


Assurance Review: The EU Referendum

Analysis of expenditure, 15 April – 23 June 2016





Independent Parliamentary Standards Authority

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Introduction

1. This report provides a summary and review of MPs' expenditure over the campaigning period which preceded the referendum on the UK's membership of the European Union (hereafter 'EU Referendum'). The objective was to determine whether expenditure by MPs in respect of the EU referendum was compliant with the Scheme of MPs' Business Costs and Expenses ('the Scheme').
2. It seeks to establish:
 - The levels of expenditure during the referendum campaign, particularly in areas of expenditure which could be related to campaigning; and
 - The level of compliance with the Scheme during the campaigning period.

Background

3. IPSA only funds costs that are related to MPs' parliamentary functions. The Scheme includes a short list of activities which are not considered necessary for the performance of MPs' parliamentary functions and therefore not eligible to be claimed. In the 2016-17 Scheme, which was in effect at the time of the EU Referendum, these exclusions included:
 - work conducted for or at the behest of a political party;
 - activities which could be construed as campaign expenditure within the scope of the Political Parties, Elections and Referendums Act 2000 (PPERA); and
 - activities which could be construed as election expenses within the scope of the Representation of the People Act 1983.
4. Guidance provided by IPSA to MPs prior to the referendum period in 2016¹ stated that EU referendum expenditure was not considered to be party political in nature, and furthermore that the potential outcome was clearly a matter of interest to Parliament. Therefore, IPSA would not disallow claims for costs and expenses in relation to the EU referendum, unless they clearly failed to comply with the Fundamental Principles or other rules in the Scheme.
5. Some of the Scheme's Fundamental Principles were particularly applicable. At the time, these included the following:
 - 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.

¹ The guidance can be found on IPSA's website: <http://www.theipsa.org.uk/media/184562/eu-referendum-guidance-to-mps-19-04-16.pdf>

- MPs must not exploit the system for personal financial advantage, nor to confer an undue advantage on a political organisation.
6. Additionally, MPs were reminded that the office costs budget is provided by IPSA to meet the costs of running their office and/or surgeries, where these costs are not claimable from other sources. In relation to the EU referendum, MPs were not allowed to claim for campaign materials; these should be funded by the respective campaign groups rather than by IPSA.
 7. MPs could publish a statement on their position on the referendum question, on an IPSA-funded website for example, provided it did not reference or specifically promote their party's views, criticise politicians from other political parties, or strongly advocate for a particular outcome. This ensured that they could fulfil their duty to inform constituents of their views without undermining the fundamental principles of the Scheme.
 8. MPs also had a responsibility to ensure that they were complying with referendum law (section 125 of The Political Parties, Referendums and Elections Act 2000 (PPERA) as modified by European Union Referendum Act 2015) in respect of the campaign period and guidance issued by the Electoral Commission.

Scope

9. This review looked at any activities that would commonly be associated with campaigning, but which are also regularly performed by MPs in the fulfilment of their parliamentary duties. Specifically, we examined claims from the office costs budget and the travel budget, as we considered these to carry a higher risk of being diverted (inadvertently or otherwise) for campaigning purposes. An example of non-compliance might be a claim for advertising which encourages constituents to attend an event advancing only the arguments of one side in the campaign.
10. Within the office costs budget, we looked at the following expense types:
 - Advertising
 - Contact cards
 - Postage
 - Stationery
 - Telephone
 - Venue hire
 - Website costs.
11. Within the travel budget, we looked at the following journey types by MPs:
 - European travel
 - Extended UK travel (i.e. travel outside of the MP's constituency and not the routine journey between the constituency and London).

12. The referendum campaign period ran from 15 April to 23 June 2016, so claims for expenditure generated during that time were the main focus of this review. For comparison, we also looked at spending during that time period in previous years.
13. The review examined claims across all MPs, as well as of MPs identified as having campaigned actively during the referendum campaign. More information is set out below in the section on methodology.

Methodology

14. The data used in the review was taken from IPSA's online claims system, which contains historic claims dating from 2010.
15. We analysed expenditure in the expense types mentioned in paragraphs 10-11 during the referendum campaign period (15 April to 23 June 2016). To provide context, we compared this expenditure with the same periods in the 2013-14, 2014-15 and 2015-16 financial years. We consider this to be an appropriate approach, because we have noted that expenditure by MPs typically varies throughout a financial year: for example, higher spending tends to occur at the end of the financial year (in March), with lower spending during the summer recess period. Using the same period across years therefore provides a more realistic comparison than using other periods during the same year.
16. Although we have included 2015-16 in our analysis, it should be noted that this does not provide an optimal comparison, as a General Election was held in May 2015, and therefore spending directly before and after the Election was atypical. The 2013-14 and 2014-15 years have been included to help establish a more 'normal' pattern of expenditure.

Active referendum campaigners

17. In addition to examining expenditure across all MPs, we also used a sample of MPs identified as having campaigned actively during the referendum (called 'active campaigners' or 'actively campaigning MPs' in this report). The sample comprised MPs who were affiliated (through websites and/or public statements they made) with one or more of the official campaigning groups registered with the Electoral Commission.
18. The fact that some MPs were identified as active campaigners is by no means an indication of non-compliance with IPSA rules. However, we considered that there may be a higher risk in these cases that parliamentary funds were used for campaigning.

Sample evidence

19. Analysis of quantitative data indicated where spending falls outside of the general pattern. However, using just quantitative data does not in itself provide evidence of compliance or otherwise. For example, some MPs may just be more inclined to keep their constituents informed about the referendum than others.

20. Therefore, we also conducted qualitative analysis of the information and evidence provided by MPs with their claims. This included samples of the contact cards and advertising claimed for during this period, as well as the text entered in the 'notes' and 'description' fields on IPSA's online claims system for claims in all the expense types examined.

Limitations

21. This report is limited to MPs' expenditure on office costs and on European and extended UK travel. An initial review was conducted on claims relating to staffing expenditure during the period, on the basis that some MPs' staff members may have taken leave to campaign. However, IPSA does not routinely collect detailed information on why paid or unpaid leave is taken by staff members; this is rightly a matter for the MP as the employer.
22. The assurance review did not consider claims made outside the 15 April–23 June 2016 period, other than for comparison purposes, as this was the official campaign period and the mostly likely time when MPs would be engaged in campaigning activities related to the referendum.
23. The review did not examine expenses claimed through the contingency fund as this funding is granted only in exceptional circumstances.
24. Six of the sample of actively campaigning MPs were elected in the 2015 General Election. This means that, when comparing actively campaigning MPs' data with all MPs as a whole, these six would not be included in the data prior to the 2015 Election, which could have an effect on the comparisons.
25. We also encountered limitations in our qualitative analysis of claims. For the most part this was reliant on what information had been provided by MPs (for example, in the free-text 'description' and 'notes' fields of the claim and as evidence). We were also unable to examine a sample of MPs' websites for campaigning or other ineligible content, as the timing of the review meant that any non-compliant content could have been removed following the referendum.

Key Findings

Findings on expenditure during EU referendum campaign period:

26. **Total spending on the office costs expense types examined was higher during the EU referendum campaign period than the same period in previous years.** The combined expenditure on advertising and contact cards, postage, stationery, telephone, venue hire and website costs incurred during the referendum campaign period (15 April to 23 June 2016) was £517,847. This is a 27% increase compared to the same time period in 2014-15. The increase in spending was found to have a number of reasons, including individual payments which were much higher than the average or varying costs for the same supplier.
27. **The sample of actively campaigning MPs accounted for 14% of the total expenditure in the expense types examined during the campaign period in 2016-17, while making up around 7% of MPs.** These MPs spent more on average than MPs as a whole in most of the expense types examined by the review (advertising, contact cards, stationery, telephone, venue hire, website and European travel). This is not, however, an indication of non-compliance.
28. **Only 11 claims for office costs were identified as specifically related to the EU referendum.** These were identified in the advertising and venue hire expense types. It was, however, not always clear whether claims related to the referendum based on the information provided by MPs with them and as evidence.
29. **Spending on websites during the EU referendum period increased significantly in comparison with previous years.** This was due to annual subscription costs and maintenance fees made by multiple MPs to the same provider, rather than because of claims related to the referendum itself.
30. **On the other hand, the costs for contact cards and stationery during the EU referendum period decreased compared with the same period in 2014-15.**
31. **Spending by MPs on travel during the relevant period also decreased compared with previous years.** Total expenditure in the European travel and extended UK travel journey types during the campaign period in 2016-17 was £19,933. European travel was seen to have almost halved from 2014-15. Extended UK travel by MPs also decreased from previous years.
32. **There were eight travel claims identified as specifically related to the EU referendum.** These included trips to attend radio and TV debates by invitation and live coverage of the referendum. As with office costs claims, it was not always possible to determine the specifics of an MP's journeys, so it is possible that more were related to the referendum but that it had not been stated in the claim.

Findings on compliance:

33. **We were satisfied from the review that there was compliance among MPs' claims in the expense types examined.** There is consistency between the nature of claims made during the campaign period and those made in other years. Overall, we identified no specific compliance concerns over the EU referendum campaign period. The annual expenditure cycle is as expected, showing no unexpected activity overall during the campaign period.
34. **A relatively small number of claims were identified as specifically relating to the referendum campaign, but the available evidence suggests these claims were compliant with the Scheme.** Analysis of qualitative data showed that, when MPs made claims directly relating to the referendum, for example advertising public debates, they did so following the rules of the Scheme and IPSA's guidance about what was eligible.

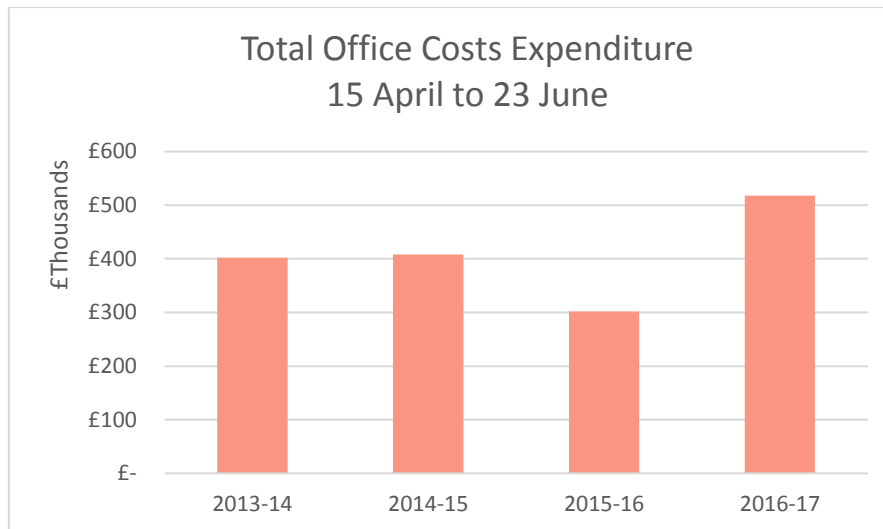
Office Costs

35. This section compares the expenditure within the office costs expense types during the period 15 April to 23 June across different years, and between all MPs and the sample of actively campaigning MPs. It also includes an assessment of compliance within each category of claims.
36. MPs could continue to claim for all routine costs incurred in performing their parliamentary functions during the referendum campaign period.
37. On the basis of findings from previous assurance work and routine validation processes, the principal areas of risk in relation to office costs were considered to be the following expense types:
 - Advertising and contact cards
 - Postage
 - Stationery
 - Telephone
 - Website costs
 - Venue hire

Aggregate expenditure and change over time

38. The total expenditure in these expense types incurred during the EU referendum period in 2016 was £517,847. **Figure 1** shows the change in office costs expenditure during the dates of the campaign period (15 April to 23 June) from 2013-14 to 2016-17. It shows that expenditure during the period in 2016-17 was approximately 20% higher than in any previous year examined. As mentioned above, 2015-16 does not necessarily provide a realistic comparison because the General Election was held that year, meaning that spending during the April-June period was atypical.
39. The rest of this section examines spending in each office cost expense type in turn, including an assessment of compliance with the Scheme.

Figure 1

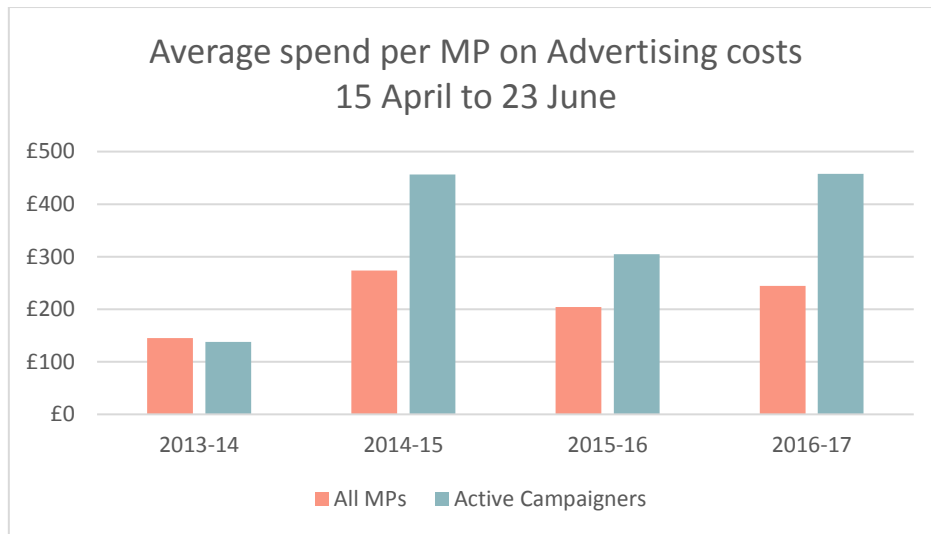


Advertising

Summary of expenditure

40. The costs claimed for in this expense type typically include adverts placed in magazines and newspapers relating to surgery times and locations, signs for offices or other adverts to promote the presence of the MP within the constituency. We examined this expense type as we assessed that there was a potential risk during the period leading up to the referendum of adverts being used to promote the MP's position on the referendum question, or that of a campaign group.
41. The overall spending on advertising during the campaign period in 2016-17 was £14,177. This is an increase of 4% from £13,676 in 2014-15 and nearly four times the amount in 2013-14 (£3,635).
42. **Figure 2** shows the average spend on advertising per MP during the campaign period in the years 2013-14 through 2016-17. It shows that the sample of MPs who were active campaigners spent more on average than other MPs in all years except 2013-14.
43. In 2016-17, MPs as a whole spent on average £244 on advertising. MPs included in the sample of active campaigners spent 87% more on average (£458) during the period. This was not a significant change for the active campaigners compared with 2014-15 (£456), but more than triple the comparable figure in 2013-14 (£138).
44. The amounts claimed by six MPs during the EU referendum period were statistical outliers, two of whom were included in the sample of active campaigners. One actively campaigning MP claimed particularly high advertising costs during the period, of £1,287.66. The claims were examined and found to relate to four invoices for surgery adverts placed in local newspapers.

Figure 2



45. The frequency of claims made by MPs was slightly lower during the referendum campaign period (4.4 claims on average), compared with the same time period in 2013-14 (5.1) and 2014-15 (4.7).

Assessment of compliance

46. In order to make an assessment of MPs' compliance with the rules of the Scheme, the review looked at a sample of claims. This included images of adverts where these were provided with the claims.
47. The evidence for 32 claims for advertising was examined; of these, only one claim was clearly related to the EU referendum. The content of this advert was found to be eligible; it provided information about meetings which explained both sides of the referendum and gave constituents the opportunity to air any concerns they may have.
48. The remainder related to surgery times and locations, information about the MP in general, and fliers for surgery tours around the constituency.
49. Across all claims made for advertising during the period, we looked at the 'short description' and the 'details' fields, which are free text boxes where information is entered by MPs². These showed that five claims (including the one mentioned in paragraph 47 above) were directly related to the EU referendum. These were seen to be for items such as roll banners, leaflets, guides and fliers. We contacted the MPs who made the other four claims to seek assurance that these adverts were not used for campaigning and we sought copies or images of the adverts where possible. We were satisfied that these claims were compliant.

² These are required fields on the claim form, but MPs can enter as much or as little as they like.

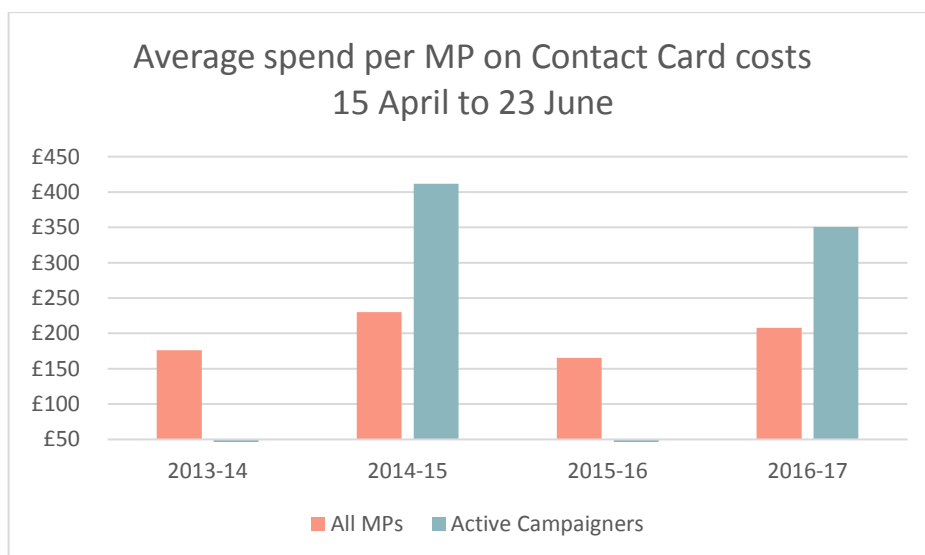
50. The quantitative analysis showed that the active campaigner MPs included in the sample routinely claimed more on average than MPs as a whole. However, no compliance concerns were identified through examination of the claims and evidence provided. A number of the highest value claims related to routine costs for adverts placed in magazines or newspapers.

Contact Cards

Summary of expenditure

51. Claims submitted under this expense type are typically for business cards for MPs and their staff, but sometimes include surveys and flyers. We examined this area as we assessed that there could be a risk of MPs using IPSA funds to promote their position on the EU referendum or sharing campaign-oriented information.
52. The overall spending for contact cards during the campaign period in 2016-17 was £7,300. This is a decrease of 6% in nominal terms from 2014-15 (£7,800) but is 13 times more than for the period in 2013-14 (£551).
53. **Figure 3** shows the average expenditure by MPs included in the sample of active campaigners was £351 during the campaign period in 2016-17, 15% less than the same period in 2014-15, when they spent £411 on average. However, in each period, there were only two active campaigner MPs who made claims.

Figure 3



54. When comparing expenditure in 2016-17 between all MPs and the sample of actively campaigning MPs, we see that the active campaigners claimed nearly 70% more on average compared with MPs as a whole. One of the top five spenders during this time was an active campaigner and their expenditure over the campaign period was more than twice the average amount claimed by MPs.

55. The frequency of claims made by MPs was about the same during the referendum campaign period (2.2 claims on average) compared with the same time period in 2013-14 (2.0 claims) and 2014-15 (2.1 claims on average).

Assessment of compliance

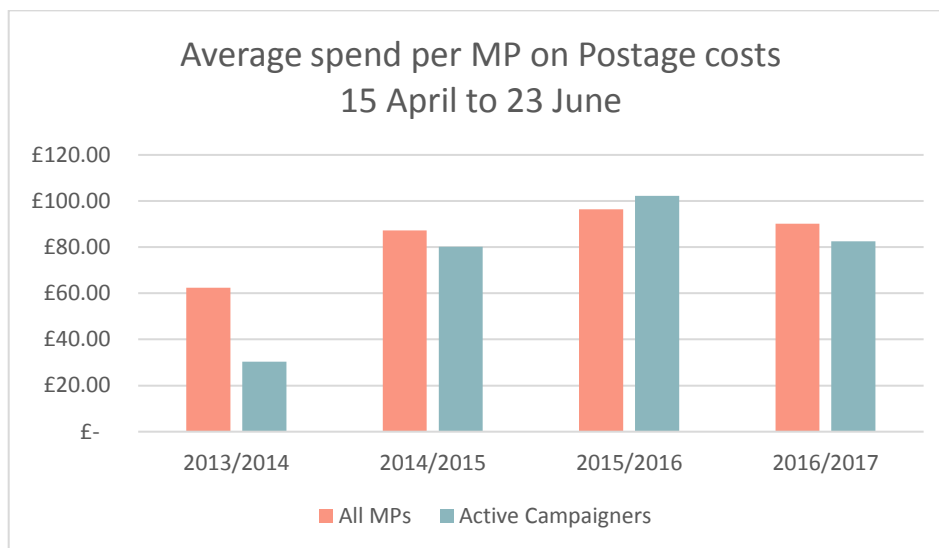
56. We looked at a sample of contact card evidence submitted during the referendum campaign period. The evidence for eight claims was examined; none were specifically related to the EU referendum.
57. The short description field and details field were also examined across all contact card claims made during the campaign period, and these also showed nothing of concern or note.
58. Contact card outliers were hard to compare, as the vast majority of MPs who made claims during the 2016-17 campaign period had not made claims in the previous years during the same period.

Postage

Summary of expenditure

59. This expense type typically relates to the purchase of stamps, delivery charges, franking and the recorded posting of documents. We assessed that there was a potential risk that MPs might use IPSA funds to distribute campaigning material to their constituents, giving them an unfair advantage over other campaigners without access to the same funds.
60. The overall spending for postage during the campaign period in 2016-17 was £11,029. This was comparable with 2014-15 where £10,976 was spent, but a 62% increase on 2013-14 (£6,805).
61. **Figure 4** shows the average expenditure by MPs as a whole and by active campaigner MPs in the relevant period from 2013-14 to 2016-17. Actively campaigning MPs in the sample on average spent £83 during the period in 2016-17, less than the average for MPs as a whole. Similarly, active campaigners spent less than MPs as a whole in previous years, apart from 2015-16.
62. Average spend by active campaigner MPs was slightly higher in 2016-17 than in 2014-15 (£80) and more than doubled from 2013-14 (£30). Of the seven MPs who submitted claims that were statistical outliers, none was included in the sample of active campaigners.
63. The frequency of claims made by MPs was lower during the referendum campaign period in 2016 (3.5 per MP) compared to the same time period in 2013-14 (4.1) and 2014-15 (4.2).

Figure 4



Assessment of compliance

64. For postage claims during the campaign period, we examined the 'short description' and 'details' fields. These showed nothing of concern. Claims were found to relate to redirection of post from old offices to new ones, franking, freepost licences and stamps, as would be expected for this expense type.
65. From the quantitative data, we did not identify anything of concern that occurred in regards to claiming. Whilst average amounts claimed in the relevant period fluctuated across years, the differences were not striking. We also found that the rate of claims during the referendum campaign period in 2016 was actually lower than in previous years.
66. That said, because of the nature of postage claims, it is difficult to make a more in depth assessment of compliance. The stamps and freepost licences, for example, could have been used for any number of activities by the MP. If this included ineligible activities like campaigning, it would not be possible to determine this from the claims data.

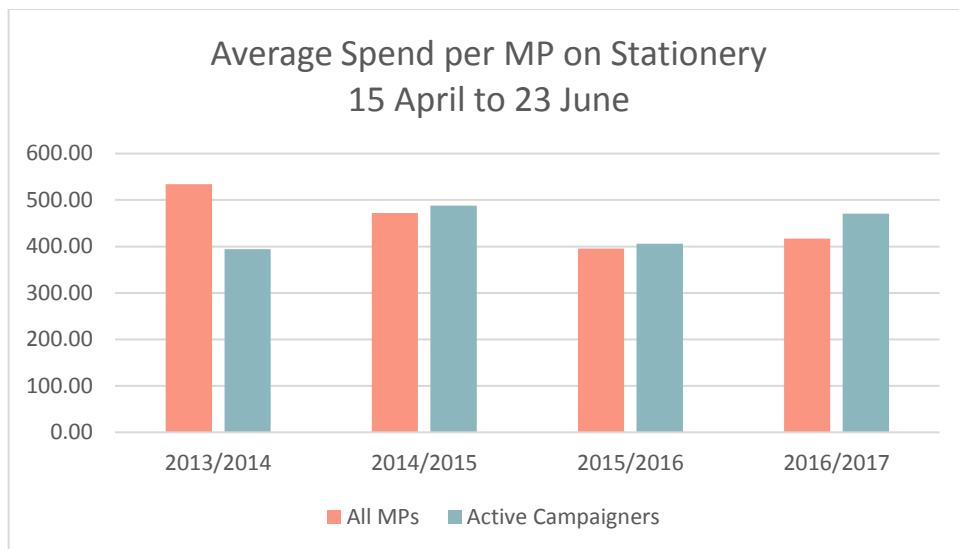
Stationery

Summary of expenditure

67. Items claimed for in this expense type vary, but typically include printing costs including for paper, toner, cartridges and printers. It also includes general stationery such as pens, files, paper clips, envelopes and batteries. These are day-to-day items that are needed to keep an office running and aid the MP in their parliamentary role. We examined this expense type because we assessed that there was a potential risk that stationery purchases could be used to support campaigning, particularly those associated with printing and distributing campaign materials.

68. The overall spending in the stationery expense type during the campaign period in 2016-17 was £239,764, an 8% decrease compared with 2014-15 (£261,096), and a 22% decrease from 2013-14 (£308,207).
69. **Figure 5** shows that MPs in the sample of active campaigners spent 18% more on average than MPs as a whole (£395) during the campaign period in 2016-17. The average expenditure per active campaigner MP in the relevant period in 2016-17 (£465) was about the same as in 2014-15 (£488) and 18% more than 2013-14 (£395).

Figure 5



70. There were 25 MPs who submitted claims in amounts that were statistical outliers during the campaign period. Only one of these MPs was in the sample of active campaigners.
71. During the referendum campaign period, there was actually a lower claiming rate for stationery items compared with previous years. The frequency of claims made by MPs decreased from 7.1 claims on average in 2013-14 and 5.8 in 2014-15, to 4.3 claims in 2016-17.

Assessment of compliance

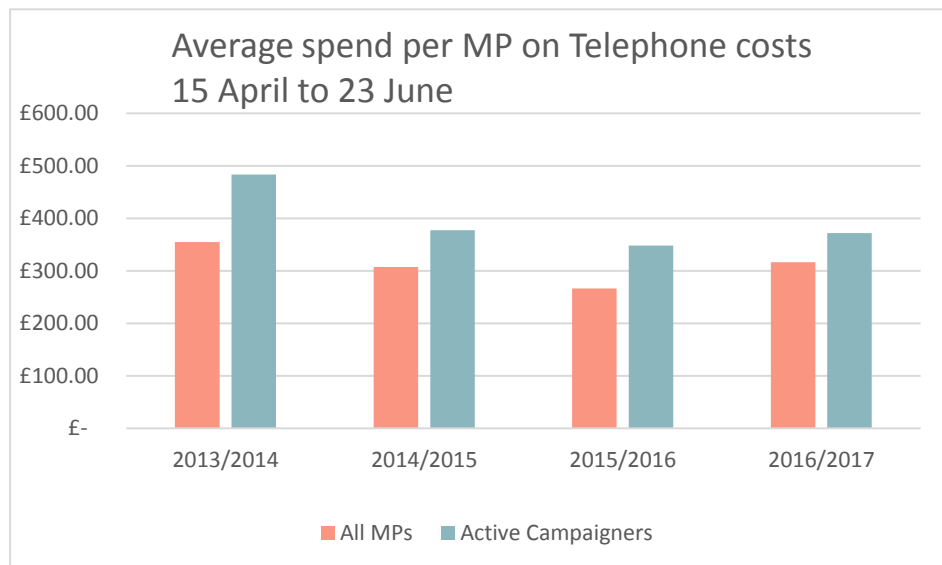
72. With regard to stationery claims made during the EU referendum campaign period, we sought to make an assessment of compliance by examining the information provided by MPs in the 'details' field. There was nothing of note or concern identified. The descriptions provided were consistent with routine purchases made outside the campaign period – e.g. for pens, staplers, printing, etc.
73. The quantitative analysis showed little change in total expenditure across years, which supports the conclusion that there were no concerning spending patterns. However, as with postage, the nature of stationery claims makes a more in-depth assessment difficult. We were unable to tell in some cases what the stationery costs – e.g. printing – were used for from the information provided in the claims.

Telephone

Summary of expenditure

74. Costs in this expense type routinely include bills for landlines and mobile phones, contracts for tablets and iPads and for broadband. The risk in this expense type was that telephone costs could be used in campaigning during the referendum.
75. Overall spending for telephones during the campaign period in 2016-17 was £175,204. This was a small increase of 5% compared to 2014-15 (£167,324) but 15% less than 2013-14 where £205,326 was spent.
76. **Figure 6** shows the average expenditure by MPs in the active campaigner sample during the campaign period in 2016-17 was about the same as in 2014-15 (£372 compared with £377). In 2013-14, the active campaigner MPs spent on average £483 each during the relevant period. When comparing expenditure with MPs as a whole, the actively campaigning MPs spent more, but this is a trend that is the same across all years examined. The difference between expenditure by the sample of active campaigners and MPs as a whole in the referendum campaign was the smallest out of the years examined.

Figure 6



77. Of the 15 MPs who claimed amounts that were statistical outliers in the 2016-17 campaign period, two were included in the sample of active campaigners. There were no active campaigners amongst the five MPs who submitted claims that were major outliers.
78. The frequency of claims made by MPs was slightly lower during the referendum campaign period in 2016-17 compared with the same time period in other years (8.9 claims on average in 2013-14; 9.2 claims in 2014-15; and 8.1 claims in 2016-17).

Assessment of compliance

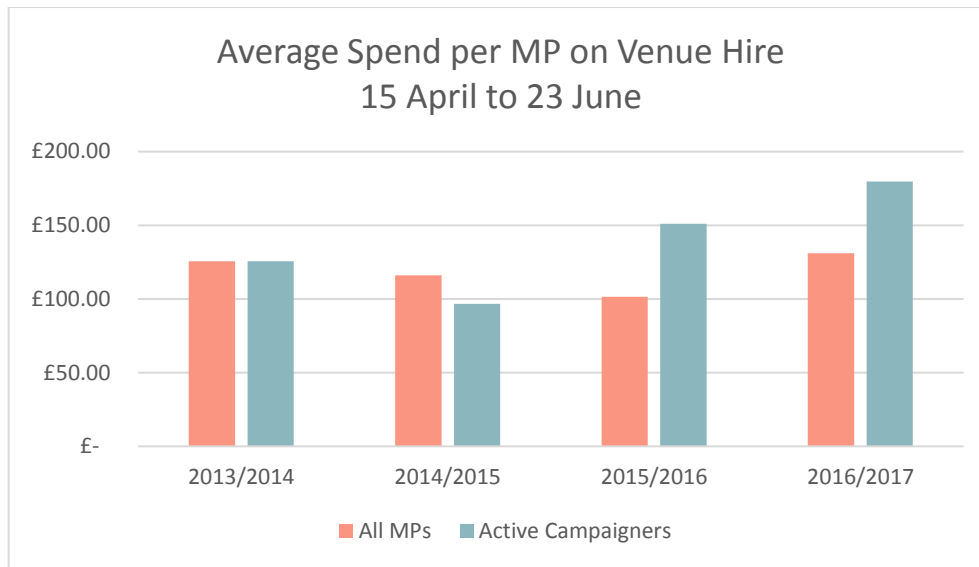
79. An examination of the 'short description' and 'details' field for all telephone claims during the campaign period showed that claims related to broadband, line rental and other bills, as expected for the expense type.
80. Telephone costs were another difficult area in which to assess compliance, as distinguishing which aspects of a claim were related to the EU referendum would have been impossible to do without first going through itemised call lists and asking MPs or their staff what each call was made for.
81. From the quantitative data examined, we have not identified anything of concern. The sample of active campaigners claimed more on average than MPs as a whole, but this was consistently the case across previous years; in fact, the difference between the two groups was smallest during the EU referendum campaign period. An examination of high value claims showed that some MPs are paying relatively high line rental charges, but that these high costs were consistent across previous years.

Venue Hire

Summary of expenditure

82. Claims under this expense type are typically for the hiring of spaces such as in town halls or schools for meetings, debates or other events. Often these include surgeries where constituents can meet their MPs to discuss areas of interest or concern. We examined this expense type because we assessed there was a potential risk that MPs could use venue hire claims to fund campaign-related events.
83. The overall spending on venue hire during the campaign period in 2016-17 was £33,393, an increase of 22% compared with 2014-15 (£27,367) and more than six times higher than in 2013-14 (£4,935).
84. **Figure 7** shows that average spend per active campaigner MP in the referendum campaign period was nearly double what they spent in the relevant period in 2014-15 (£180 compared with £97). The sample of active campaigner MPs spent on average 27% more than MPs as a whole during the campaign period in 2016-17. However, they spent less than MPs as a whole in 2014-15.
85. Of the eight MPs who claimed amounts that were major outliers, two of these were included in the sample of active campaigners.

Figure 7



86. The frequency of claims made by MPs was fairly consistent across the years examined (fluctuating only between 4.5 and 4.9 claims on average).

Assessment of compliance

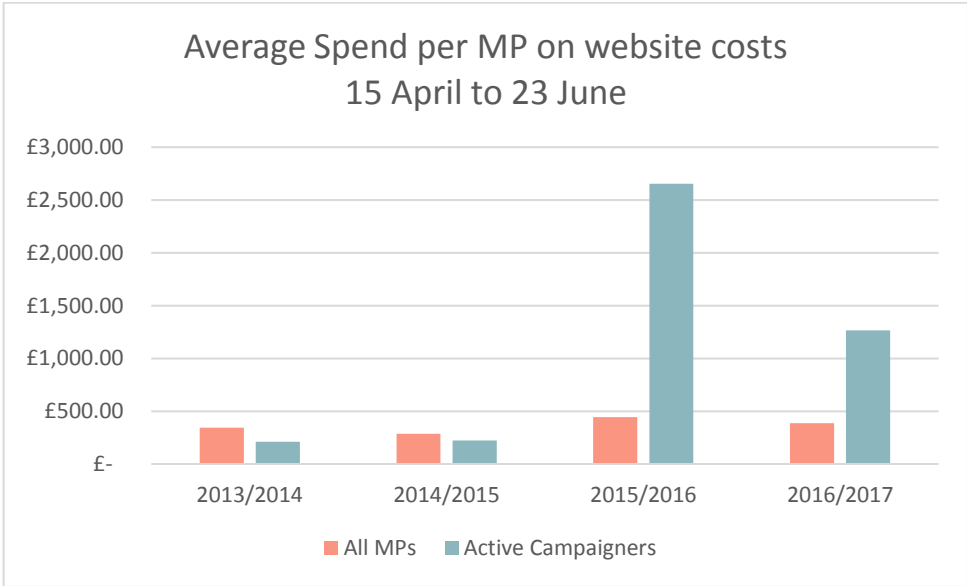
87. The quantitative data highlighted a significant increase in the average claims by the sample of active campaigners from 2014-15 to 2016-17. This does not in itself raise compliance concerns, but made a qualitative assessment of claims all the more necessary.
88. We examined the information provided in the 'details' field of claims for venue hire during the referendum campaign period. In general these were consistent with routine claims made outside the campaign period, such as the hiring of town halls, schools or church halls for constituency surgeries.
89. Six claims were identified as directly relating to the EU referendum. These were for public meetings, information events and hustings. However, we were assured from the information in the claims that these were not campaigning events and were allowable costs under the Scheme and referendum guidance.
90. Closer examination of the high-value claims during the period showed that these related to routine costs or payments for hiring of venues multiple months in advance. In one case, the claim was for fortnightly hire of a room in a library for two months. The highest value claim made during the campaign period was for a deposit for hiring a venue to hold a public EU debate. We determined that this activity was allowable as it was a debate including both sides of the referendum question.

Websites

Summary of expenditure

- 91. Claims for this expense type typically relate to website hosting, design, maintenance, domain renewal and support. We identified a potential risk that, during the EU referendum period, MPs could use their IPSA-funded websites to publish campaigning content which might be outside the Scheme. Costs associated with designing or amending websites might increase to accommodate changes relating to the EU referendum.
- 92. Total spending on websites during the campaign period in 2016-17 was £36,998, a significant increase of 73% compared with 2014-15 (£21,418) and 23% higher than in 2013-14 (£30,054).
- 93. **Figure 8** shows the average spend per active campaigner MP and across all MPs as a whole. It is clear that active campaigner MPs spent significantly more than their peers in the campaign period in 2016-17, and more than five times what they spent on average in 2014-15 (£1,266 increased from £224). These significant differences in expenditure are addressed in the following section.

Figure 8



- 94. Of the seven MPs who submitted claims that were major outliers, two were included in the sample of active campaigners. The outlier amounts related to annual subscription costs for website design and management which were paid in April, at the start of the new financial year.
- 95. The average number of claims for website costs made by MPs was fairly consistent across years (2.9 claims on average during the pre-referendum period in 2016-17, compared with 3.1 in 2014-15 and 2.8 in 2014-15).

Assessment of compliance

96. For website claims made during the campaign period, we examined the information provided in the 'details' field of individual claims. These did not indicate anything of concern or note that required further investigation. However, as noted earlier, given the timing of this review, it was not possible to conduct a full qualitative assessment of the content on MPs' websites as it existed during the campaign period.
97. The quantitative analysis above clearly shows a large difference between the average amount claimed by the sample of actively campaigning MPs and the average amount claimed by MPs as a whole during the campaign period in 2016-17. Upon closer examination, four of the outlier claims were found to relate to annual subscription fees to the same developer. These were noted to be recurring claims and therefore there were no compliance concerns in relation to the EU referendum, despite the higher costs. The claims were consistent with routine purchases made in different years.
98. Although not used by the review for direct comparisons, the average spend over the period in 2015-16 by the sample of actively campaigning MPs also appears high in comparison with MPs as a whole. We examined this closer and found that these claims also included recurring annual subscription fees which happened to be claimed during the period.

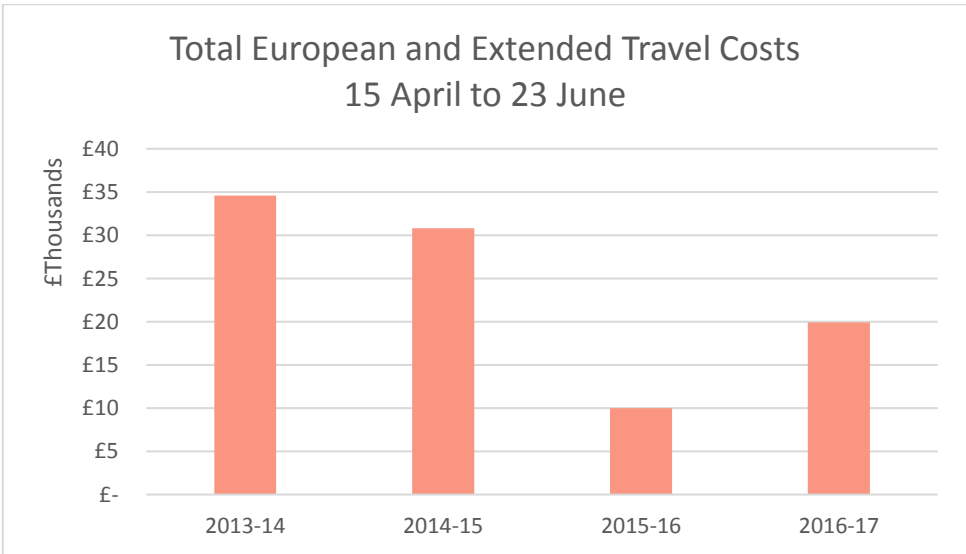
Travel Costs

- 99. This section examines expenditure on two categories of travel, European travel and extended travel, during the period 15 April to 23 June across different years, and between all MPs and active campaigners. We judged these two areas as having the highest risk of unusual spending patterns of expenditure during the period ahead of the referendum.
- 100. Claims for European Travel were capped at a maximum of three return journeys under the 2016-17 Scheme rules, and were limited to trips to national parliaments of Council of Europe member states and institutions and agencies of the European Union. The nature of the referendum question meant that MPs might have had more cause to travel to Europe ahead of the referendum.
- 101. Extended UK travel (i.e. travel which is outside an MP’s constituency, and not the normal journey between the constituency and London) can be claimed for parliamentary purposes. In 2016-17 there were no restrictions on the number of extended UK journeys MPs could take. As with European travel, MPs may have needed to make more journeys to other parts of the UK during the campaign in order to discuss referendum issues.

Aggregate expenditure and change over time

- 102. The total expenditure European travel and extended UK travel during the campaign period in 2016-17 was £19,933. **Figure 9** shows the total change in expenditure during the period 15 April to 23 June from 2013-14 to 2016-17. Perhaps unexpectedly, this shows that expenditure during the referendum campaign period was actually lower than in earlier years.

Figure 9

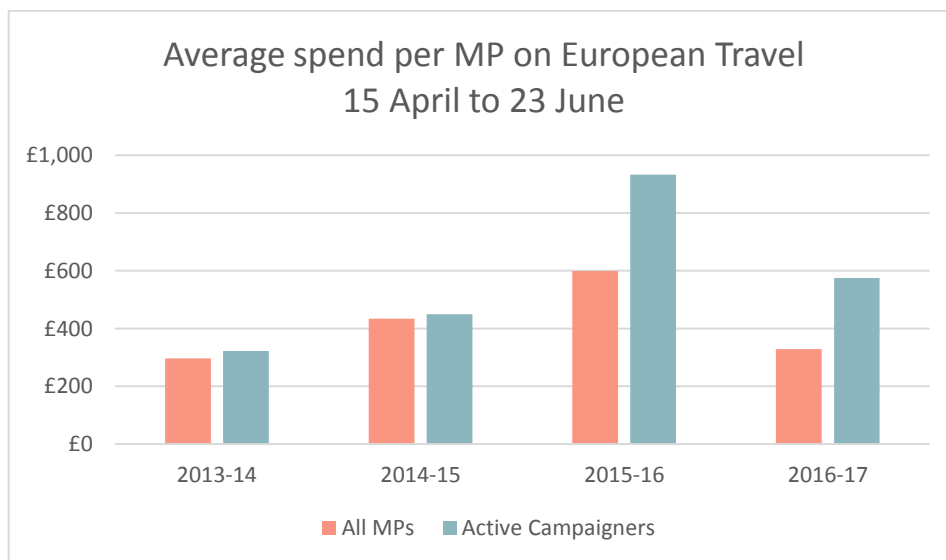


European Travel

Summary of expenditure

103. The overall spending on European Travel during the campaign period in 2016-17 was £8,222. This is less than half what was spent in the same period in 2014-15 (£18,636) and 2013-14 (£18,089).
104. **Figure 10** shows the average spend on European travel per MP during the campaign period in the years from 2013-14 to 2016-17. MPs who were included in the sample of active campaigners spent on average £575 during the 2016-17 campaign period, 75% more than MPs as a whole (£329). This was also 28% more than average expenditure by the sample of active campaigners in 2014-15 (£450), and an increase of 79% compared with 2013-14 (£322). However, only one of the sampled active campaigners submitted European travel claims in 2014-15 and 2016-17, compared with four in 2013-14, indicating that using average spend may not be effective.
105. Seventy-four claims made by 25 MPs for European travel were submitted during the relevant period in 2016-17. The frequency of these claims the same (3.0 claims on average for the 25 MPs), when compared with the same time period in 2013-14 and marginally higher than 2014-15 (2.8).

Figure 10



Assessment of Compliance

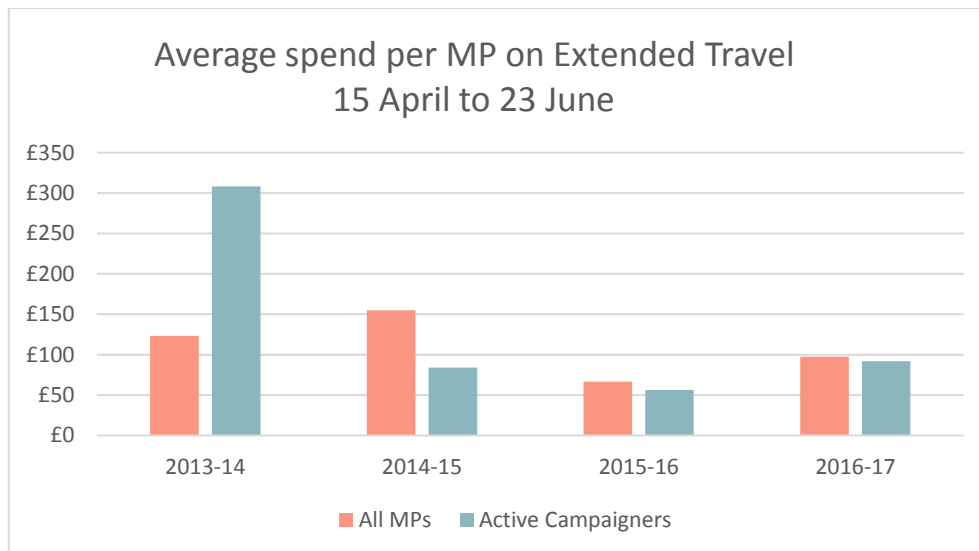
106. We examined the 'short description' and 'details' fields of all European travel claims made during the referendum campaign period and found nothing of note or concern; claims were found to relate to, among other things, parliamentary conferences, cross-party visits and meetings in national parliaments. Ten journeys were found to have been made between the UK and Brussels. From the information in the claims, these relate to parliamentary work and not to campaigning or other ineligible activity.

Extended Travel

Summary of expenditure

107. This journey type typically includes travel for meetings with businesses, shadow ministerial visits or visits to constituents based outside the constituency (for example those serving in the armed forces and stationed elsewhere in the country). We judged that there was the possibility that the amount claimed might have increased during the referendum campaign as MPs attended debates or other referendum-related events; and also that there was a risk that extended travel costs could be used for campaigning that should have been funded from elsewhere.
108. The overall spending for Extended Travel during the campaign period in 2016-17 was £11,712. This is a decrease of 23% from £15,168 in 2014-15 and a decrease of 29% from 2013-14 (£16,500).
109. **Figure 11** shows the average spend on UK extended travel per MP during the period 15 April to 23 June between 2013-14 and 2016-17. MPs who were in the sample of active campaigners spent less on average than MPs as a whole in all years, except for 2013-14.

Figure 11



110. Further examination determined that the amounts claimed by 12 MPs during the campaign period in 2016-17 were statistical outliers. The outliers were found to relate to flights between London and Edinburgh and, in one case, due to the recall of Parliament.
111. The frequency of claims made by MPs was slightly higher during the referendum campaign period (2.3 claims on average), compared with the same time period in 2013-14 (2.1) and 2014-15 (1.7).

Assessment of compliance

112. We examined the 'short description' and 'details' fields for all extended UK travel claims during the referendum campaign. These showed nothing of concern; claims were found to relate to, among other things, visits to government departments, attendance at TV interviews, speaking events and cultural events. The average amounts claimed by active campaigners were routinely less than the average for MPs as a whole, with the exception being in 2013-14. It was also seen that the total amount claimed during the referendum period in 2016-17 had decreased compared to previous years.
113. Eight journeys were found to have been made which related to the EU referendum. These included trips to attend radio and TV debates by invitation and live coverage of the referendum. These were examined and no compliance concerns were identified.

Conclusions

114. We were satisfied from this review that there has been compliance among MPs' claims in the expense types examined. In general, there was consistency between the nature of claims made during the campaign period and those made in other years.
115. The MPs selected as a sample of active campaigners spent more on average than MPs as a whole during the EU referendum period on advertising, contact cards, stationery, telephone, venue hire and websites. However, this was in most cases also true during the relevant period in previous years, so the relatively high spending by active campaigner MPs was not identified as being specifically related to the EU referendum.
116. Website claims were highlighted as being of possible concern due to the rising costs each financial year and the much higher average costs among active campaigner MPs during the referendum campaign period. Upon closer examination it was clear that the high-value claims were recurring and therefore not related to the EU referendum in 2016. The fact that a number of the high-value claims related to payments to the same supplier is not an indication of inappropriate expenditure (IPSA does not dictate what suppliers MPs may use, nor operate 'preferred supplier' arrangements). However MPs' spending on websites may warrant further exploration as part of our future assurance work.
117. Venue hire claims were another area where spending had increased at a higher rate than expected. Qualitative analysis of claims did not indicate any compliance concerns. However, this is another area which could be examined more closely as part of our future assurance process, in order to determine patterns or causes of increased spending.
118. We can conclude that there was good understanding amongst MPs about the eligibility of claims from IPSA for parliamentary work during the EU referendum campaign period. Therefore no specific recommendations have been made as a result of this review.