired so many domain names. This was for security reasons and to ensure his constituents were directed to the correct website. The view of IPSA is that this falls within the MP's discretion and is legitimate expenditure. The Compliance Officer agrees that this was

for a parliamentary purpose and a reasonable exercise of the MP's discretion and, therefore, does not uphold this aspect of the complaint.

Conclusions

- 127. Although the Compliance Officer's provisional findings are that Mr Mercer is required to reimburse IPSA in respect of some of the claims referred to in this report, the Compliance Officer remains firmly of the view that there is absolutely no evidence to suggest any of the breaches are anything other than genuine oversights which could have been avoided with better administration and supervision.
- 128. The Complainants have highlighted some important issues in this case which have led to the Compliance Officer making some recommendations for IPSA to consider when undertaking their next review of the Scheme and in terms of what guidance is available. These are set out below.
- 129. The Compliance Officer is grateful to Mr Mercer for the cooperation he has exhibited during the investigation and would like to thank the Policy and Assurance team and the Operations team at IPSA for their assistance in compiling some of the information which has featured within this report.
- 130. The provisional findings of the Compliance Officer is that Mr Mercer is required to reimburse IPSA a sum of £931.20 in respect of telephony costs.

Recommendations

- 131. The Compliance Officer invites IPSA to consider the following recommendations:
 - IPSA should consider issuing guidance to MPs with regards to IPSA funded websites and social media accounts particularly in relation to campaign, electioneering and party political messaging (taking into account when claims are made and the incidence of Snap General Elections)
 - IPSA should consider introducing an enhanced validation process in relation to claims made for high value items or services. In these cases, a minimum requirement should be the submission of an itemised invoice which clearly sets out the detail(s) of the purchase or service provided. It is for IPSA to determine the monetary value which would initiate the enhanced validation process.

- IPSA should consider introducing enhanced scrutiny of invoices and a requirement that the MP provides evidence of an audit trail to demonstrate value for money where services have been purchased from people/organisations that have a close connection to the MP but do not fall strictly within the definition of a "connected person", and/or IPSA should consider issuing guidance to clarify what is expected from MPs in this regard (bearing in mind the arguably wider requirements of the Code of Conduct for MPs).
- IPSA should consider issuing guidance to MPs with regards to transferring budgets (particularly with regard to office and staffing budgets) and introduce enhanced scrutiny of claims where an MP exceeds a budget in any given year.

Representations and Case Resolution

- 132. Section 9(5) of the Act and paragraph 26 of the Procedures permit Mr Mercer and IPSA a further opportunity to make representations in writing to the Compliance Officer in respect of these provisional findings. In order to comply with this requirement, both parties will be given fifteen working days from the date of this statement to submit any further representations. These must be received by the Compliance Officer by Friday 21st December 2018.
- 133. If further representations are received, the Compliance Officer will consider these before preparing a Statement of Findings.
- 134. Further, in accordance with sections 9(5), 9(7) and 9(8) of the Act and the Procedures, the Compliance Officer may determine not to prepare a Statement of Findings if:

"The member accepts a provisional finding that the member was paid an amount under the MPs' allowances scheme that should not have been allowed;

Such other conditions as may be specified by the IPSA are, in the Compliance Officer's view, met in relation to the case, and

The member agrees to repay to the IPSA, in such manner and within such period as the Compliance Officer considers reasonable, such amount as the Compliance Officer considers reasonable (and makes the repayment accordingly)."

135. If Mr Mercer is unable to repay the total amount stipulated immediately, then IPSA and the MP will be required to enter into dialogue with a view to agreeing a repayment plan.

If a plan can be agreed which is satisfactory to the Compliance Officer then this may form the basis for any Repayment Direction.

- 136. If such agreement is not possible then the Compliance Officer will be required to impose a Repayment Direction, in which the Compliance Officer must "specify the period before the end of which that amount is to be paid".
- 137. If Mr Mercer is able to make the repayment immediately, and the other conditions referred to above are met, then section 9(8) of the Act will have effect. As a result, the Compliance Officer will have a discretion not to publish a Statement of Findings and a brief Closure Report will instead be published.

Tracy Hawkings Compliance Officer for IPSA compliance@theipsa.org.uk

Appendix 1 - Scope of Investigation

Notice one issued 28/11/17

Notice

This notice is published in accordance with Section 9 and 9A of the Parliamentary Standards Act 2009 (as amended) and Paragraph 27 of the Third Edition of the Procedures for Investigations of the Compliance Officer for IPSA.

The Compliance Officer for the Independent Parliamentary Standards Authority has opened an investigation to determine whether Mr Johnny Mercer MP has been paid an amount under the MPs' Scheme of Business Costs and Expenses ('the Scheme') that should not have been allowed.

An investigation will be conducted into claims submitted under the following areas of the Scheme:

Office Costs in respect of website use and other 'e-presence'.

In accordance with the legislation and the procedures for investigation made thereunder, no further information will be published until the investigation has been concluded.

Amended Notice two issued 06/06/18

Notice

This amended notice is published in accordance with Section 9 and 9A of the Parliamentary Standards Act 2009 (as amended) and Paragraph 27 of the Third Edition of the Procedures for Investigations of the Compliance Officer for IPSA.

The Compliance Officer for the Independent Parliamentary Standards Authority has opened an investigation to determine whether Mr Johnny Mercer MP has been paid an amount under the MPs' Scheme of Business Costs and Expenses ('the Scheme') that should not have been allowed.

An investigation will be conducted into claims submitted under the following areas of the Scheme:

• Office Costs in respect of website use and other 'e-presence', telephony costs and use of domain names.

In accordance with the legislation and the procedures for investigation made thereunder, no further information will be published until the investigation has been concluded.

Appendix 2 – Scheme Provisions

Chapter 1 (Process for Making Claims)

| | 15/16 | 16/17 | 17/18 |
|-----|--|--|--|
| 1.1 | Claims for reimbursement under this Scheme must be: a. submitted using the online expenses system or another mechanism agreed with IPSA; b. submitted personally by the MP, or with IPSA's agreement by his or her designated proxy (except where paragraphs 1.2 or 1.3 apply); c. submitted no more than 90 days after the expenditure was incurred; and d. supported by the evidence required by IPSA no later than seven days after the claim is submitted. | Claims for reimbursement under this Scheme must be: a. submitted using the online expenses system or another mechanism agreed with IPSA; b. submitted personally by the MP, or with IPSA's agreement by his or her designated proxy (except where paragraphs 1.2 or 1.3 apply); c. submitted no more than 90 days after the expenditure was incurred; and d. supported by the evidence required by IPSA no later than seven days after the claim is submitted. | Claims for reimbursement under this Scheme must be: a. submitted using the online expenses system or another mechanism agreed with IPSA; b. submitted personally by the MP or, with IPSA's agreement, by his or her designated proxy; c. submitted no more than 90 days after the expenditure was incurred; and d. supported by the evidence required by IPSA no later than seven days after the claim is submitted. |

Chapter 3 (General Conditions of the Scheme)

| | 15/16 | 16/17 | 17/18 – note amended provision references |
|-----|--|--|---|
| 3.2 | In making any claim under the Scheme, an MP must certify that the expenditure was necessary for the performance of his or her parliamentary functions, and that in incurring the expenditure he or she had complied with the Scheme. | In making any claim under the Scheme, an MP must certify that the expenditure was necessary for the performance of his or her parliamentary functions, and that in incurring the expenditure he or she had complied with the Scheme. | 3.3 In making any claim under the Scheme, MPs must certify that the expenditure was for the performance of their parliamentary functions, and that in incurring the expenditure they had complied with the Scheme. |
| 3.3 | The Scheme makes provision for the exercise in certain circumstances of discretion by MPs and by IPSA. Such discretion is not absolute. At all times: a. it shall be exercised reasonably; and b. MPs and IPSA shall satisfy the requirement of the Parliamentary Standards Act that MPs must only be paid or reimbursed for costs necessarily incurred for the performance of their parliamentary functions. | The Scheme makes provision for the exercise in certain circumstances of discretion by MPs and by IPSA. Such discretion is not absolute. At all times: a. it shall be exercised reasonably; and b. MPs and IPSA shall satisfy the requirement of the Parliamentary Standards Act that MPs must only be paid or reimbursed for costs necessarily incurred for the performance of their parliamentary functions. | 3.4 The Scheme makes provision for the exercise in certain circumstances of discretion by MPs and by IPSA. Such discretion is not absolute. At all times it must be exercised reasonably, taking account of the fundamental principles of the Scheme (in Part A). |
| 3.4 | The following are examples of activities that are not considered as necessary for the performance of MPs' parliamentary functions: | The following are examples of activities that are not considered as necessary for the performance of MPs' parliamentary functions: a. attendance at political party conferences or meetings; | 3.5 The following are examples of activities that are not considered as necessary for the performance of MPs' parliamentary functions: a. attendance at political party conferences or meetings; |

| | a. attendance at political party | b. work which is conducted for or at the | b. work which is conducted for or at the |
|------|---|--|---|
| | conferences or meetings; | behest of a political party; | behest of a political party; |
| | b. work which is conducted for or at the | c. activities relating to reviews of | c. activities relating to reviews of |
| | behest of a political party; | parliamentary constituency boundaries; | parliamentary constituency boundaries; |
| | c. activities relating to reviews of | d. activities which could be construed as | d. activities which could be construed as |
| | parliamentary constituency boundaries; | campaign expenditure within the scope of | campaign expenditure within the scope of |
| | d. activities which could be construed as | the | the Political Parties, Elections and |
| | campaign expenditure within the scope of | Political Parties, Elections and | Referendums Act 2000, or election |
| | the | Referendums Act 2000; | expenses within the scope of the |
| | Political Parties, Elections and | e. activities which could be construed as | Representation of the People Act 1983; |
| | Referendums Act 2000; | election expenses within the scope of the | e. any other activities whose purpose is to |
| | e. activities which could be construed as | Representation of the People Act 1983; | give MPs a campaigning advantage in |
| | election expenses within the scope of the | f. work relating to delegations to an | general elections and referendums; |
| | Representation of the People Act 1983; | international assembly; or | f. work relating to delegations to an |
| | f. work relating to delegations to an | g. work relating to the performance of | international assembly; or |
| | international assembly; or | ministerial functions. | g. work relating to the performance of |
| | g. work relating to the performance of | | ministerial functions. |
| | ministerial functions. | | |
| | Expenses may not be transferred | Expenses may not be transferred between | 3.12 Business costs and expenses may not |
| 3.12 | between budgets, nor may they be | budgets, nor may they be charged in | be transferred between budgets, nor may |
| | charged in advance of the beginning of a | advance of the beginning of a year, except | they be charged in advance of the |
| | year, except with IPSA's agreement. | with IPSA's agreement. Amounts not | beginning of a year, except with IPSA's |
| | Amounts not utilised in any particular | utilised in any particular year's budget may | agreement. Amounts not utilised in any |
| | year's budget may not be carried forward | not be carried forward into subsequent | particular year's budget may not be carried |
| | into subsequent years, except in relation | years, except in relation to Start-Up | forward into subsequent years, except, in |
| | to Start-Up Expenditure. | Expenditure. | certain cases, in relation to the start-up |
| | | | supplement (see paragraphs 6.12-14). |

Chapter 6 (Office Cost Expenditure)

| | 15/16 | 16/17 | 17/18 – note amended provision references |
|-----|--|--|---|
| 6.1 | Office Costs Expenditure (OCE) is provided to meet the costs of renting, equipping and running an MP's office or offices and surgeries, where these costs are not claimable from other budgets under this Scheme, or from other sources. | Office Costs Expenditure (OCE) is provided to meet the costs of renting, equipping and running an MP's office or offices and surgeries, where these costs are not claimable from other budgets under this Scheme, or from other sources. | 6.1 The office costs budget is provided to meet the costs of renting, equipping and running MPs' constituency offices, surgeries, and other activities which support their parliamentary functions, where these costs are not covered by other budgets under the Scheme. |
| 6.2 | All MPs are eligible for Office Costs Expenditure, whether or not they rent a constituency office. | All MPs are eligible for Office Costs Expenditure, whether or not they rent a constituency office. | 6.2 All MPs are eligible to claim for office costs, whether or not they rent actual office premises. |
| 6.5 | MPs are entitled to exercise discretion over claims for items that meet the purposes of the Office Costs Expenditure budget, provided that the claims meet the general conditions of the Scheme and the conditions in this Chapter. | MPs are entitled to exercise discretion over claims for items that meet the purposes of the Office Costs Expenditure budget, provided that the claims meet the general conditions of the Scheme and the conditions in this Chapter. | 6.4 MPs are entitled to exercise reasonable discretion over claims for items that meet the purposes of the office costs budget, provided that the claims adhere to the fundamental principles and general conditions of the Scheme. They must also observe the conditions set out in paragraph 6.5. |
| 6.6 | Office Costs Expenditure may only be claimed for the performance of parliamentary functions. It may not be claimed for: a. any alcoholic drinks; | Office Costs Expenditure may only be claimed for the performance of parliamentary functions. It may not be claimed for: a. any alcoholic drinks; | 6.5 IPSA will not pay claims for any of the following:a. alcoholic drinks;b. stationery provided by the House of Commons; |

| b. stationery provided by the House of | b. stationery provided by the House of | c. newsletters; |
|--|---|---|
| Commons; | Commons; | d. funding of any material, other than |
| c. newsletters; | c. newsletters; | websites, that contains a party political |
| d. funding any material, excluding a | d. funding any material, excluding a | logo or emblem; |
| website, that contains a party political | website, that contains a party political logo | e. personal accountancy or tax advice. |
| logo or | or | |
| emblem; | emblem; | |
| e. personal accountancy or tax advice; or | e. personal accountancy or tax advice; or | |
| f. from 8 May 2015, hospitality (including | f. hospitality (including refreshments in the | |
| refreshments in the office). | office). | |

Chapter 7 (Staffing Expenditure)

| | 15/16 | 16/17 | 17/18 – note amended provision references |
|-----|---|---|---|
| 7.1 | Staffing Expenditure may be claimed to meet the cost incurred in the provision of staff to assist with the performance of an MP's parliamentary functions. Throughout this Chapter, 'staff' should be taken to include 'apprentices' where those apprenticeships meet the standards of the National Apprenticeship Service and 'employed interns', except where stated in paragraphs 7.8 and 7.9. | Staffing Expenditure may be claimed to meet the cost incurred in the provision of staff to assist with the performance of an MP's parliamentary functions. Throughout this Chapter, 'staff' should be taken to include 'apprentices' where those apprenticeships meet the standards of the National Apprenticeship Service and 'employed interns', except where stated in paragraphs 7.8 and 7.9. | 7.1 Staffing costs may be claimed to meet the cost of staff who support MPs in performing their parliamentary functions. Throughout this chapter, 'staff' should be taken to include 'apprentices' where those apprenticeships meet the standards of the National Apprenticeship Service; and 'employed interns', except where stated otherwise in paragraphs 7.9 and 7.10. |

| 7.2 | All MPs are eligible for Staffing Expenditure. | All MPs are eligible for Staffing Expenditure. | 7.3 All MPs are eligible to claim for staffing costs. |
|--------|---|---|--|
| 7.3(c) | Staffing Expenditure may be used to meet the following costs: c. payments for bought-in services; | Staffing Expenditure may be used to meet the following costs: c. payments for bought-in services; | 7.4 Staffing Expenditure may be used to meet the following costs: c. payments for bought-in services, where staffing services are provided by companies, self-employed individuals and others not on the MP's payroll; |

ANNEX 2 – Statement of Provisional Findings – factual corrections and amended paragraphs as requested by IPSA.

Para 12 – The timing of the initial complaint coincided with the Policy and Assurance Team at IPSA conducting a General Election Assurance review on a random sample of MPs' website. At the request of the Compliance Officer they considered Mr Mercer's website as part of the review. The General Election Assurance review findings were published by IPSA on 15 November 2018 and can be found on the IPSA website.

Para 13 – The outcome of the Policy and Assurance review found that although the website of Mr Mercer did contain campaigning material, there was no breach of the Scheme. This decision was made on the basis that the review only looked at claims for hosting costs during the relevant period and not set up costs. Mr Mercer did not claim for hosting costs during the period under review and therefore IPSA Policy concluded that no further action was required in respect of Mr Mercer. (Their position changed, however, as a result of the investigation conducted by the Compliance Officer when they became aware that the original set up costs also included two years' worth of hosting costs (see paragraph 50).

Para 48 – As previously stated, IPSA conducted a Policy and Assurance review on MPs' websites before the 2017 Election which was independent of any complaints being handled by the Compliance Officer. The period sampled by IPSA was April, May and June 2017 but they also, where appropriate, looked at claims outside of this period to establish a pattern of claiming. In addition and separate to this, at the request of the previous Compliance Officer, IPSA looked at a sample of social media accounts for Mr Mercer in order to provide a view about the content. This took place much later, around December 2017. IPSA concluded that there were party-political posts on Mr Mercer's website, some of which included content in the pre-election period. Both the Compliance Officer and IPSA also undertook a wider review of Mr Mercer's social media accounts including Facebook and Twitter accounts and again found there were entries linked to campaigning/electioneering/party political activities outside of this period.

Para 49 – The Head of the Policy and Assurance Team at IPSA has confirmed that a number of MPs' were required to reimburse IPSA a proportion of their expense claims for breaches of the scheme during the three month election period. Mr Mercer was not one of those because he had not made any specific claims from IPSA during the period examined with regards to the web site hosting costs.

(New) Para 50 - It is worthy of note, that this was the decision made by IPSA, based on information known to them at that time. When they were subsequently informed of the fact that the hosting costs were included in the original set up costs, their original view changed

and they have since stated, "When Mr Mercer's claim for website design and hosting costs was made, we did not have any information to indicate that it was not legitimate. MPs are entitled to claim for these costs, and IPSA was right to pay them. Later, however, and during the period covered by the hosting costs, the website was used for campaigning purposes. This meant that money claimed from IPSA was actually being used to fund non-parliamentary costs. Mr Mercer may indeed have intended to use the website solely for parliamentary reasons when the costs were claimed. But when he later decided to use it partially for campaigning purposes, which is not allowed by our Scheme of rules, the MP should have repaid IPSA a portion of the costs at that stage".

Para 68 - The view of the Policy and Assurance Team at IPSA on this matter is, "The question of whether Mr Mercer's use of Facebook and Twitter breached the rules of the Scheme depends on whether these activities were funded by IPSA. Clearly an MP is at liberty to express their opinions, including party-political ones, on social media, and many do. However, the important factor here is that Mr Mercer had claimed for the cost of social media management, which means that IPSA funds were directly used by the MP to support social media activity with (at least partly) non-parliamentary content. Therefore, our view is that the social media management costs were not eligible to be claimed". It is IPSA's position that "MPs must not use IPSA funding for any activity that is party-political or aimed at gaining a campaigning advantage, regardless of what is claimed".

Para 69 – deleted.

Para 101 – IPSA's view on this issue is the costs are not contrary to the Scheme rules and fall within the MP's discretion. They state "it is not technically against the Scheme. Presumably this was done to stop other people from creating a website which purported to be the MP's. We consider that this falls within the MP's discretion".

ANNEX 3 – IPSA's points of clarification to the Compliance Officer's additional questions (16/1/19).

a) Is IPSA saying that any part of the £6000 should not have been claimed/paid?

Mr Mercer claimed for website hosting costs as well as for set-up costs. The hosting covered the period he used his website for campaigning purposes. So he was using IPSA funds to support his website throughout the period he was also using it for campaigning. In similar circumstances, other MPs have chosen to repay a proportion of the costs to IPSA to recognise that their website was being partially used for campaigning. This is what we think Mr Mercer should have done.

b) If so, is that only in relation to the two years hosting included in the £6000 or also in relation to the design element of the costs?

Any repayment from Mr Mercer should have been proportionate to the amount of time the website was used for campaigning. There is less of a case for repaying a proportion of the design costs on the basis that Mr Mercer mainly needed the website for parliamentary purposes.

c) Is this on the basis that IPSA takes the view that when claimed Mr Mercer MP must have intended the expenses claimed (design/hosting), in part, to be for a non-parliamentary purpose (given the possibility of a Snap Election or that the website may still be being used at the time of the next Scheduled General election)? If not, please explain on what basis?

We have no knowledge of Mr Mercer's intentions at the time the design and hosting costs were claimed, and we trust that the costs were claimed in good faith. We would simply ask the MP for a repayment that fairly recognises the proportion of the costs that it right for the taxpayer to fund, as it supports his parliamentary activity, and the proportion that is fair for him to repay to recognise the occasional use of his website for campaigning purposes.

d) What is IPSA's response to the analysis, in light of the above, to my paragraphs 107 and 109?

When Mr Mercer's claim for website design and hosting costs was made, we did not have any information to indicate that it was not legitimate. MPs are entitled to claim for these costs, and IPSA was right to pay them. Later, however, and during the period covered by the hosting costs, the website was used for campaigning purposes. This meant that money claimed from IPSA was actually being used to fund non-parliamentary costs. Mr Mercer may indeed have intended to use the website solely for parliamentary reasons when the costs were claimed. But when he later decided to use it partially for campaigning purposes, which is not allowed by our Scheme of rules, the MP should have repaid IPSA a portion of the costs at that stage.

e) Is it IPSA's view that publically funded MP's websites may never be used for party political campaigning purposes or is it linked to hosting costs only?

In some cases, such as when an MP leaves Parliament, websites which were originally set up with IPSA funding may then be used for other purposes. It is not practical for IPSA to check all former MPs' websites. As a regulator, we nonetheless rely on the principles of the Scheme which state that IPSA's funding should be used just for parliamentary purposes. If the MP judges that they have used IPSA's money to support subsequent political or personal activity, then they should refund a proportionate amount to the taxpayer to cover any use of their website for non-parliamentary purposes.

f) If it is linked to hosting costs only – how can you ever arbitrate on cases when hosting costs are paid as part of initial set up costs (Sometimes many months before as in this case) or paid in advance on an annual basis.

As we have noted above, we seek repayment for the proportion of hosting costs which relate to the time the website was used for campaigning or other non-parliamentary purposes. This was the approach that we took with all MPs during the 2017 General Election. MPs repaid (or claimed only part of) hosting costs if they wanted to put campaigning material on their websites. They acted in the same way if they decided to use their offices or office equipment for political activity at that time. We ask that the MP use their discretion in determining this amount.