

Assurance Review: Surveys and gifts

Summary of expenditure and assessment of compliance 2015-16





Independent Parliamentary Standards Authority

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Introduction

Purpose and Scope

1. The purpose of this review was to provide an overview and analysis of expenditure during the 2015-16 financial year claimed for MPs to carry out opinion surveys of their constituents and for gifts (including cards, tokens and memorials) they gave to third parties. These are both costs that an MP could seek to claim from IPSA from their office costs budget.
2. Specifically the review:
 - describes expenditure on surveys and gifts and how such claims have been categorised in the office costs budget;
 - assesses levels of compliance by reviewing whether expenditure on surveys and gifts relates to party political or campaign activity or, in the case of the latter, results in third party benefit; and
 - identifies any claims that are not eligible and sets out the appropriate corrective action to be taken.

Our past approach to claims for surveys and gifts

3. IPSA supports MPs to carry out their parliamentary functions. We do not fund party political activity. The Scheme is therefore careful to ensure that only claims which are for parliamentary activity are paid.
4. To do this, IPSA has to draw a boundary between parliamentary and political activities. We are open about the fact that the difference between the two is not always clear. MPs are politicians; and being an MP involves debating legislation and policies on the basis of their political views, and holding the government of the day to account.
5. The Scheme does not provide an explicit definition of what parliamentary activity is; it does, however, contain specific exclusions, such as work at the behest of a political party and attendance at party political conferences. The 2017-18 Scheme, which was revised and published in March 2017 (after this assurance review was undertaken), now also excludes 'activities whose purpose is to produce a campaigning advantage'. This was added as a way of further clarifying what we consider to be eligible parliamentary costs.
6. Surveys and gifts are both areas which have caused difficulties in previous years. Neither surveys nor gifts are explicitly excluded in the Scheme of MPs' Business Costs and Expenses ('the Scheme'), so their eligibility has in the past been dependent upon operational judgements made by IPSA as to whether specific claims are parliamentary.

7. Regarding surveys which are conducted by MPs and claimed for from IPSA, we have had concerns that the wording of some survey questions has strayed into party-political territory. There are isolated cases where we have not paid a claim because we judged the surveys to contain partisan statements on political issues, rather than being used to understand the views of constituents.
8. We also perceived a risk, particularly prior to the 2015 General Election, that some MPs could ask respondents to consent to share their personal contact details with political parties. We do not pay for any activity intended to give MPs a campaigning advantage. We did, however, allow claims for neutrally phrased surveys because MPs find them to be an important method for gathering views from their constituents, allowing them to represent their constituents effectively in Parliament.
9. MPs have also claimed for the cost of gifts, normally given to constituents. These include items like certificates, trophies and prizes. These are often offered as part of a competition an MP has set up to engage their constituents or at events run in schools. Greetings cards are another item commonly claimed.
10. Our interpretation in the past, and at the time this review was undertaken, has been that gifts such as these do not meet the criteria set out in the Scheme, and that IPSA should not fund them. We did not consider them to be wholly necessary costs for an MP to fulfil their parliamentary duties; rather their effect was to raise the profile of the MP, and we were concerned this could be regarded as (personal) campaigning activity. Furthermore buying gifts at taxpayers' expense could not be considered part of 'renting, equipping, or running an MP's office', the purpose for which paragraph 6.1 of the Scheme states the Office Costs budget is to be used.

Our new approach to increased discretion

11. Since this review was conducted, we completed a comprehensive review of the Scheme and published a revised version for 2017-18, which we expect to last (with minor amendments) through this Parliament.
12. From April 2017 we have adjusted our approach and will now allow MPs greater discretion to determine for themselves whether claims are parliamentary, provided they take account of IPSA's Fundamental Principles and do not contravene other parts of the Scheme, such as the General Conditions. The Scheme still includes a small number of exclusions – for example, work conducted at the behest of a political party and attendance at political party conferences or meetings – but apart from these specific exclusions, we now support MPs to take responsibility for making their own judgement about what activities are part of their parliamentary work. This means that IPSA is no longer in the position of having to make operational judgements about the majority of these types of claims.
13. However, where a claim has been made for something clearly party political or aimed at producing a campaign advantage, we will not pay the claim, or will seek recovery if it has been paid. All claims made of IPSA are published.

Key findings

14. Our headline findings from this assurance review are summarised below.

Survey expenditure and compliance

15. **There were 60 claims paid in 2015-16 specifically for surveys, amounting to £6,451.24. Twenty-eight different MPs submitted the claims.** However, survey-related expenditure can come in a number of different forms, including purchases of stationery, postage or software subscriptions. Unless the MP specifically states that the cost was related to a survey, it is not possible to distinguish all survey-related costs from other office costs.
16. **In 2015-16 only two survey claims were not allowed through IPSA's validation processes;** on this basis, 97% of the claims we received (which specifically stated they were related to surveys) were assessed as eligible.
17. As part of the review, we examined six of the paid claims that, on initial inspection, may not have been strictly for parliamentary purposes and required closer examination. **Only one claim (for advertisement of a survey on social media) was identified as ineligible, because it was clearly connected to party-political activity, and we recovered the cost.**
18. **The review also identified inconsistencies in the advice that MPs were given by IPSA regarding the evidence they needed to submit for survey claims.** We are taking steps to address this.

Gift expenditure and compliance

19. **There were only seven ineligible paid claims for gifts in 2015-16, which totalled £581.98.** Expenditure for gifts is easier to identify than survey expenditure because claims are submitted predominantly through the expense type that covers 'Other' office costs, and MPs are more likely to provide descriptive text.
20. **IPSA's approach at the time of the review meant that no claims for gifts should have been paid. However, we have not sought repayment in these cases,** given our subsequent change in approach to allow MPs increased discretion to determine what costs are parliamentary. This change was made following a comprehensive review of the Scheme in 2016, and therefore we did not consider it proportionate to recover the costs.

Survey expenditure overview

21. Establishing which claims relate to survey expenditure was not a straightforward task. This is because there are a number of routes through which an MP can be reimbursed for spending on surveys. **Figure 1** lists the categories (known as ‘expense types’) under which an MP might submit their survey expenditure through our online system.

Figure 1: Expense types analysed as part of the assurance review

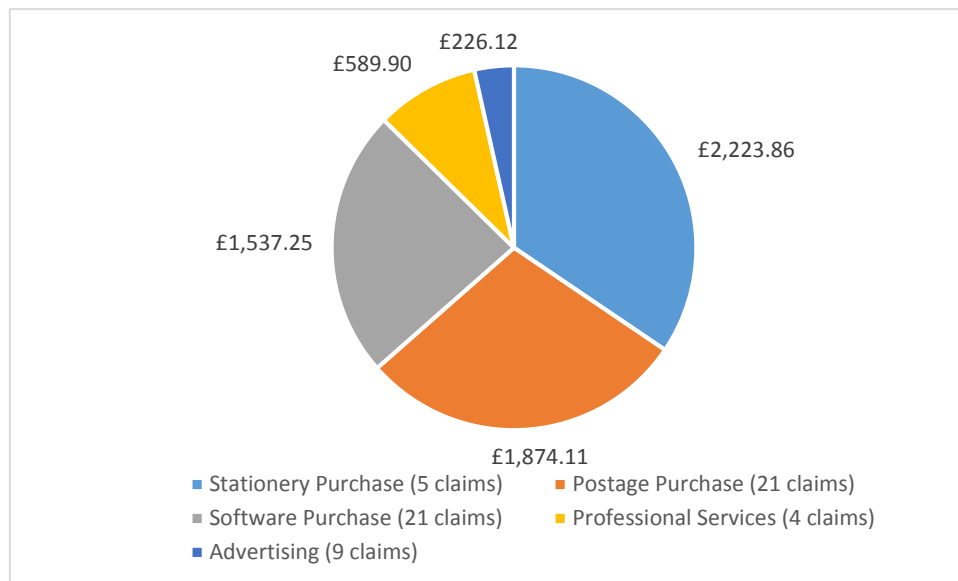
Expense type	Reason for use
Postage Purchase	Covers <i>distribution costs</i> for a paper survey, typically either the purchase of stamps or a charge for a freepost license from the Royal Mail so that constituents can return responses without having to pay.
Stationery Purchase	Covers <i>materials</i> for the production of a paper survey, particularly paper, envelopes and ink cartridges.
Advertising	A small number of claims were found to have been submitted here, primarily related to promoting awareness of the survey amongst constituents.
Software Purchase	Covers the cost of a subscription for software to produce and publish surveys online. The most common package is from the provider Survey Monkey.
Professional Services	MPs may have approached a professional design or printing company to assist in producing a paper survey.

22. IPSA can only identify that any given item of stationery or postage was used to produce or send a survey if the MP adds this detail when submitting the claim. In most cases we do not know if a pack of envelopes was used to mail out surveys, or for other activities such as responding to constituency casework or sending letters to the Government. There is no requirement for MPs to provide this amount of detail; it would be disproportionate to ask MPs to record the use of every sheet of paper in a bulk order of thousands.

23. The starting point for this assurance review was to search all the claim records described in Figure 1, in order to collect information about all expenditure which MPs explicitly stated was for a survey. Sixty such claims were paid in 2015-16, amounting to £6,451.24 in expenditure. Twenty-eight different MPs submitted the claims.

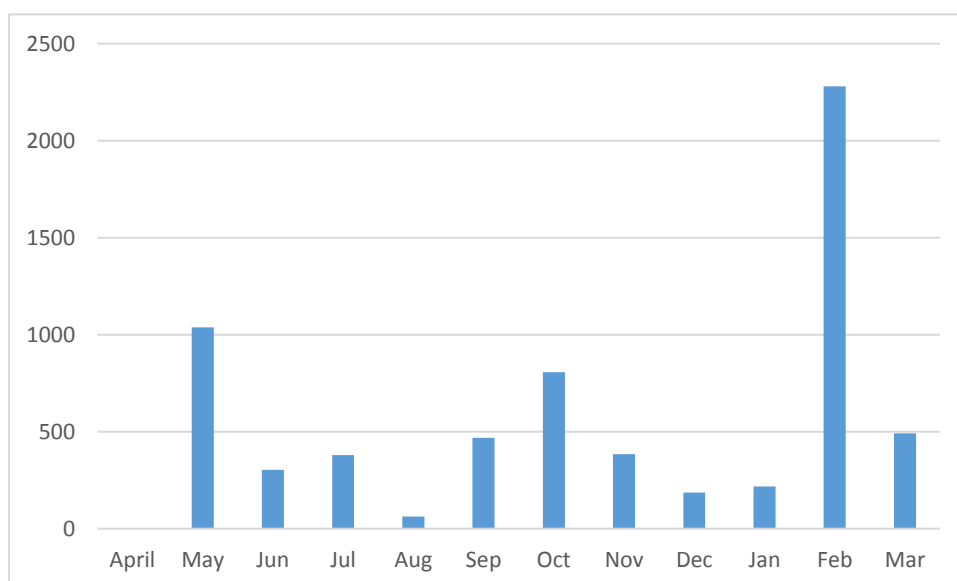
24. We then examined the distribution of the cost between the expense types (shown in **Figure 2**). Stationery accounted for the greatest proportion (34%), but this was predominantly because of a single large claim, for £1,324.80 (for large-scale printing of a survey on investment in cycling). Postage (29%) and software (24%) made up most of the remainder. All claims submitted in the advertising and software categories were for online surveys. £1,763.37 (27%) was claimed for electronic surveys, and £4,687.87 (73%) for paper-based surveys.

Figure 2: 2015-16 survey expenditure and claims by categorised expense type



25. We looked at the profile of survey expenditure over 2015-16 to see if any trends were present. **Figure 3** demonstrates that there is no consistent pattern. This is perhaps unsurprising when many of the largest individual claims were for annual subscriptions for survey software. This means that claims do not directly relate to when surveys are undertaken. The peak in February is due to the claim for £1,324.80 previously mentioned, which was incurred for printing of both the survey and an accompanying information sheet.

Figure 3: Survey expenditure through the 2015-16 financial year

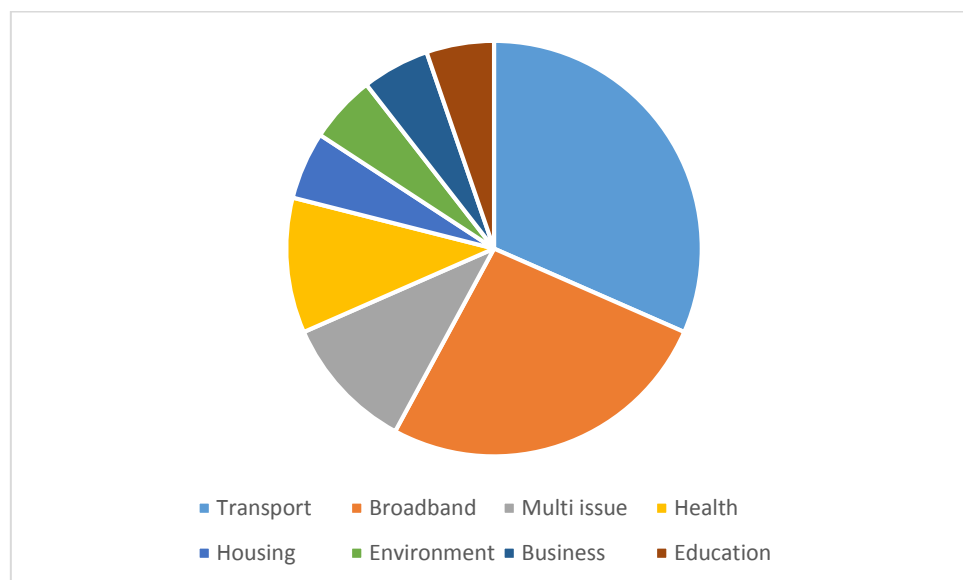


26. A total figure of £6,451.24 for survey expenditure is lower than we had anticipated. To place it into context, nearly £1.5 million was spent in total on stationery costs in 2015-16. £11.4 million was claimed from the office costs budget overall, although more than half of this was for rent, business rates and utilities.
27. For the reasons set out above, we believe that the true figure for expenditure on surveys is likely to be higher, but we cannot distinguish it from other office costs. To test this, we sampled records of correspondence created by IPSA after an MP or their staff member contacted us to ask how to claim for surveys. This happened nine times in 2015-16. In four instances (44%) no subsequent specific survey claim could be identified for that MP within the online expenses system. This suggests that these MPs might have submitted the survey-related costs as generic stationery or postage claims; funded the survey with their own resources; or did not go ahead with conducting a survey.
28. It is likely that some MPs who signed up for Royal Mail freepost response licenses did so to allow constituents to return survey responses without charge. The additional cost of Royal Mail freepost licenses not included in the figure directly attributed to surveys is £6,535.50. We have not included this as survey expenditure, because these licenses also allow documents related to casework to be submitted to the MP's office for free, and we cannot determine the proportionate split of cost.

Surveys: Assessment of compliance

29. In 2015-16 two survey claims were not allowed. One claim for an annual freepost response license fee (£112.80) was rejected because we deemed the content of the survey provided as evidence to be political in nature. Another freepost response costs claim (£54.68) was repaid by an MP. On this basis, IPSA regarded 97% of the claims we received for surveys to be eligible.
30. We re-examined all 60 claims paid in 2015-16 to reach a judgment on the effectiveness of IPSA's safeguards, the degree of consistency in our enforcement and the overall extent of compliance demonstrated across survey claims.
31. Our conclusion is that the level of compliance is high, with the vast majority of MPs abiding by both the letter and spirit of the rules. There is a striking degree of consistency in the most popular topics which the surveys addressed: broadband access and local transport developments stand out. **Figure 4** summarises this. MPs usually tailored their surveys to explore important policy and quality-of-life debates in their communities, with the intention of developing a better understanding of their constituents' views and push for localised action. We were content that this activity would reasonably fall within MPs' remit to represent the interests of their constituents.

Figure 4: Primary issues discussed in surveys submitted as evidence, 2015-16



32. We identified only six claims that, on initial inspection, may not have been strictly for parliamentary purposes and required closer examination. These are illustrative of the sometimes difficult judgement as to what constitutes parliamentary, rather than political, activity.

- Two of these related to a Freepost service, which many MPs use. They were linked to a previous claim for a survey which had been rejected due to party-political content. However, because the Freepost service can be used for any number of activities the MP carries out, it was not possible to establish what sum, if any, may have been directly related to the ineligible survey.
- One claim was for a survey on pensioner parking in the constituency, which included a letter introducing why the MP is raising the issue. We were content that, because the survey was on a single issue of concern to constituents, it was a reasonable cost and did not cross the line into being a 'newsletter' (which is ineligible under the Scheme).
- One claim was for a survey which was targeted specifically at constituents who had recently been added to the electoral roll. Some questions appeared to put forward one party's positions, but respondents did have the option to disagree. We concluded that it was reasonable for the MP to gauge their constituents' views, and the survey was not targeted at members of any particular party.
- One claim was for a subscription for an online survey tool. The MP submitted an example of a survey which, on first examination, seemed to function as a petition and included an explicit endorsement of Government policy on school funding. There was no option to disagree with the statement. Our initial assessment was that the claim crossed over into party-political activity and was therefore ineligible under the rules of the Scheme. However, subsequent discussions with the MP's office helped to clarify that the purpose of the petition was to provide evidence of constituents' support for a fairer school funding formula, so it was at the level of principle rather than policy. We judged the claim to be parliamentary and therefore eligible.
- One claim was for advertisement of a survey on social media (the survey itself was not funded by IPSA). The survey was in the MP's name but stated that a particular political party may use the respondents' details to contact them. Because the cost was specifically related to a survey that was clearly connected to party-political activity, we assessed this to be ineligible under the rules of the Scheme. We have since recovered the cost.

33. Across all claims for surveys we identified four broad issues, explored below.

Promoting a political position

34. The most common issue arising was where a survey promoted a particular political position. An example is broadband provision. This is a live issue in rural areas, and MPs are understandably keen to gather data on whether their constituents have been able to access broadband service and whether they think progress is acceptable. MPs can use this to inform lobbying activity, ensuring their constituents benefit from investment. In every survey we examined on this topic, the implication was that the MP would campaign for better broadband provision in their constituency.
35. The delivery of broadband infrastructure can clearly be a political issue, as it is determined and funded by the government of the day. However, we view this activity as part of the MP's

parliamentary duty to represent the interests of their constituents. This is in contrast to activity that primarily serves an overtly party-political purpose.

36. Reproduced below is an extract (including the introduction and two questions) from an eligible survey on broadband provision. We believe it is clear from the language and focus that it is designed to better understand the situation in the constituency, and not for party-political purposes.

Figure 5: Extract from a survey on broadband provision

Thank you for taking the time to complete my Broadband Survey. Your responses will allow me to build an accurate picture of local superfast broadband provision. I will share this information with BT to campaign for better broadband provision in problem areas.

Have you been advised about when to expect superfast broadband to be installed?

What is your broadband speed and who is your provider?

Party-political content

37. IPSA does not fund the distribution of material which is deliberately linked to a particular political party or party policy; this is clearly excluded in the Scheme. An example of such material is surveys that contain leading questions which praise or criticise specific policies or actions of the Government. This would allow an MP potentially to use public money in a way that gains advantage for their political party.
38. We found that MPs understood the distinction in the surveys we sampled, and that they used surveys for fact-finding and to gauge constituents' views. In a small number of cases, what the MP regarded as a legitimate question was assessed by IPSA as having a party-political purpose.
39. In the period leading up to the 2015 General Election, we examined whether surveys funded by IPSA were being used to gather contact details on behalf of political parties. It would not be appropriate for IPSA to fund any mechanism of data-gathering on behalf of a political party; this should be done with party or personal funds. We found little of concern when revisiting this issue in the 2015-16 sample (with the exception of the one claim for advertisement of a survey mentioned above). Although every survey did require the participant to enter contact details, the majority had a disclaimer stating that the data would be retained by the MP and not shared with third parties. An example is reproduced below. (Although it is good practice for the MP to include this sort of disclaimer, data protection by MPs does not fall within IPSA's remit.)

Figure 6: Data disclaimer provided with a survey

The data you provide will be retained by [MP's name] in the strictest confidence in accordance with the Data Protection Act 1998 and will not be passed to any third parties. By giving us your details you are agreeing to receive occasional communications from [MP's name]. If you do not want the information you provide to be used to make contact with you, please indicate this by ticking the box below.

Promotion of the MP

40. In addition to ensuring IPSA does not fund party political messaging, we also do not consider eligible any material which has the primary intention of promoting the individual MP and which could confer an electoral advantage. For this reason we do not permit MPs to claim for the distribution of newsletters. One survey examined as part of this review (mentioned above), which was targeted towards pensioners, used more than half the space available to detail meetings and activities the MP had undertaken to help pensioners in their constituency. On balance, we assessed that the claim was eligible as it focused on a single issue of interest to constituents, but we will continue to monitor for similar content to avoid funding what we judge to be essentially newsletters.

Provision of evidence

41. The sample of claims examined showed inconsistencies in the evidence provided with the claims: 32 claims were paid with only the invoice provided, whilst 28 claims included both the invoice and the survey in question. In some cases, we had refused to pay the claim until the survey was supplied.
42. The issue of evidence to be provided with claims is complicated where the claims relate to subscriptions to an online survey provider or the Freepost response license. In these cases, IPSA funds the mechanism to distribute future surveys, meaning the MP may not have produced the material in question yet for IPSA to examine.
43. We do not require MPs to submit a copy of the survey when making a claim relating to it, although some do. Claims can be paid with only an invoice. On some occasions we ask to see a copy of the survey before the MP incurs the cost so that we can give more specific advice on eligibility. Other times, we may request a copy as part of our validation processes.
44. We have taken steps to ensure that we give consistent advice to MPs by phone and email about survey claims and explain why requirements may vary. Additionally we have rewritten the guidance for IPSA staff who carry out validation to ensure that all relevant expense types are checked for survey-related claims. This will improve consistency, in that MPs will be asked to provide sample surveys for all of these claims during the validation process.

Gifts expenditure overview

45. Expenditure for gifts is easier than survey expenditure to analyse because claims are submitted predominantly through the expense type that covers 'Other' eligible office costs. MPs are more likely to provide descriptive text because these are not routine items of expenditure. This allows us to identify relevant claims more easily. Some items, including paper certificates for a school award ceremony hosted by the MP, were nonetheless input as stationery claims.
46. There were 11 claims for gifts made during 2015-16. Three of these (totalling £276.22) were identified in post-payment validation and repaid by the MP before the assurance review commenced, and one (£210.00) had been rejected before it was paid.
47. This left seven claims for gifts in 2015-16 that at the time of the review had been paid, totalling £581.98. A breakdown of these costs is below in **Figure 7**.
48. There was another paid claim (£700.80) initially identified by the review as relating to 'gifts'. However we subsequently contacted the relevant MP about one of these claims and learned that the 'greetings cards' claimed for were actually business cards and therefore eligible.

Figure 7: Number and cost of claims for gifts in 2015-16

Item	Number of claims	Expenditure
Certificates	5	£516.00
Trophy	1	£60.98
Flowers	1	£5.00
Total	7	£581.98

49. As previously noted, at the time this review was undertaken, IPSA had decided not to allow claims for gifts, prizes, trophies or certificates, as we did not consider them to be a necessary cost for MPs to fulfil their parliamentary duties. The low number of such claims paid suggests that this was understood by MPs and enforced by IPSA in the majority of cases. The eligibility of this expenditure is discussed further in paragraph 50 onwards.

Gifts: Assessment of compliance

50. The paid claims for gifts were described above and detailed in **Figure 7**. These were mainly to print competition certificates, but also covered one claim for trophies and one for flowers. At the time the review was undertaken, IPSA considered that none of these items was a necessary parliamentary cost.
51. For each gift claim incorrectly paid initially, the cause was the fact that the claim had not been included in the sample to undergo pre-payment validation. However, the post-payment validation stage was effective in identifying and seeking repayment on the three claims mentioned in paragraph 46.
52. Although the financial risk to public money is low, it remains a matter of concern for MPs when rejected or repaid claims are published. Furthermore we had evidence from research interviews we held with MPs that some are not clear on exactly what is permitted in this area and why.
53. We acknowledge that there has been some uncertainty for MPs regarding the eligibility of claims for gifts. As mentioned earlier in this report, we conducted a comprehensive review of the Scheme in 2016. Alongside other issues, we looked at ways of simplifying the rules and giving MPs greater responsibility in deciding whether claims, including those for gifts, are parliamentary. The new approach came into effect in April 2017.
54. As such, we have not sought repayment of the £581.98 for the seven outstanding claims for gifts identified. This was not considered to be a proportionate action, given the relatively small amounts involved and IPSA's new approach to giving greater discretion for MPs, described above. Under the 2017-18 Scheme, such claims would be considered within MPs' discretion and therefore eligible.

Conclusions

55. Overall, this review found a high degree of compliance within a relatively low volume of claims for surveys and gifts.
56. There was, however, some degree of uncertainty in MPs' understanding of what can be claimed, particularly in relation to gifts. This has been addressed in the 2017-18 Scheme by allowing MPs greater discretion to decide for themselves what activities are parliamentary, provided they comply with the Fundamental Principles and other parts of the Scheme. We will continue to validate claims by asking for evidence to ensure compliance with the rules.

Surveys

57. The review demonstrates that surveys can sometimes fall into the 'grey area' between parliamentary and political activity. Nonetheless the review also shows that the majority of MPs have an understanding of the distinction between parliamentary and political surveys and they judge correctly whether it is appropriate to claim for any given survey.
58. Survey expenditure can be difficult for IPSA to identify upfront. We believe it is important to continue to increase consistency in the enforcement of our evidence requirements for surveys, but we consider that the controls and processes in place are sufficient and proportionate.
59. The advice given to MPs on what evidence is needed when submitting claims for surveys has sometimes been inconsistent. We have taken action to clarify the advice given, as set out in paragraph 66 below.

Gifts

60. It has been our policy in the past that expenditure on gifts is ineligible. This has not been understood by every MP and some of our advice has been inconsistent. Having said that, the low volume of claims suggests that the majority of MPs recognised they could not be reimbursed for these items, or that they did not give gifts to constituents in the first place. As a result the financial risk has been low.
61. Changes to the 2017-18 Scheme now mean that claims for gifts are no longer excluded, provided the MP has judged that the expenditure is parliamentary and does not contravene other parts of the Scheme (e.g. it is not party political or aimed at producing a campaigning advantage).

Summary of actions taken

62. The actions taken following this review are set out below.

Issue identified	Action taken
One claim for surveys was identified as ineligible.	We have sought and received repayment from the relevant MP.
We found that there were inconsistencies in the evidence provided by MPs when claiming for surveys.	We have revised the guidance for IPSA staff who carry out post-payment validation to ensure that all relevant expense types are checked for survey-related claims. This will improve consistency, in that MPs will be asked to provide sample surveys for all of these claims during this process. We recognise that there can still be inconsistencies before claims are paid. However, we consider this to be appropriate and in line with our risk-based approach.
We found that not all MPs understood that claims for gifts were ineligible, and our validation processes meant that some had been incorrectly paid.	As part of the comprehensive review of the Scheme, we have re-examined our approach in making judgements about whether certain expenditure, including for gifts, is 'parliamentary'. From April 2017 we now allow MPs to use their discretion to decide whether their expenditure is parliamentary, except where it has been explicitly excluded in the Scheme.