

15 March 2016

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Revised Scheme for 2016-17 and budgets

On 22 March, we will publish the *MPs' Scheme of Business Costs and Expenses* ('the Scheme') for 2016-17. We have made minor changes to the budget limits for 2016-17.

- The Staffing Expenditure budget has been increased by 1% to £148,500 for London Area MPs and to £141,400 for non-London Area MPs, to reflect the wider public sector pay policy. MPs may increase the salaries of their staff by more than that amount if justified and if they remain within their overall budget. Please see below for further information.
- The Office Costs Expenditure budget has been increased by 0.2% to £26,100 for London Area MPs and £23,450 for non-London Area MPs, to reflect consumer price inflation.
- The portion of the Accommodation rental budget for associated expenditure has been increased by 0.2% for those renting the London Area or within their constituency, to reflect consumer price inflation. The annual Accommodation budget will now be £20,610 for MPs renting in the London Area, and between £10,410 and £15,660 for MPs renting in their non-London Area constituency. The limit for hotel costs is unchanged at £150 per night in London and £120 per night outside London.

There have been a few minor changes to the rules and guidance to ensure these remain up to date. We will conduct a comprehensive review of the Scheme, with a public consultation, this summer with a view to make more fundamental changes from 1 April 2017.

Full details of the Eighth Scheme will be available once it is published next week.

MPs' staff pay

We have increased the Staffing Expenditure budget by 1% for 2016-17, in line with the pay policy for the wider public sector.

MPs are the employers of their staff, not IPSA. If MPs wish to increase the pay of their staff by more than the public sector policy of 1%, then that is a matter for them. We note that public sector average earnings have increased by 1.3% (in the year to October 2015) and that some MPs may wish to offer an equivalent increase in pay to their staff. Most MPs should be able to cover this within the standard Staffing Expenditure budget for 2016-17.

For those few MPs who wish to offer staff members pay increases of up to 1.3% but who are already at or near the top of their Staffing Expenditure budgets, we will consider these on a case-by-case basis through our contingency funding process.

When setting the pay for their staff, MPs should be mindful of the wider economic climate. As such, we would not expect to receive requests for salary increases for MPs' staff that are above 1.3%, except where the staff in question have taken on significant extra responsibilities or a change in role.

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