

## **GUIDANCE TO MPs ON CLAIMING FOR COSTS AND EXPENSES RELATING TO THE EU REFERENDUM**

### **Background**

1. The referendum on whether the United Kingdom should remain part of or leave the European Union will be held on 23 June 2016.
2. In our MPs' Bulletin of 26 February 2016, we provided MPs with some initial guidance on what could and could not be claimed for.
3. We recognise that the referendum question is not party political in nature. Furthermore, the potential outcome for the United Kingdom is clearly a matter of interest to Parliament.
4. Therefore, for those MPs who have IPSA-funded websites, we will allow MPs to make a statement about their position on whether to remain or leave. This mirrors what was allowed in relation to the referendum on the future of Scotland in 2014.
5. The MPs' Scheme of Business Costs and Expenses does not have any rules which are specific to costs and expenses incurred in relation to referendums. However, there are fundamental principles and rules which are of particular relevance. These are set out in the next section. MPs should bear these in mind when considering making any claims for costs and expenses relating to the EU Referendum.

### **Relevant Principles and Rules in the Scheme**

6. MPs should take all the fundamental principles into account when they make any claim. The current principles are attached to this guidance. The principles of particular relevance with regard to the EU referendum are the second and third:
  - 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.
  - MPs must not exploit the system for personal financial advantage, nor to confer an undue advantage on a political organisation.
7. The Scheme, in Chapter 3 on General Conditions, sets out at paragraph 3.4 examples of activities that are not considered as necessary for the performance of MPs' parliamentary functions. These include, at 3.4(b), the following:
  - Work which is conducted for or at the behest of a political party.

8. In relation to any claims which would fall under Office Costs Expenditure in the Scheme, MPs should be aware of paragraph 6.1, which states:
  - 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*. (Italics for emphasis here.)
9. The rules on foreign travel remain as normal. MPs can claim for up to three return journeys in a financial year to the national Parliaments of Council of Europe member states, or institutions and agencies of the European Union. See paragraph 9.2(e) of the Scheme. Travel to or attendance at a conference on the EU referendum hosted in any other location outside the UK would not be eligible for funding.
10. MPs, when considering any claim that is in relation to costs or expenses incurred in relation to the EU referendum, should ask themselves whether they are confident that all of the above requirements would be complied with.

#### **IPSA's approach to MPs' claims for costs and expenses in relation to the EU referendum**

11. Our approach to MPs' claims for costs and expenses relating to the EU referendum will be, in essence, no different to claims relating to MPs expressing their views or attending events relating to, for example, the environment. It is a cross-party matter of great importance to the future of the United Kingdom, and, therefore MPs will be expected by their constituents to have a view on the matter and to be making arguments either for remaining or for leaving.
12. We will not, therefore, be disallowing claims relating to costs and expenses in relation to the EU referendum, unless they clearly fail to comply with the principles and rules outlined in paragraphs 6-9 above.
13. By way of an example, we would not expect MPs to be using funds provided by IPSA for campaign leaflets for either side of the debate, given that funding for such activity is available from other sources and would be conferring an undue advantage on a political (not party political) organisation.
14. MPs should also avoid criticism of politicians from other political parties in anything they write on IPSA-funded websites, as this would fall foul of paragraph 3.4 of the Scheme (see paragraph 7 of this note).
15. After the referendum we will be conducting an assurance review of MPs' costs and expenses incurred in relation to the EU referendum. We will also be looking at

general areas of expenditure such as extended travel to see whether there are any unusual patterns of spending. That review may be published in due course.

16. As ever, information on all MPs' claims for business costs and expenses will be published in the normal two-monthly cycle. MPs' claims for April and May will be published in September 2016. Claims for June will be published in November. Under the Freedom of Information Act 2000, we will provide to members of the public, on request, copies of receipts, invoices and other documents in support of MPs' claims, subject to the standard cost limits and any appropriate application of the exemptions in the Act.

### **Electoral Commission guidance**

17. The Electoral Commission is responsible for the delivery and regulation of the EU referendum. Its website provides a range of guidance on the referendum at the following link:

<http://www.electoralcommission.org.uk/find-information-by-subject/elections-and-referendums/upcoming-elections-and-referendums/eu-referendum>

### **Further questions**

18. If you have any further questions on IPSA's approach to MPs' spending on matters relating to the EU referendum, you should, in the first instance, call our information line on 0207 811 6400.
19. Our MP support team is not able to give definitive advice on the eligibility of individual claims in advance of those claims being made. We must have the supporting evidence for a claim before it can be assessed.

### **Independent Parliamentary Standards Authority**

19 April 2016

## **FUNDAMENTAL PRINCIPLES OF THE MP'S SCHEME OF BUSINESS COSTS AND EXPENSES**

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 for 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.
3. MPs must not exploit the system for personal financial advantage, nor to confer an undue advantage on a political organisation.
4.
  - a. The system should be open and transparent.
  - b. The system should be subject to independent audit and assurance.
5. The details of the expenses scheme for MPs should be determined independently of Parliament.
6. There should be clear, effective and proportionate sanctions for breaches of the rules, robustly enforced.
7. The presumption should be that in matters relating to expenses, MPs should be treated in the same manner as other citizens. If the arrangements depart from those which would normally be expected elsewhere, those departures need to be explicitly justified.
8. The scheme should provide value for the taxpayer. Value for money should not necessarily be judged by reference to financial costs alone.
9. Arrangements should be flexible enough to take account of the diverse working patterns and demands placed upon individual MPs, and should not unduly deter representation from all sections of society.
10. The system should be clear and understandable. If it is difficult to explain an element of the system in terms which the general public will regard as reasonable, that is a powerful argument against it.
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.
12. The system must give the public confidence that high standards of honesty will be upheld.