


# The Scheme of MPs' Business Costs and Expenses

2017-18



# **Independent Parliamentary Standards Authority**

## **The Scheme of MPs' Business Costs and Expenses**

**2017-18**

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**THE SCHEME OF MPs' BUSINESS COSTS AND EXPENSES**

**NINTH EDITION**

**2017-18**

9 June 2017

## CONTENTS

<b>INTRODUCTION</b> .....	<b>5</b>
<b>PART A. FUNDAMENTAL PRINCIPLES</b> .....	<b>6</b>
<b>PART B. OVERALL PROCESSES AND RULES</b> .....	<b>7</b>
CHAPTER ONE. THE PROCESS FOR MAKING CLAIMS .....	7
CHAPTER TWO. DETERMINATION AND REVIEW OF CLAIMS .....	8
CHAPTER THREE. GENERAL CONDITIONS OF THE SCHEME .....	11
<b>PART C. WORKING FROM TWO LOCATIONS</b> .....	<b>16</b>
CHAPTER FOUR. ACCOMMODATION COSTS.....	16
<i>Eligibility</i> .....	16
<i>Budgets</i> .....	17
<i>Procedures</i> .....	19
CHAPTER FIVE. THE LONDON AREA LIVING PAYMENT .....	22
<b>PART D. OFFICE SUPPORT</b> .....	<b>23</b>
CHAPTER SIX. OFFICE COSTS .....	23
<i>Eligibility</i> .....	23
<i>Budgets</i> .....	24
<i>Procedures</i> .....	25
CHAPTER SEVEN. STAFFING COSTS .....	28
<i>Eligibility</i> .....	28
<i>Budgets</i> .....	30
<i>Procedures</i> .....	31
CHAPTER EIGHT. WINDING-UP COSTS AND LOSS OF OFFICE PAYMENTS .....	34
WINDING-UP .....	34
<b>PART E. OTHER SUPPORT</b> .....	<b>37</b>
CHAPTER NINE. TRAVEL AND SUBSISTENCE COSTS .....	37
<i>Eligibility</i> .....	37
<i>Cost limits and procedures</i> .....	39
CHAPTER TEN. MISCELLANEOUS COSTS AND FINANCIAL ASSISTANCE .....	44
<i>DISABILITY ASSISTANCE</i> .....	44
<i>SECURITY ASSISTANCE</i> .....	45
<i>CONTINGENCY PAYMENTS</i> .....	46
<i>RECALLS OF PARLIAMENT</i> .....	46
<i>EXPENDITURE DURING THE DISSOLUTION PERIOD</i> .....	47
<i>OTHER FINANCIAL ASSISTANCE</i> .....	48
<b>SCHEDULE 1. LIST OF CONSTITUENCIES IN THE LONDON AREA</b> .....	<b>49</b>
<b>SCHEDULE 2. LIST OF LONDON AREA CONSTITUENCIES WHOSE MPs ARE ELIGIBLE FOR ADDITIONAL LONDON AREA LIVING PAYMENT</b> .....	<b>51</b>
<b>ANNEX A. SUMMARY OF BUDGETS FOR 2017-18</b> .....	<b>52</b>
<b>ANNEX B. MPS' STAFF PAY RANGES FOR 2017-18</b> .....	<b>54</b>
<b>ANNEX C. GUIDANCE ON OTHER PAYMENT METHODS</b> .....	<b>56</b>

# THE SCHEME OF MPs' BUSINESS COSTS AND EXPENSES

## NINTH EDITION

### 2017-18

#### INTRODUCTION

1. The *Scheme of MPs' Business Costs and Expenses* ('the Scheme') is made by the Independent Parliamentary Standards Authority (IPSA) in the exercise of the powers conferred on it by section 5(3)(a) of the Parliamentary Standards Act 2009.
2. This is the Ninth Edition of the Scheme. It was updated following the General Election on 8 June 2017.
3. This Scheme is intended to ensure that MPs' use of taxpayers' money is well-regulated and that MPs are resourced appropriately to carry out their parliamentary functions.

*The text in grey boxes is guidance only and is intended to provide help with interpretation of the Scheme.*

## PART A. FUNDAMENTAL PRINCIPLES

### For MPs

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.

### For IPSA

IPSA's role as an independent regulator is to resource MPs appropriately to carry out their parliamentary functions and support them in making eligible claims. In administering the Scheme we will adhere to the following principles:

5. **Diversity:** IPSA will take account of MPs' diverse working arrangements and treat MPs fairly, so that they are not disadvantaged or advantaged financially because of the Scheme.
6. **Transparency:** IPSA will operate transparently, making information about MPs' expenditure accessible to the public.
7. **Value for money:** IPSA will administer the Scheme efficiently and cost-effectively.
8. **Proportionality:** IPSA will regulate proportionately and effectively.

# PART B. OVERALL PROCESSES AND RULES

## CHAPTER ONE. THE PROCESS FOR MAKING CLAIMS

- 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;
  - 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.
- 1.2 IPSA may allow MPs to delegate the submission of claims to their designated proxy, or where MPs are unable to fulfil their parliamentary functions, to another MP. MPs retain the responsibility for the claims.

*To request routine delegation to a proxy, or in exceptional circumstances to another MP, the MP should formally notify IPSA, or submit the relevant form on the online expenses system. Exceptional circumstances may include an MP:*

- *taking maternity, paternity or adoptive leave;*
- *being called up to serve in the armed forces; or*
- *being on long-term sick leave.*

- 1.3 For certain expenditure (described in Annex C), MPs may claim payment in advance on production of an invoice, or may request IPSA to make payments directly to a supplier.
- 1.4 MPs may also use the payment card provided by IPSA.

*Guidance on payment methods can be found at Annex C.*

- 1.5 A claim will not be paid if any part of the claim or the evidence supporting the claim is redacted prior to its submission to IPSA.
- 1.6 IPSA may make provision at the end of a financial year to vary the period specified at paragraph 1.1c.



## CHAPTER TWO. DETERMINATION AND REVIEW OF CLAIMS

### *Determination of claims*

2.1 Following receipt of a claim, IPSA will determine whether to allow or refuse it.

*MPs are responsible for complying with the Scheme and must only make claims that are for parliamentary purposes. IPSA supports MPs and their staff to comply with the rules of the Scheme by providing advice on the rules and whether a particular claim is likely to fall within the Scheme. Such advice is not a decision to allow or refuse a claim. That decision can only be made when the claim is submitted, together with the supporting evidence.*

*Where IPSA refuses a claim, it will be marked as 'not paid' on the online expenses system.*

2.2 If IPSA determines to allow the claim it will:

- a. determine how much of the amount claimed is to be allowed; and
- b. arrange for the amount allowed to be paid.

2.3 No decision by IPSA to allow or refuse a particular claim will bind IPSA in subsequent claims of the same nature.

2.4 If IPSA determines to refuse the claim or to allow only part of the amount claimed, it will notify the MP and specify the reasons for the refusal.

### *Review of claims*

2.5 Where IPSA determines either to refuse a claim or to allow only part of the amount claimed, MPs may, within 14 days of IPSA issuing that notification, request IPSA to review its determination. Such a request may only be made on the grounds that:

- a. the rules have been applied incorrectly;
- b. an administrative error has been made by IPSA;
- c. further evidence to support the claim is available.

*MPs may request a review under paragraph 2.5 using the online expenses system.*

- 2.6 Upon receiving a request for a review, IPSA will:
- a. review whether the original determination was properly made, referring to any further evidence submitted in support of the claim;
  - b. decide whether to confirm or alter the amount allowed under the original determination;
  - c. notify the MP of its decision; and
  - d. if any further amount has been determined as allowed, arrange for it to be paid to the MP.
- 2.7 IPSA may review its own determinations.
- 2.8 No staff member of IPSA who was involved in making the original determination shall be involved in any review of that determination.
- 2.9 After IPSA has reviewed the determination MPs may, if they disagree with the determination, request that it is reviewed by the Compliance Officer.
- 2.10 IPSA will make any payments or adjustments necessary to give effect to decisions of the Compliance Officer under paragraph 2.9, provided that all relevant appeals on the matter have been withdrawn or determined and it is no longer possible for there to be a further relevant appeal.

*The Compliance Officer's review procedures are set out in detail on the Compliance Officer for IPSA website at: [www.parliamentarycompliance.org.uk](http://www.parliamentarycompliance.org.uk).*

#### *Recovery of overpayments*

- 2.11 In any of the following circumstances, MPs will be required to make repayments to IPSA:
- a. they have been paid an amount (or have had an amount paid by IPSA on their behalf) that IPSA subsequently determines should not have been paid;
  - b. they have overspent their budget in a particular category of spending;
  - c. they have agreed to repay an amount following an investigation by the Compliance Officer;
  - d. they have been directed by the Compliance Officer to repay an amount.

- 2.12 In any of the circumstances described in paragraph 2.11, if MPs do not make the repayments within 30 days, IPSA will arrange for the amount to be deducted from further payments of claims to which the MPs are entitled. It will also suspend MPs' access to their payment cards and direct payments to suppliers. MPs will be notified of these arrangements.
- 2.13 MPs may request for the amount to be deducted from their salaries instead of being deducted from the payment of further claims.
- 2.14 If any amounts to be deducted from claims have not been recovered by IPSA within 30 days of MPs being notified, the remaining amounts may be deducted from MPs' salaries without their agreement.

*Where salary deductions, agreed or otherwise, are made, a schedule of deductions will be agreed with the MPs in question. The sums involved will normally be recovered in the same financial year as they were commenced. Exceptions will be made, for example, when recovery begins late in the financial year, or the amounts to be recovered are particularly large. Recovery of overpayments of MPs' or staff salaries are subject to separate arrangements.*

## CHAPTER THREE. GENERAL CONDITIONS OF THE SCHEME

- 3.1 The rules in this chapter apply to all of the Scheme.
- 3.2 No claims will be considered from MPs who have not agreed with IPSA that they will abide by 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.
- 3.4 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).
- 3.5 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;
  - b. work which is conducted for or at the behest of a political party;
  - c. activities relating to reviews of parliamentary constituency boundaries;
  - d. activities which could be construed as campaign expenditure within the scope of the Political Parties, Elections and Referendums Act 2000, or election expenses within the scope of the Representation of the People Act 1983;
  - e. any other activities whose purpose is to give MPs a campaigning advantage in general elections and referendums;
  - f. work relating to delegations to an international assembly; or
  - g. work relating to the performance of ministerial functions.

*If an MP is unsure whether an activity constitutes either campaign expenditure or election expenses, he or she should seek clarification from the Electoral Commission.*

- 3.6 MPs must provide any information or assistance reasonably required by IPSA to carry out its management assurance functions, in order to ensure the appropriate and cost-effective use of public funds, or for the purposes of audit.

3.7 Any duty of IPSA to pay any expenses to an MP is subject to anything done in relation to the MP in the exercise of the disciplinary powers of the House of Commons.

*Publishing of claims*

3.8 IPSA will publish information relating to claims in accordance with its policy and procedures relating to such publication.

*Claims are published on IPSA's website, as is IPSA's decision on each claim. In determining what information to publish, IPSA is subject to the requirements of the Data Protection Act and the Freedom of Information Act. IPSA's publication scheme is available on its website.*

*Budgets and financial limits: general provisions*

3.9 Unless specified elsewhere, all budgets and financial limits set out in this Scheme are for a year commencing on 1 April, and ending on 31 March of the following year. All references to a 'year' are to be read in this context.

3.10 IPSA may reduce budgets proportionately when they are made available to MPs at a date other than the start of the year, or are closed before the end of the year.

*The pro-rated budgets for new MPs following the 8 June 2017 General Election, and for those ceasing to be MPs after the General Election, can be found in Annex A.*

3.11 IPSA may from time to time amend the budgets and financial limits set out in this Scheme.

*MPs may incur business costs and expenses above the stated limits in the Scheme if they wish to do so. However any business costs and expenses above these limits will not be met by IPSA.*

3.12 Business costs and expenses may not be transferred between budgets, nor may they be charged in advance of the beginning of a year, except with IPSA's agreement. Amounts not utilised in any particular year's budget may not be carried forward into subsequent years, except, in certain cases, in relation to the start-up supplement (see paragraphs 6.12-14).

3.13 Expenditure above the budget limit in any particular year may not be offset from budgets in the subsequent year, other than at IPSA's discretion in exceptional circumstances. In such cases, the budget for the subsequent year will be reduced accordingly.

*Definition of constituency for claiming purposes*

3.14 For the purpose of claiming costs under the Scheme, MPs' constituencies include any location which is within 20 miles of the constituency boundaries.

*The London Area*

3.15 For the purposes of this Scheme, MPs representing any constituency listed in Schedule 1 are referred to as 'London Area MPs', and any reference should be read accordingly.

3.16 MPs representing any other constituency are referred to as 'non-London Area MPs'.

*MPs with caring responsibilities*

3.17 For the purposes of this Scheme, MPs will be deemed to have caring responsibilities where they:

- a. have parental responsibility for a dependent child of up to the age of 18.
- b. are the primary carers for a family member in receipt of one of the following benefits:
  - i. Attendance Allowance;
  - ii. Disability Living Allowance at the middle or highest rate for personal care;
  - iii. Personal Independence Payment at the standard or enhanced rate for daily living; or
  - iv. Constant Attendance Allowance at or above the maximum rate with an Industrial Injuries Disablement Benefit, or basic (full day) rate with a War Disablement Pension.

*Those for whom MPs have caring responsibilities are referred to as "dependants" elsewhere in the Scheme.*

*Any MP who is a sole carer for a dependent child between the ages of 18-21 who is in full time education, and who has been claiming for the costs of accommodation or travel prior to 1 April 2017, may continue to do so until the dependant in question exceeds the age limit of 21.*

3.18 If a dependant meets one of the criteria for caring responsibilities in paragraph 3.17 at the beginning of a financial year, the MP will be able to continue claiming for any relevant accommodation or travel costs covered by the Scheme for the remainder of the year.

#### *Connected parties*

3.19 For the purposes of this Scheme, a connected party is defined as:

- 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.

*“Connected parties” is the term we use for immediate members of MPs’ families and business partners with whom they share significant interests. Paragraph 3.19 sets out the specific details.*

*The Companies Act 2006 can be found at <http://www.legislation.gov.uk/ukpga/2006/46/contents>.*

3.20 IPSA will not pay any claims relating to the purchase of goods or services, where the MP or a connected party is the provider of the goods or services in question.

3.21 IPSA will not pay any claims relating to an MP's rental of a property, where the MP or a connected party is the owner of the property in question.

3.22 IPSA will not pay the salaries and other costs set out in paragraph 7.4a of any new employees who are connected parties and are employed on or after 9 June 2017.

3.23 If employees are not connected parties when initially employed by MPs, but become connected parties under paragraphs 3.19a or 3.19c at a later date, IPSA will only pay their salaries and other costs set out in paragraph 7.4a for a period of up to two years after the point at which they become connected parties.

*If employees become connected parties during the course of their employment as set out in paragraph 3.23, it is the responsibility of the MP to notify IPSA.*

*Paragraphs 3.22 and 3.23 do not apply in any way to connected parties employed by MPs before 9 June 2017.*

*Other restrictions*

- 3.24 'Air miles' or similar customer loyalty benefits and other discounts earned on purchases for which claims are payable under this Scheme are not for personal use, but must be applied to further claimable expenditure.
- 3.25 IPSA will not pay any claims for penalty charges or additional charges, such as those for late payments.
- 3.26 IPSA will not pay any claims for costs that are insurable or can be funded from other sources.



# PART C. WORKING FROM TWO LOCATIONS

## CHAPTER FOUR. ACCOMMODATION COSTS

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

### Eligibility

4.2 Accommodation costs are not payable to MPs who:

- a. are London Area MPs; or
- b. by virtue of any particular office held, occupy 'grace and favour' accommodation in London.

4.3 Accommodation costs may be claimed for one of the following:

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

4.4 Associated costs include:

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

*'Routine security measures' are those purchased outside the standard and additional security options package claimed from the Security Assistance Fund. Please refer to Chapter 10 for further information about security assistance.*

4.5 Associated costs do not include and no claims will be paid for:

- a. cleaning;
- b. gardening;
- c. the purchase or maintenance of furniture;

d. home contents insurance, television services, or television licences.

4.6 MPs may only claim for accommodation costs in relation to a property at one location, which may be either in the London Area, or in the MP's constituency, unless IPSA agrees that there are exceptional circumstances that justify claims for properties in both.

*An example of exceptional circumstances under 4.6 might be where the geography of an MP's constituency means that the MP needs two residences there, as well as a residence in London.*

4.7 Where MPs are claiming for rent and/or associated costs, they must be resident at the property for which claims are being made, and may not sublet the property, or any part of it.

4.8 MPs may rent accommodation from other MPs, provided that the landlord MP is not a connected party. Only the tenant MP may claim the associated expenditure for that property.

4.9 MPs may only claim for hotel costs from the accommodation costs budget if they have informed IPSA of their intention not to claim for rental property or associated costs.

*The rules covering claims for hotels in this chapter only apply to accommodation costs. Accommodation costs cover hotels used as an alternative to renting a property or claiming associated costs only, when working from two locations. When hotels are being claimed under travel and subsistence – for example, when MPs stay overnight when on parliamentary business outside London or their constituency – the rules in paragraphs 9.22-9.25 apply.*

## **Budgets**

4.10 For MPs claiming for rental costs in the London Area, the annual accommodation costs budget is £22,760.

4.11 For MPs claiming for rental costs in their constituencies outside the London Area, the annual accommodation costs budget is £15,850.

*For MPs who are renting, £3,000 is included in their accommodation costs budget to pay for associated costs. MPs can deploy their budget between rent and associated costs as they choose.*

- 4.12 MPs may enter into a rental agreement which takes them over the budget limit, but they will have to fund the extra cost themselves. If IPSA is paying the rent directly to the landlord, it will not pay any excess amount.
- 4.13 Any costs of drawing up tenancy agreements and any agency fees incurred on entering into or extending a contract can be claimed from the accommodation costs budget. No additional funding is available for such costs.
- 4.14 Removal costs for moving to new accommodation may be claimed from the Contingency Fund. No pre-approval is required. Other costs associated with moving, including any legal costs, must be claimed from the accommodation costs budget.

#### *MPs who stay in their own homes*

- 4.15 For MPs claiming associated costs only, the annual budget is £5,000, except for those who were MPs on 1 April 2017, for whom the budget is £5,963. (Full budget information is set out in Annex A.)

#### *Additional budgets for MPs with caring responsibilities*

- 4.16 MPs may have their budget limit increased by up to £5,435 a year for each dependant for whom they need to provide accommodation, up to a maximum of three uplifts.

#### *Hotel Costs*

- 4.17 Hotel costs may only be claimed from the accommodation costs budget up to a limit of £150 per night in the London Area and £120 elsewhere in the United Kingdom. These limits are inclusive of VAT.

4.18 MPs may claim for the cost of overnight accommodation for their dependants. The overall cost limit for such claims is £150 per night in the London Area and £120 elsewhere in the United Kingdom.

4.19 MPs may group together a number of nights during a single stay, where the cost varies on different nights, and claim the full amount if the average per night does not exceed the limits in paragraph 4.17.

4.20 If the hotel's nightly rate includes breakfast, the full amount will be reimbursed, provided that the relevant limit in paragraph 4.17 is not exceeded.

### **Procedures**

4.21 IPSA will pay for rent and associated costs only after it has approved the MP's rental contract, or has been provided with proof of ownership of the property.

4.22 MPs will become eligible for increased budgets in order to accommodate dependants, under paragraph 4.16, after they register their dependants with IPSA.

*MPs will need to complete the registration form for dependants on the online expenses system. For further guidance on how to register a dependant, please refer to the guidance document on IPSA's website.*

*If an MP is expecting a child or is in the process of adoption, and the MP wishes to secure new accommodation as a result, he or she should notify IPSA as soon as possible. Early notification will assist both the MP and IPSA in making the appropriate arrangements.*

4.23 MPs are responsible for checking the terms and conditions of their contracts, including any service charges, penalty clauses and other clauses which may otherwise lead to unexpected costs. They should check their liability for council tax on the premises before signing the contract.

4.24 MPs must inform IPSA immediately when a rental agreement commences, ends, or is renewed, or if there are changes to the contract, such as the rental charge or the landlord's payment details.

4.25 MPs should negotiate a clause in their contracts to allow them to give two months' notice in the event of a change in circumstances, such as losing their seat at a general election. They will only be able to claim for rent and associated costs during the two month winding up period after the election. Any further costs beyond that period will not be funded by IPSA, unless MPs can demonstrate that they were unavoidable.

#### *MPs who share rental accommodation*

4.26 If two or more MPs choose to share rental accommodation, they must notify IPSA when they register the property. The rental agreement must include the name of each MP sharing the accommodation.

4.27 Each MP will be entitled to the full accommodation costs budget and all costs claimed should be shared equally between those MPs.

#### *Loans for deposits on rental properties*

4.28 An MP who intends to claim for rental costs may apply to IPSA for a loan to cover any deposit payable at the commencement of a tenancy. This loan will not be deducted from the accommodation costs budget.

4.29 The value of any loan under paragraph 4.28 may not exceed the lower of:

- a. the deposit which is stipulated in the rental agreement; or
- b. one quarter of the appropriate annual accommodation costs budget for the location (i.e. London Area or the constituency).

4.30 Applications for loans must be submitted by the MP and accompanied by a rental agreement for IPSA to approve. IPSA will pay the loan to the MP. The MP will forward the deposit to the landlord.

*IPSA will consider a deposit loan application that is accompanied by a draft rental agreement. In these circumstances a fully signed agreement must be submitted by the MP to IPSA within one month of the start of any tenancy. If this condition is not met IPSA may recover the deposit loan and any rent already paid under the draft agreement from the MP.*

4.31 No MP may hold more than one loan for a deposit on residential accommodation at any one time, except where IPSA agrees otherwise.

4.32 The MP is responsible for securing the return of the deposit and for repaying the amount in full to IPSA, no later than one month after the date on which the tenancy comes to an end, or, where the MP leaves Parliament, the end of the winding-up period as set out in paragraph 8.6 (whichever is earlier). Any shortfall between the deposit paid and the amount returned shall be the sole responsibility of the MP.

## CHAPTER FIVE. THE LONDON AREA LIVING PAYMENT

- 5.1 The London Area Living Payment (LALP) is intended to contribute towards the additional cost of living in the London Area.
- 5.2 The LALP may only be claimed by London Area MPs, as listed in Schedule 1.
- 5.3 The LALP will not be payable in relation to any period before notification is given to IPSA that the MP has elected to claim it.
- 5.4 The LALP is £3,820 per financial year, payable on a monthly basis.
- 5.5 MPs representing the Outer London Area constituencies listed in Schedule 2 may claim an additional £1,350 per financial year in LALP.

*For the avoidance of doubt, Outer London Area MPs, who are eligible for the additional LALP, are still inside the London Area and subject to the same rules as other London Area MPs.*

*Provided the MP applies before the payroll deadline for the month, IPSA will pay the LALP for the current month in full. The payroll deadline is usually the 15th of the month (but will be earlier if the 15th falls on a bank holiday or weekend). If the MP applies after the deadline, LALP will not be paid until the following month.*

- 5.6 The LALP will not be payable to an MP who occupies any 'grace and favour' accommodation in London by virtue of any particular office held.

## PART D. OFFICE SUPPORT

### CHAPTER SIX. OFFICE COSTS

- 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.

#### Eligibility

- 6.2 All MPs are eligible to claim for office costs, whether or not they rent actual office premises.
- 6.3 MPs can claim for the costs of more than one office provided that they stay within budget. If they can demonstrate exceptional circumstances, they may be eligible for contingency funding to allow for the operation of more than one office.

*MPs are most likely to need more than one office where they represent a constituency with a large geographical area with limited public transport.*

- 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.
- 6.5 IPSA will not pay claims for any of the following:
- a. alcoholic drinks;
  - b. stationery provided by the House of Commons;
  - c. newsletters;
  - d. funding of any material, other than websites, that contains a party political logo or emblem;
  - e. personal accountancy or tax advice.
- 6.6 MPs and their staff may claim for the costs of a home office, if that is where they routinely work from. IPSA will only pay claims for costs which are additional to those which are part of the normal cost of living in the home.



6.7 To be funded by IPSA a constituency office must be located in the constituency, unless it is a home office. A home office can be claimed for even if it is more than 20 miles from the constituency boundary.

6.8 Rent cannot be claimed for a home office. The location will also be treated as the MP's home rather than an office for the consideration of any travel claims.

*Where MPs or their staff routinely work from a home office, they must comply with the relevant HMRC guidance to demonstrate that this is a de facto office, and not that they occasionally work at home. IPSA will then reimburse the relevant expenditure according to the HMRC guidelines.*

6.9 Removal costs for moving to new office premises may be claimed from the contingency fund. No pre-approval is required. Other costs associated with moving, including any legal costs, must be claimed from the office costs budget.

*MPs may claim under office costs for 'routine security measures', which are those purchased outside the standard and additional security options package claimed from the Security Assistance Package. Please refer to Chapter 10 for further information about security assistance.*

## **Budgets**

6.10 For London Area MPs, the annual office costs budget is £26,850.

6.11 For non-London Area MPs, the annual office costs budget is £24,150.

### *Start-up supplement*

6.12 The start-up supplement is designed to help new MPs meet the costs of setting up one or more constituency offices. It is added to the office costs budget.

*The start-up supplement is intended to help towards the costs of 'big-ticket' start-up items, such as computers, desks, re-decoration etc. However, it is not exclusively for these items. It is simply a supplement to the office costs budget.*

6.13 The start-up supplement is £6,000 and is available to new MPs for the duration of the financial year in which they were elected.

6.14 If a new MP is elected in the three months before the end of the relevant financial year, IPSA will consider rolling forward all or part of the start-up supplement into the office costs budget for the following financial year.

## **Procedures**

### *Registration*

6.15 Each constituency office must be registered with IPSA before a rental claim can be made.

6.16 Claims for the following costs will only be allowed if the constituency or home office has been registered with IPSA, and if they comply with paragraph 6.6 in the case of home offices:

- a. energy and water bills;
- b. business rates (not for home offices);
- c. contents and buildings insurance (the latter not for home offices);
- d. rental and usage costs for telephone and internet access.

### *Rental agreements*

6.17 MPs are responsible for checking the terms and conditions of their contracts, including any service charges, penalty clauses and other clauses which may otherwise lead to unexpected costs. They should check their liability for business rates on the premises before signing the contract.

6.18 MPs must inform IPSA immediately when a rental agreement commences, ends, or is renewed, or if there are changes to the contract, such as the rental charge or the landlord's payment details.

6.19 MPs should negotiate a clause in their contracts to allow them to give two months' notice in the event of a change in circumstances, such as losing their seat at a general election. They will only be able to claim for rent and other office costs incurred during the two month

winding up period after the election. Any further costs incurred after that period will not be funded by IPSA, unless MPs can demonstrate that they were unavoidable.

#### *Renting from party political organisations*

- 6.20 Where the constituency office is to be rented from a political party or constituency association:
- a. the MP must provide a valuation of the market rate for the contract prepared by a valuer regulated by the Royal Institution of Chartered Surveyors;
  - b. the valuation should be clear about the evidence upon which the market rate should be based; and
  - c. the rent must not exceed the market rate.

6.21 The cost of the valuation required under paragraph 6.20 can be claimed.

#### *Loans for deposits on rental properties*

6.22 An MP who intends to claim from the office costs budget for rental costs may apply to IPSA for a loan to cover any deposit payable at the start of a tenancy.

6.23 The MP is responsible for securing the return of the deposit and for repaying the amount in full to IPSA, no later than one month after the date on which the tenancy comes to an end; or, where the MP leaves Parliament, no later than one month after the end of the Winding Up period as set out in paragraph 8.6 (whichever is earlier). Any shortfall between the deposit paid and the amount returned shall be the sole responsibility of the MP.

#### *Use of offices by others*

6.24 Where MPs grant a licence or give permission to any other person to use the constituency office, or any part of it, a fee must be charged which reflects an appropriate proportion of the rent and other costs incurred. The fee must be remitted to IPSA in its entirety.

### *Shared offices*

- 6.25 If an MP shares a constituency office or surgery with another MP, a member of the European Parliament, the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly, office costs may be claimed only for the appropriate proportion of the rent and other office costs. The MP will be required to inform IPSA of the relevant proportion when registering the office.
- 6.26 Under such arrangements, MPs should submit claims in the normal way, except that IPSA will accept copies of invoices and receipts, if the original needs to be submitted to the authority funding the person who is sharing the office with them.

### *General points*

- 6.27 For MPs representing Welsh constituencies, the cost of translation between the Welsh and English languages can be claimed from the contingency fund rather than the office costs budget. No prior approval is required.
- 6.28 When submitting claims for telephone calls, MPs should only claim for that proportion of the costs which has been incurred for parliamentary purposes.
- 6.29 MPs may claim for pooled staffing services (as described in paragraph 7.4b) from either the office costs or staffing costs budget.

*Given that MPs' staffing costs budgets are considerably larger than the office costs budget, MPs are advised to fund pooled services from their staffing costs budgets.*

## CHAPTER SEVEN. STAFFING COSTS

- 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 Nothing in this Scheme affects the MP's position as the employer of his or her staff.

### Eligibility

- 7.3 All MPs are eligible to claim for staffing costs.
- 7.4 Staffing Expenditure may be used to meet the following costs:
- a. staff salaries, employers' contributions to National Insurance and employers' contributions to pension schemes;
  - b. payments for pooled staffing services, which provide research, briefing and drafting services to groups of MPs, and have an arrangement with IPSA in place;
  - c. payments for bought-in services, where staffing services are provided by companies, self-employed individuals and others not on the MP's payroll;
  - d. overtime payments, to the extent that these are specified in staff terms and conditions;
  - e. payments for childcare vouchers for staff, cycle-to-work schemes, or other payments by way of salary sacrifice;
  - f. reward and recognition payments, except where the employee is a connected party;
  - g. one-off health and welfare costs associated with provision of staffing support, such as eyesight tests and occupational health assessments;
  - h. costs associated with apprenticeships that meet the standards of the National Apprenticeship Service;
  - i. the incidental expenses of volunteers;
  - j. where the MP expects the office costs budget to be exhausted, staff training costs.

### *Conditions for payment of staff salaries*

- 7.5 The salaries of staff employed by MPs after 7 May 2010 will only be paid by IPSA if the following conditions are satisfied:
- a. the member of staff is employed to do work that complies with one or more of the job descriptions published by IPSA;
  - b. the member of staff's salary is within the relevant range published by IPSA for the job description in question;
  - c. a contract of employment that complies with the model contract of employment published by IPSA from time to time has been signed by the relevant parties.

*Model contracts and job descriptions, along with guidance on frequently-asked payroll questions, can be found on IPSA's website, at "IPSA for MPs". Later in 2017 the model contracts and job descriptions will be available on IPSA's new on-line system.*

*When setting the pay for their staff, MPs should have regard to any relevant guidance issued by IPSA. Members' HR Advice Service, run by the House of Commons, provides HR advice to MPs in their role as employers, such as advice on staff recruitment, redundancies and employment law.*

- 7.6 Staff already employed by an MP on 7 May 2010 may remain on job descriptions, salaries and contracts that do not conform to the conditions in paragraph 7.5, provided they remain employed by the same MP.

- 7.7 Once the conditions set out in paragraph 7.5 have been fulfilled (or IPSA is satisfied that they will be fulfilled), IPSA may pay the salaries of MPs' staff with effect from the commencement of the staff members' employment.

*Paragraph 7.7 ensures that staff receive payment for all the days they have worked and not just from the point at which all the conditions in paragraph 7.5 have been met, subject to paragraph 7.16, where the costs would take an MP over-budget.*

### *Connected parties*

- 7.8 Staffing costs may only be claimed for the salary of one employee who is a connected party (subject to paragraphs 3.22 and 3.23), unless the MP already employed more than one

connected party on 7 May 2010. In that case the MP may continue to claim for the salaries of those connected parties.

*As described in paragraphs 3.22 and 3.23, IPSA will not pay for any new employees who are connected parties following the 8 June 2017 General Election. Nor will IPSA pay for employees who become connected parties by virtue of paragraphs 3.19 a and c, subject to a transition period of two years.*

### *Apprentices*

7.9 Paragraph 7.5 does not apply to apprentices. The salaries of apprentices employed by an MP after 7 May 2010 will be paid by IPSA provided that the apprentice is employed on terms that meet the standards of the National Apprenticeship Scheme.

### *Employed interns*

7.10 Paragraph 7.5 does not apply to employed interns. The salaries of employed interns engaged by an MP after 7 May 2010 will be paid by IPSA provided that the employment conditions comply with the requirements of National Minimum Wage legislation.

*Employed internships are typically understood to be a period of workplace learning usually lasting between 3-12 months in a position which generally requires a higher level of qualification than other forms of work experience.*

### *Reward and recognition*

7.11 MPs may make reward and recognition payments to their staff in recognition of outstanding performance. No more than 2% of the staffing costs budget may be used for reward and recognition during the year, and no individual member of staff may receive more than £1,000 per year. If any MPs exceed these amounts they will have to fund the excess from their own resources. This will not be processed by IPSA.

### **Budgets**

7.12 For London Area MPs, the annual staffing costs budget is £161,550.

- 7.13 For non-London Area MPs, the annual staffing costs budget is £150,900.
- 7.14 The following costs will be met centrally from a staff absence budget and will not be deducted from MPs' staffing costs budgets:
- a. costs of staff who are on maternity, paternity or adoptive leave; and
  - b. costs of staff who are on long-term sick leave (i.e. longer than two weeks).
- 7.15 The costs of staff to cover for those absent as described in paragraph 7.14 will be met from MPs' staffing costs budgets. MPs should not make arrangements which will take them over their staffing costs budget limit.
- 7.16 IPSA will not accept any claims or requests for payments (including payment of overtime, increases in salary, addition of new staff members to payroll, or other changes to the staff complement) where these will take an MP over the staffing costs budget limit for the year.
- 7.17 Redundancy payments to staff incurred at any time other than when an MP ceases to hold office must be funded from the staffing costs budget. IPSA may consider funding exceptional cases from the contingency fund.
- 7.18 Pay in-lieu-of-notice or pay for untaken leave when any staff have been made redundant, have been dismissed, or have resigned, must also be funded from the staffing costs budget.

## **Procedures**

### *Employment status of staff*

- 7.19 MPs must ensure that all their staff have the correct employment status, so that the correct tax and National Insurance contributions are paid.

*Employment status is not a matter of choice; it is determined by the nature of the working relationship, including the level of control exercised by the MP, even if the work is only casual or part-time. A complete guide to employment status can be found on HMRC's website: [www.hmrc.gov.uk/employment-status](http://www.hmrc.gov.uk/employment-status). Employees should be registered on the IPSA payroll in the usual manner.*



### *Employers' contributions to National Insurance*

7.20 Employers' National Insurance contributions will be paid by IPSA for all members of staff for whom salaries are paid. These will be deducted from the staffing costs budget. Employees' contributions will be deducted from salaries.

### *Pension scheme payments*

7.21 IPSA will make employers' pension contributions (equal to 10% of the employee's salary), on the MP's behalf, in respect of eligible employees for whom salaries are paid. Payments will be deducted from the staffing costs budget and made to the MPs' Staff Pension Scheme. Any employees' contributions will be deducted from their salaries.

### *Salary sacrifice for employee benefits*

7.22 An MP may request IPSA to make arrangements for employees to have access to benefits such as childcare voucher schemes through salary sacrifice arrangements. Payments from staff's salaries will be administered by IPSA. Any employer contributions will be deducted from the staffing costs budget.

### *Untaken leave*

7.23 All new staff contracts must stipulate that the maximum amount of untaken leave that can be rolled forward from one leave year to the next is 5 working days, unless the employee has been prevented from taking that leave due to sickness absence, maternity, paternity or adoption leave.

*The requirement in paragraph 7.23 cannot be enforced in contracts in place before 1 April 2017; but MPs and their staff are advised to ensure that staff do not accumulate excessive untaken leave. It is not good employment practice and may infringe people's statutory leave entitlement, which is a minimum of 28 days (including public holidays).*

## *Volunteers*

- 7.24 MPs who engage volunteers must submit a signed arrangement with the volunteer to IPSA before claims for incidental expenses can be made. The signed arrangement must comply with the model volunteer arrangement published by IPSA. Incidental expenses are limited to reasonable travel and food, and non-alcoholic drinks.
- 7.25 Volunteers are not required to carry out specific duties for the MP, and they are assisting the MP with his or her duties on a voluntary basis. Should the nature of the volunteer's work change so that they would be classified as an employed intern, the MP must contact IPSA and provide the individual with a contract of employment, subject to National Minimum Wage legislation.
- 7.26 MPs must notify IPSA whenever an arrangement with a volunteer comes to an end.

*A model volunteer arrangement is available on IPSA's website.*

*It is the MP's responsibility to ensure that any volunteers are not in fact workers and therefore entitled to payment of a salary. Volunteers may receive incidental expenses only. For further advice, please see the advice from the Department of Business, Energy and Industrial Strategy, which is available on IPSA's website.*

## CHAPTER EIGHT. WINDING-UP COSTS AND LOSS OF OFFICE PAYMENTS

### WINDING-UP

- 8.1 The winding-up budget is designed to meet the costs of completing the outstanding parliamentary functions of former MPs. This includes the costs of closing down constituency offices.
- 8.2 The winding-up budget is available to former MPs following a general election either because they have not stood for election, or because they have lost their seat at the election. It is also available to those who cease to be MPs during a Parliament.
- 8.3 Former MPs may claim for winding-up costs incurred for a maximum of two months after they cease to be MPs.
- 8.4 Winding-up costs may include:
- a. Salary, National Insurance and employer pension contribution costs for any staff who continue to work for the MP (for a maximum of two months after the MP leaves Parliament);
  - b. other contractual liabilities for staff in respect of the period after the date of the general election or after the MP otherwise leaves Parliament, such as overtime worked, untaken leave and pay in-lieu-of-notice;
  - c. any office and travel costs which remain necessary for the completion of the MP's parliamentary functions, including any contractual liabilities, such as office rent, utility bills and equipment rental payments, subject to paragraph 8.5;
  - d. the costs, including removals, of leaving any office accommodation funded under the Scheme.
- 8.5 IPSA will not pay claims for the purchase of new office equipment (including IT) and furniture from the winding-up budget. If MPs have an exceptional need for either during the winding-up period they must apply for contingency funding.

*MPs who leave Parliament should make arrangements to dispose of their office equipment and furniture. MPs may choose to transfer these items to their successor or another MP, or donate equipment to a charity of their choice. If MPs make any money from disposing of equipment, they should refund this to IPSA. MPs should dispose of any equipment safely and securely, in compliance with the Data Protection Act 1998. Before they leave Parliament, MPs can claim any disposal costs from their office costs budget. After they leave Parliament, they can claim these costs from their winding-up budget.*

- 8.6 The costs of staff redundancy payments as a result of winding-up will be met from the Contingency Fund.

*MPs who have left Parliament after a general election, or in other circumstances, should give their staff notice of redundancy at a point which allows them to wind up their affairs effectively and minimises the cost of pay in-lieu-of-notice to the taxpayer.*

- 8.7 MPs may continue to claim for accommodation rental payments and/or associated expenditure for a maximum of two months after leaving Parliament. These costs will be met from the contingency fund.
- 8.8 MPs who received disability or security assistance prior to leaving Parliament may continue to claim on the same basis for a maximum of two months after leaving Parliament.
- 8.9 For London Area MPs, the winding-up budget is £57,150.
- 8.10 For non-London Area MPs, the winding-up budget is £53,950.

#### **LOSS OF OFFICE PAYMENTS**

- 8.11 MPs will be eligible to receive a Loss of Office payment if they lose their seat at a general election.
- 8.12 The amount of the Loss of Office payment will be equal to double the prevailing statutory redundancy entitlement.

8.13 To qualify for the Loss of Office payment, the individual must have been an MP on the day before the dissolution of Parliament and a candidate for re-election for the same seat, but not re-elected.

*The effect of paragraphs 8.12 and 8.13 is that MPs will only be eligible for a Loss of Office Payment if they have held office for a continuous period of at least two years at the point they lose their seats.*

8.14 MPs may request that they are paid an amount equal to their full salary for the month in which the general election was held, with the amount covering the period when they were no longer an MP being deducted from their entitlement to a Loss of Office payment. They must apply for this payment before IPSA's payroll deadline for the month.

8.15 IPSA will only pay the Loss of Office payment (or the remainder, if a payment has been made under paragraph 8.14) after MPs have made the following arrangements to wind up their affairs, where necessary:

- a. issuing redundancy notices to staff and sending instructions to IPSA;
- b. repaying any outstanding debts to IPSA (such as repayment of deposit loans and overpaid expenses) subject to paragraph 8.16;
- c. submitting all expense claims for the period running up to the election;
- d. carrying out administrative tasks such as cancellation of the IPSA payment card; and
- e. any other necessary tasks identified by IPSA.

8.16 MPs may have outstanding debts to IPSA deducted from their entitlement to a Loss of Office payment. Any remaining entitlement will be subject to the conditions in paragraph 8.15.

# PART E. OTHER SUPPORT

## CHAPTER NINE. TRAVEL AND SUBSISTENCE COSTS

9.1 Travel and Subsistence claims may be made for the costs of travel, and travel-related subsistence incurred by MP or others, which are in support of the MP's parliamentary functions.

9.2 MPs may claim for travel by public transport, private transport, taxis and hire cars.

### Eligibility

9.3 IPSA will pay MPs' claims for travel and subsistence costs relating to journeys which fall into one of the following categories:

- a. journeys between Westminster and anywhere in MPs' constituencies, except, in the case of London Area MPs, their residences.
- b. journeys anywhere in MPs' constituencies, except between their residences and constituency offices;
- c. extended UK travel;
- d. journeys to and from other states in Europe. (No other international travel may be claimed, except under the circumstances described in paragraph 10.11, when Parliament is recalled).

*Paragraph 9.3 allows all journeys in support of MPs' parliamentary functions, but does not allow claims for daily commuting to Westminster or the constituency office – with the exception of non-London Area MPs who claim for travel to Westminster daily instead of claiming accommodation costs.*

### Extended UK Travel

9.4 MPs may claim for extended UK travel if the journey undertaken was :

- a. outside the constituency;
- b. not the routine journey between the constituency and Westminster or a London Area residence.

- 9.5 If MPs travel between Westminster and the constituency, but make a diversion from the normal route for non-parliamentary purposes, they may claim for a “diverted” journey. The maximum claimable fare for such a journey is the standard open fare of the direct journey between Westminster and the constituency.
- 9.6 MPs must include notes explaining the reason for the journey when claiming for extended UK travel and “diverted” journeys.

*Reasons for extended travel include, amongst other things: matters before a Select Committee on which an MP serves; All Party Parliamentary Group activity; visiting constituents or discussing constituency matters outside the constituency; and opposition front bench and shadow ministerial travel.*

#### *Travel by members of MPs’ families*

- 9.7 Where MPs have caring responsibilities as described in paragraph 3.17, they may claim for journeys by their dependants between their constituency and London.
- 9.8 MPs may also claim for journeys by their spouse or partner between their constituency and London.
- 9.9 Where a dependant needs assistance from a carer other than an MP’s spouse or partner while travelling, the cost of the carer’s journey may also be claimed.
- 9.10 MPs’ dependants and spouses or partners, and other carers must be registered with IPSA before travel can be claimed for them.

#### *Travel by MPs’ staff*

- 9.11 MPs’ staff are eligible to claim for the same travel costs as MPs, with the exception of journeys to and from other states in Europe. Claims for travel by members of their families will not be paid.
- 9.12 Travel costs incurred in order to attend training events may be claimed.

*Training may include attendance at conferences on subjects that are relevant to the MP's parliamentary functions.*

## **Cost limits and procedures**

### *Public transport*

- 9.13 For journeys by public transport, MPs may buy a ticket of any class but (except where paragraph 9.14 applies) reimbursement will be limited to the rate of an economy class ticket available at the time of booking. In the case of air travel, 'economy' includes 'flexible economy'.
- 9.14 For journeys made by rail, reimbursement will be limited to the rate of an 'anytime standard open' ticket for the journey prevalent at the time of the claim.

*Information on standard open fares is included in the online expenses system, which will automatically check the cost of the relevant rail journey.*

*MPs should consider value for money when purchasing tickets which they may need to change at short notice. In the interests of saving money MPs should exercise discretion and balance low cost, generally inflexible, tickets against the probability of cancellations and the charges they will incur.*

- 9.15 MPs travelling on sleeper train services are additionally entitled to claim for a sleeper supplement for a single occupancy berth.

*Both companies which provide sleeper train services within the UK (Caledonian Sleeper and Great Western Railway) will allow travellers to purchase a single occupancy berth as a supplement to a standard class ticket. The single occupancy berth is the same berth as would be provided with a first class ticket. No MP is expected to share a berth and IPSA will pay any claim that was necessary to secure a single berth.*

- 9.16 Where an MP obtains a railcard or season ticket which allows savings to be made on future purchases of rail tickets, reimbursement of the cost of the railcard may be claimed.



## Private transport

9.17 Private cars, motorcycles or bicycles may be used as an alternative to public transport. An MP undertaking a journey by private transport will be reimbursed in accordance with the rates set by Parliament and administered by HMRC. If the rates change during the year, IPSA will reimburse claims according to the new rates from the date at which they take effect.

*Where MPs' staff have incurred travel costs involving private transport, they should claim in their own name, not that of the MP.*

*The following are the standard rates at the time of publication of this Scheme.*

Motor mileage rate	To cover business travel by private motor car	45p per mile for the first 10,000 miles 25p per mile thereafter
Motor Cycle mileage rate	To cover business travel by private motor cycle	24p per mile
Bicycle mileage rate	To cover business travel by private cycle	20p per mile

9.18 MPs using private transport may claim reimbursement of the costs of parking charges, congestion zone charging and road tolls. Penalty charges or additional charges for late payment, or civil charges for traffic, parking or other violations, will not be reimbursed.

## Taxis

9.19 Taxi fares will only be reimbursed when a journey by taxi is necessary because:

- a. no other reasonable method of transport is available for all or part of the journey; or
- b. alternative methods of transport are impracticable due to pregnancy, disability, illness or injury of the MP or staff member; or
- c. MPs have been working on parliamentary business after 10pm, as set out in paragraph 9.33.

9.20 When submitting claims for taxi journeys MPs must include a note on the reasons for taking a taxi rather than using public transport.

### *Hire cars*

- 9.21 Hire cars may be used where there is no reasonable alternative. MPs may claim for the cost of hiring the vehicle, of any fuel used, and insurance purchased.

### *Subsistence costs*

- 9.22 MPs may claim for the cost of an overnight hotel stay where they have travelled as part of their parliamentary activities, and it would be unreasonable to return to any residence either in the London Area or their constituency.
- 9.23 MPs may not claim for hotel stays in the London Area under travel and subsistence, except when they have been working after 10pm on parliamentary matters, as described in paragraph 9.33.

*Non-London Area MPs can claim for hotels under their accommodation costs budget where hotel stays are an alternative to claiming for rent or associated costs only. See paragraphs 4.9 and 4.17-19.*

- 9.24 Where subsistence is claimed for hotel stays outside the United Kingdom, or in the London Area, the cost limit is £150 per night. For hotel stays inside the United Kingdom but outside the London Area, the limit is £120 per night.
- 9.25 MPs may group together a number of nights during a single stay, where the cost varies on different nights, and claim the full amount if the average per night does not exceed the limits in paragraph 9.24.

*Costs incurred outside the UK will be claimed by the MP in the usual manner, but the foreign currency costs will be converted to pounds sterling. Cash transactions will be converted by the rate obtained by the MP when buying the foreign currency. MPs should provide evidence of the rate obtained. Card transactions will be converted by the rate used by the card provider.*

- 9.26 MPs may claim for the cost of purchasing food and non-alcoholic drinks where they have stayed overnight outside the London Area and their constituency. This is limited to £25 for each night they have stayed, but the claims can be for purchases made during the day.

### *Subsistence costs for carers*

9.27 Where a dependant needs assistance from a carer other than an MP's spouse or partner while travelling, and the carer requires an overnight hotel stay, IPSA will pay for the cost of the hotel and other subsistence.

9.28 For hotel stays the cost limits are as described in paragraph 9.24.

9.29 The subsistence rates in paragraph 9.26 also apply to carers.

### *Subsistence costs for MPs' staff*

9.30 MPs may claim for the cost of an overnight hotel stay for a member of their staff, where the staff member has travelled in support of their parliamentary functions, or for training purposes, and it would be unreasonable for him or her to have to return to their own residence.

9.31 For hotel stays the cost limits are as described in paragraph 9.24.

9.32 The subsistence rates in paragraph 9.26 also apply to MPs' staff.

### *Working late on parliamentary matters*

9.33 If MPs have been working after 10 pm on parliamentary matters they may claim for a taxi to their London Area residence or for an overnight stay in a hotel.

*There is no cost cap on taxi fares under paragraph 9.33, but MPs should be mindful of the need for value for money to the taxpayer.*

9.34 Claims for hotels will be subject to an upper limit of £150 per night for each such stay.

9.35 If, in exceptional circumstances, MPs are unable to find a hotel for £150 or less, they may claim for the total cost, provided they have evidence to show why it was not possible to find a hotel within the price limit.

*Paragraph 9.35 does not apply to claims for hotels from the accommodation costs budget. MPs should note that the House of Commons Travel Office may be able to book hotels at a rate below these limits or, alternatively, MPs should consult hotel price comparison websites in order to ensure value for money.*

*MPs may wish to have regard to the HMRC's guidance on the tax status of claims for hotels and late-night taxis.*

## CHAPTER TEN. MISCELLANEOUS COSTS AND FINANCIAL ASSISTANCE

### DISABILITY ASSISTANCE

- 10.1 Disability assistance may be claimed by any MP for additional costs incurred in the performance of an MP's parliamentary functions which are reasonably attributable to a disability of an MP, a staff member, a job applicant or constituents visiting the MPs' office or a surgery.
- 10.2 In addition to the expenditure for which claims may be made under other parts of this Scheme, disability assistance may be claimed to meet the costs of any 'reasonable adjustments' required by the Equality Act 2010 including:
- a. staff and associated costs;
  - b. IT and other specialist equipment;
  - c. office furniture;
  - d. necessary adjustments to office premises or accommodation;
  - e. necessary costs of securing larger office premises or accommodation; and
  - f. necessary additional travel costs (including for carers or support staff where necessary).
- 10.3 A claim for disability assistance must be accompanied by a clear statement of the nature of the disability in question and the assistance required.
- 10.4 Claims for disability assistance can only be made by MPs for funding to support the performance of their parliamentary functions outside the parliamentary estate. There is no set limit on the amount of disability assistance an MP may receive; the level of allowable claims will be decided on a case by case basis.

*It will not always be necessary for MPs or staff to undergo an assessment of their disability in order to determine what reasonable adjustments are required. In many cases, the individual will already understand what is needed. However, if such an assessment is required, the cost should be claimed under disability assistance.*

*MPs are recommended to seek prior approval for claims, especially if there is a large cost involved – for example, for buying specialist equipment IPSA will require an estimate of costs of the additional assistance in order to grant prior approval.*

*In some circumstances, particularly where a large cost is involved, IPSA may require an independent assessment of the disability to be provided. If an MP or staff member has a temporary or minor injury which does not constitute a disability, for example a broken leg, it may be more suitable for them to claim for any required additional assistance from the contingency fund.*

## **SECURITY ASSISTANCE**

- 10.5 IPSA will fund the cost of certain security measures from the Security Assistance Fund when installed at MPs' registered constituency offices, IPSA-funded accommodation or MPs' private residences. Security funding is normally available for one constituency and one London residence only.

*Routine security measures may continue to be claimed from the office costs or accommodation costs budgets. Funding is available from the Security Assistance Fund for measures which are part of the standard and additional security options package.*

- 10.6 IPSA will pay for security measures recommended by the National Police Chiefs' Council installed at the properties identified in paragraph 10.5. Where the measures have been installed by the House of Commons' approved contractor, IPSA will pay the costs direct to the contractor. Where MPs choose not to use the House of Commons' approved contract, they must, before incurring the costs, submit an application for the funding supported by two independent quotes.

- 10.7 IPSA will also pay for any additional measures at the properties identified under paragraph 10.5 which are recommended by the police or the Parliamentary Liaison and Investigation Team, following the agreed assessment process.

*The recommended security measures are owned by the National Police Chiefs' Council and have been developed by the National Counter Terrorism Security Office and Secured by Design. IPSA will fund only these measures as a matter of routine.*

*IPSA will fund additional security measures recommended by the Parliamentary Liaison and Investigation Team or the police on a case-by-case basis and in accordance with agreed processes, for individual MPs who may have additional security requirements. IPSA will fund the resulting measures in any of the properties identified in paragraph 10.5.*

*IPSA will publish the total costs paid from the Security Assistance Fund in line with IPSA's publication scheme.*

## **CONTINGENCY PAYMENTS**

10.8 MPs may apply to IPSA for a contingency payment, under the following circumstances:

- a. where they have incurred a cost, or liability for a cost, which is not covered by the Scheme, but which they consider to be in support of their parliamentary functions;
- b. where their spending under a particular budget has exceeded or may exceed the budget limit for the year and they consider this to be the result of exceptional circumstances.

*MPs should, where possible, apply for contingency payments before they incur costs which may take them over budget, rather than incurring the costs and then applying for contingency payments.*

10.9 MPs must complete the application form for contingency payments which is on IPSA's website.

10.10 IPSA may decide to accept or reject an application under paragraph 10.8 at its discretion. In considering its decision IPSA shall take into account the following factors:

- a. whether there are exceptional circumstances warranting additional support;
- b. whether the MP could reasonably have been expected to take any action to avoid the circumstances which gave rise to the expenditure or liability; and
- c. whether the MP's performance of parliamentary functions will be significantly impaired by a refusal of the claim.

## **RECALLS OF PARLIAMENT**

10.11 IPSA will, in the event of a recall of Parliament during Recess, pay claims for any reasonable travel by MPs and their spouses, partners or dependants to Westminster or their London

Area residence. This includes international travel back to the UK and, if necessary, return travel to the foreign location, from which they were recalled. MPs will be expected to claim for standard class or equivalent fares unless they have no alternative, or there is a more cost-effective option available.

#### **EXPENDITURE DURING THE DISSOLUTION PERIOD**

- 10.12 During the period between the dissolution of Parliament and the day after polling day the following conditions will apply to claims made under this Scheme.
- 10.13 Accommodation costs may be claimed in accordance with the normal rules of the Scheme.
- 10.14 Office costs may be claimed in accordance with the normal rules of the Scheme, taking into account paragraph 10.15. Office equipment and supplies purchased in support of MPs' parliamentary functions may not be used for party political activities. Any MP who intends to use his or her IPSA funded office for any activities connected with the general election may only claim the proportion of the rent, utilities and other costs which relates to parliamentary activity.
- 10.15 While they may continue to exercise discretion in claiming for office costs, MPs should only purchase office furniture, IT hardware and other capital equipment where there is an exceptional need to do so.
- 10.16 Staffing costs may not be claimed for any party political activity. Staff wishing to undertake party political activity must not do so during their working hours and must instead take paid or unpaid leave. If a staff member plans to take unpaid leave, MPs must notify IPSA in advance, so that pay adjustments can be made.
- 10.17 Staff who normally work for MPs at Westminster may claim for travel between Westminster and the MP's constituency office. They may also claim for journeys between their home and the constituency office. If they need to stay overnight in the constituency they may claim for hotels and other subsistence. In all other respects the normal travel and subsistence rules apply.



## **OTHER FINANCIAL ASSISTANCE**

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

## SCHEDULE 1. LIST OF CONSTITUENCIES IN THE LONDON AREA

1	Barking	42	Hackney North and Stoke Newington
2	Battersea	43	Hackney South and Shoreditch
3	Beaconsfield	44	Hammersmith
4	Beckenham	45	Hampstead and Kilburn
5	Bermondsey and Old Southwark	46	Harlow
6	Bethnal Green and Bow	47	Harrow East
7	Bexleyheath and Crayford	48	Harrow West
8	Brent Central	49	Hayes and Harlington
9	Brent North	50	Hendon
10	Brentford and Isleworth	51	Hertford and Stortford
11	Brentwood and Ongar	52	Hertsmere
12	Bromley and Chislehurst	53	Holborn and St Pancras
13	Broxbourne	54	Hornchurch and Upminster
14	Camberwell and Peckham	55	Hornsey and Wood Green
15	Carshalton and Wallington	56	Ilford North
16	Chelsea and Fulham	57	Ilford South
17	Chingford and Woodford Green	58	Islington North
18	Chipping Barnet	59	Islington South and Finsbury
19	Cities of London and Westminster	60	Kensington
20	Croydon Central	61	Kingston and Surbiton
21	Croydon North	62	Lewisham East
22	Croydon South	63	Lewisham West and Penge
23	Dagenham and Rainham	64	Lewisham, Deptford
24	Dartford	65	Leyton and Wanstead
25	Dulwich and West Norwood	66	Mitcham and Morden
26	Ealing Central and Acton	67	Mole Valley
27	Ealing North	68	Old Bexley and Sidcup
28	Ealing, Southall	69	Orpington
29	East Ham	70	Poplar and Limehouse
30	East Surrey	71	Putney
31	Edmonton	72	Reigate
32	Eltham	73	Richmond Park
33	Enfield North	74	Romford
34	Enfield, Southgate	75	Ruislip, Northwood and Pinner
35	Epping Forest	76	Runnymede and Weybridge
36	Epsom and Ewell	77	Sevenoaks
37	Erith and Thamesmead	78	Slough
38	Esher and Walton	79	South West Hertfordshire
39	Feltham and Heston	80	Spelthorne
40	Finchley and Golders Green	81	St Albans
41	Greenwich and Woolwich	82	Streatham

- 83 Sutton and Cheam
- 84 Thurrock
- 85 Tooting
- 86 Tottenham
- 87 Twickenham
- 88 Uxbridge and South Ruislip
- 89 Vauxhall
- 90 Walthamstow
- 91 Watford
- 92 Welwyn Hatfield
- 93 West Ham
- 94 Westminster North
- 95 Wimbledon
- 96 Windsor

*NOTE. All other constituencies are classified as non-London Area.*

**SCHEDULE 2. LIST OF LONDON AREA CONSTITUENCIES WHOSE MPs ARE ELIGIBLE FOR  
ADDITIONAL LONDON AREA LIVING PAYMENT**

- 1 Beaconsfield
- 2 Brentwood and Ongar
- 3 Broxbourne
- 4 Dartford
- 5 East Surrey
- 6 Epping Forest
- 7 Epsom and Ewell
- 8 Esher and Walton
- 9 Harlow
- 10 Hertford and Stortford
- 11 Hertsmere
- 12 Mole Valley
- 13 Reigate
- 14 Runnymede and Weybridge
- 15 Sevenoaks
- 16 Slough
- 17 South West Hertfordshire
- 18 Spelthorne
- 19 St Albans
- 20 Thurrock
- 21 Watford
- 22 Welwyn Hatfield
- 23 Windsor

## ANNEX A. SUMMARY OF BUDGETS FOR 2017-18

Following the General Election on 8 June 2017, the budgets available to MPs depend on whether they were re-elected ('returning'); retired or lost their seat ('departing'); or were elected, having not been the MP for the constituency in the previous Parliament ('new'). The figures for returning MPs in the table below match those in the main body of the Scheme.

Budget heading	Area / Eligibility	Returning MPs (Full 2017-18 budget)	Departing MPs (3 months pro-rated)	New MPs (10 months pro-rated)
Accommodation Expenditure – Rental costs	London Area	£22,760	£5,690	£18,967
	Outside London Area	£15,850	£3,963	£13,209
Accommodation – Associated Expenditure only	(Non-London Area MPs only)	£5,963 3 months @ £8,850 per year pre-election  9 months @ £5,000 per year post-election	£2,213	£4,167
Office Costs <sup>1</sup>	London Area MPs	£26,850	£6,713	£28,375 incl. £6,000 start-up supplement
	Non-London Area MPs	£24,150	£6,038	£26,125 incl. £6,000 start-up supplement
Staffing	London Area MPs	£161,550	£40,388	£134,625
	Non-London Area MPs	£150,900	£37,725	£125,750
Winding Up	London Area MPs	N/A	£57,150	N/A
	Non-London Area MPs	N/A	£53,950	N/A

<b>Budget heading</b>	<b>Area / Eligibility</b>	<b>Returning MPs (Full 2017-18 budget)</b>	<b>Departing MPs (3 months pro-rated)</b>	<b>New MPs (10 months pro-rated)</b>
<b>London Area Living Payment (LALP)</b>	London Area MPs	<b>£3,820</b>	<b>£955</b>	<b>£3,184</b> (London Area MPs only)
<b>Additional LALP</b>	London Area MPs of 23 outer London constituencies	<b>£1,350</b>	<b>£338</b>	<b>£1,125</b> (London Area MPs only)
<b>Rental accommodation uplift for MPs with caring responsibilities</b>	Per eligible dependant per year (max of 3 uplifts)	<b>£5,435</b>	<b>£1,359</b>	<b>£4,530</b>

<sup>1</sup> The annual Office Costs budgets are £700 less than originally announced in March 2017, because the House of Commons has decided to retain its broadband contract for MPs.

## ANNEX B. MPS' STAFF PAY RANGES FOR 2017-18

### LONDON AREA STAFF

JOB ROLE	ANNUAL MINIMUM (£)	ANNUAL MAXIMUM (£)
Administrative 1 (Secretary)	19,013	26,250
Administrative 2 (Senior Secretary)	24,238	33,822
Administrative 3 (Office Manager)	30,324	43,698
Executive 1 (Caseworker)	21,960	31,500
Executive 2 (Senior Caseworker)	27,324	37,184
Research 2 (Parliamentary Assistant)	23,750	34,442
Research 3 (Senior Parliamentary Assistant)	33,000	48,913
Employed Interns	13,553	19,013

**NON-LONDON AREA STAFF**

<b>JOB ROLE</b>	<b>ANNUAL MINIMUM (£)</b>	<b>ANNUAL MAXIMUM (£)</b>
Administrative 1 (Secretary)	16,478	24,472
Administrative 2 (Senior Secretary)	21,951	30,328
Administrative 3 (Office Manager)	27,815	39,915
Executive 1 (Caseworker)	19,641	27,876
Executive 2 (Senior Caseworker)	23,938	35,465
Research 2 (Parliamentary Assistant)	20,420	31,311
Research 3 (Senior Parliamentary Assistant)	30,290	43,105
Employed Interns	13,553	19,013



## ANNEX C. GUIDANCE ON OTHER PAYMENT METHODS

In addition to reimbursing parliamentary costs on the online expenses system, IPSA also provides a number of other payment methods and loans to reduce administration and improve cash-flow for MPs.

These other payment methods and loans may develop between reviews of the Scheme. Updated guidance is available on IPSA's website or by contacting the MP Support team (020 7811 6400, [info@theipsa.org.uk](mailto:info@theipsa.org.uk)).

MPs are personally responsible and accountable for all expenses incurred, and claims made, and for adherence to the fundamental principles and the rules set out in the Scheme. IPSA will pay for costs where they are incurred in the performance of an MP's parliamentary functions, but not otherwise. No personal expenditure will be covered.

### **Direct payments to suppliers**

IPSA can make payments direct to a number of suppliers on behalf of the MP, removing the need for the MP to pay, claim or provide evidence. These costs will then be charged to the appropriate budget.

#### **1. Direct payments for rail travel and air travel**

MPs can book rail tickets using the IPSA account the Trainline.com website, and IPSA will pay the Trainline direct. MPs do not need to complete a form, reconcile the expense or send any receipts or tickets – IPSA will collect all the information required from the Trainline when the MP books.

MPs can book rail tickets and air travel using the House of Commons travel provider and IPSA will pay it direct.

#### **2. Direct payments for office supplies**

MPs can buy office supplies online using IPSA accounts with three suppliers: Commercial, Banner and XMA. IPSA will pay these suppliers direct, and MPs do not need to complete a form, reconcile the expense or send any receipts – IPSA will collect all the information required from the suppliers when the MP orders online. IPSA will then allocate these costs to the MP's Office Costs Expenditure budget. If an MP exceeds his or her office costs budget, IPSA may suspend further use of the websites until the new financial year, to prevent a greater overspend. IPSA will contact the MP seeking repayment for the overspend.

#### **3. Direct payments for rent**

IPSA is able to make payments direct to MPs' landlords for accommodation and constituency office rent, once MPs have submitted their rental agreement to IPSA. MPs can request direct payments by completing the 'Property Rental Form' on IPSA's website, and sending a signed copy to IPSA. MPs

should allow 28 days for the first payment to be set up. It remains the MP's responsibility to ensure that he or she stays within the budget.

IPSA will notify the MP when the payment has been set up, and IPSA will then pay the landlord automatically each month, quarter or year as appropriate until the end date of the rental agreement. IPSA will cease payments at the end date of a rental agreement unless notification of an extension has been received at least 28 days prior to the end of the agreement.

Once the direct payment has been made it will be allocated to the MP's accommodation or office costs budget, as appropriate.

MPs must inform IPSA immediately if the rental agreement ends or is renewed, or if there are any changes (such as a change in the rental amount or the landlord's payment details).

MPs will be responsible for the recovery and repayment to IPSA of any overpayments that arise due to late notification of changes or cessation of payments.

IPSA will not agree a direct rental payment where the total to be paid exceeds an MP's budget. Therefore, before instructing IPSA to set up the direct rental payment, MPs must check that there is sufficient budget to pay for rent and other associated costs, and agree an appropriate payment. Any amounts overspent are recoverable from the MP by IPSA.

IPSA will also monitor budgets on a regular basis and where it becomes apparent that an MP will overspend his or her budget (for example, because of higher than expected associated expenditure), IPSA may stop future direct rental payments.

#### **4. Direct payments for pooled staffing services**

Where IPSA has an agreed arrangement in place, it can pay annual subscriptions for pooled staffing services direct to the relevant organisations who provide such services. These organisations send direct payment request forms to their users annually.

#### **5. Payment Card**

IPSA provides a Government procurement card, known as a payment card, to MPs. MPs can use the payment card to pay for any business cost or expense allowable under the Scheme. It is not intended for personal use. IPSA will make payment to the payment card supplier every month. Before taking ownership of a payment card, MPs must sign a form that indicates their agreement to use the payment card only for spending that falls within the Scheme rules. MPs must also agree to reconcile the items of spending on a monthly basis and within the time limits set out below.

Each transaction is limited to £1,000, and the monthly credit limit is £4,000. IPSA may consider increases to these limits if requested by an MP.

IPSA will provide, on a monthly basis, through the online expense system, a list of the expenditure that MPs have incurred on their payment card. MPs are required to account for that expenditure within 30 days of notification of the transactions and to provide supporting evidence. IPSA may suspend use of the payment card if there is expenditure unaccounted for after this 30 day period.

IPSA may seek repayment for any unaccounted-for use of the card, or where IPSA determines that a purchase cannot be paid under the Scheme and marks it 'Not Paid' on the reconciliation form.

MPs must not use the payment card for personal expenditure or expenditure outside the Scheme. However, where this happens inadvertently, MPs should select 'Not Claimed, to repay' against the payment card transaction and immediately repay the money to IPSA by cheque or bank payment. Use of the card may be suspended if it is persistently or seriously misused outside the Scheme.

IPSA will allocate the expenditure to the appropriate budgets. If both the accommodation costs and office costs budgets are exceeded, IPSA may restrict further use of the card to travel costs only until the new financial year, to prevent greater overspends. Where a capped budget is exceeded, IPSA will contact the MP seeking repayment for the overspend following the end of the financial year.

## **6. Claiming an advance before paying the supplier**

MPs may claim payment in advance for unpaid invoices for any expense type except reward and recognition payments and mileage.

## **7. Deposit loans**

As described in the Scheme, MPs may apply for a loan for any deposit payable at the start of a tenancy for their constituency office or accommodation. MPs can request this by completing the 'Property Rental Form' on IPSA's website, and sending it to IPSA with their final or draft rental agreement. MPs must repay the loan in full within one month of the rental agreement ending, or within one month of when the MP leaves office (whichever is the earlier).

Please note that there may be tax implications if the combined outstanding value of all loans to an MP is more than £10,000 at any time during the tax year.

