

Equality Impact Assessment of the MPs' Expenses Scheme on MPs and their Staff

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INTRODUCTION

The Equality Act 2010- Duties for public sector organisations

- 1.1 The Equalities Act 2010 came into force in October 2010, bringing with it new duties for public sector organisations. As an organisation, IPSA carries out two roles, that of regulator and a service provider for MPs. Although the obligations for an organisation such as IPSA are ambiguous under the Equality Act because it does not, strictly speaking, provide public services, IPSA wishes to ensure that the MPs' Expenses Scheme is having no unfair impact on any MPs or their staff. For this reason, IPSA has undertaken an Equality Impact Assessment (EIA) in parallel with the first Annual Review of the MPs' Expenses Scheme. This is in line with good practice which suggests that all public sector organisations should carry out an EIA to review the impact of the policies they implement.

Equality Impact Assessments- What they are and how they are used

- 1.2 An EIA is the process of assessing the impact of a policy or a proposed policy on particular groups to ensure that they are inclusive of everyone who is or may be affected by them, and that the policy does not cause any unlawful or unjustified discrimination. Conducting an EIA involves systematically assessing the likely or actual impact of policies on individuals in respect of the "protected characteristics." These characteristics, as identified by the Equality Act 2010, include the following:
- a. Age
 - b. Disability
 - c. Gender reassignment
 - d. Marriage and civil partnership
 - e. Pregnancy and maternity
 - f. Race
 - g. Religion or belief
 - h. Sex (gender)
 - i. Sexual orientation

The Scope of the EIA

- 1.3 IPSA's EIA considers the impact of the Scheme on MPs and their staff based on the nine protected characteristics listed above.
- 1.4 In addition, IPSA assessed the impact of the Scheme on those MPs and MPs' staff with caring responsibilities. This is a key theme in IPSA's Annual Review, and an area for which IPSA required additional evidence in order to understand how many MPs have caring duties and how the provisions of the Scheme may affect their family life. One of the fundamental principles of the Scheme is that it should be flexible enough to take into account the diverse working patterns and demands placed upon individual MPs, and that it should not unduly deter representation from all sections of society. For this reason, IPSA wished to assess the impact of the Scheme on those MPs and staff members to assess whether any changes were required to mitigate the impacts on any individuals with caring responsibilities.
- 1.5 The EIA also includes a section on the impact of the Scheme on MPs' finances under a section entitled 'Socioeconomic issues'. Whilst it is not a formal duty under the Equality Act, IPSA acknowledges that the Scheme's impact on personal finances has been raised as a key concern by some MPs, and thus it merits further assessment through this EIA.
- 1.6 This EIA builds upon an initial EIA screening which the IPSA Implementation Team carried out in Spring 2010. The finding of the initial screening concluded that:

"We do not believe that an expenses scheme alone should have an impact, adverse or positive, on the diversity of MPs. We have, however, ensured the scheme does not provide unnecessary barriers, and this can be seen in key areas when necessary support has been maintained (such as through the provision of additional funding for MPs with caring responsibilities and providing the necessary funding for disabled MPs)."
- 1.7 One year on, IPSA wishes to review how the Scheme is impacting on its service users.

EVIDENCE

Public Data

- 1.8 IPSA does not hold equality and diversity statistics for MPs and their staff. Statistics which are publicly available on MPs include that of their gender, and if they come from a minority ethnic background. Aggregated headline figures show that the average age for those elected in 2010 was 50. Of those, the oldest MP was Sir Peter Tapsell, Conservative MP for Louth and Horncastle, aged 80, and the youngest MP was Pamela Nash, Labour MP for Airdrie and Shotts, aged 25.¹
- 1.9 Table 1 in the Annex shows statistics for gender and race, as well as identifying the number of returning and new MPs, which are useful in identifying how many MPs will have operated under the previous scheme administered by the House of Commons. The data from Table 1 shows that the majority of the House of Commons is male (78%) and 4% are minority ethnic.

Data from the Annual Review

- 1.10 To support our understanding of the effect of the Scheme on MPs and their staff, IPSA included an analysis of equality and diversity impacts as part of the Annual Review of the MPs' Expenses Scheme. From 5 January to 11 February 2011, IPSA conducted a public consultation on the Scheme, which attracted over 350 written consultation responses from members of the public, MPs, MPs' staff, and other interested parties. The consultation's second question asked respondents,
- “What impact do you believe the MPs' Expenses Scheme and the specific issues within this consultation may have on equality and diversity within the House of Commons?”*
- 1.11 74 responses were received to this question from a variety of respondents. Table 2 in the Annex shows which characteristics respondents identified as being impacted by the MPs' Expenses Scheme, by type of respondent.
- 1.12 Table 2 shows that majority of respondents felt that the Scheme has no impact on equality and diversity within the House of Commons. Of those who felt that the Scheme is negatively impacting upon individuals based on one or more protected characteristics, the largest impact was thought to be on sex (gender). Respondents also felt that Scheme impacts negatively upon those with caring responsibilities, and on individuals without significant personal financial resources.

¹ Data from the House of Commons Library, General Election 2010: Detailed Analysis Research Paper 10/36, 8 July 2010. Available at <http://www.parliament.uk/briefingpapers/commons/lib/research/rp2010/RP10-036.pdf>. Accessed 6 December 2010.

- 1.13 In addition to the consultation exercise, IPSA also sought to engage directly with its service users as part of the EIA. All 650 MPs and over 2,500 MPs' staff members were invited to complete the IPSA Equality Impact Assessment Questionnaire. The EIA Questionnaire asked for views on the perceived impact of the Scheme on equality and diversity, and asked for evidence of any negative impacts. It also contained three additional questions for MPs only to gather data on the Scheme's impact on those with caring responsibilities. Finally, the EIA Questionnaire asked for suggestions as to how IPSA could mitigate any negative impacts of the Scheme.
- 1.14 IPSA received a total of 82 completed EIA Questionnaires: 44 from MPs and 38 from staff members. This equates to 6.8% of all MPs and 1.4% of all staff. The low level of response at the surface may suggest that an overwhelming majority of MPs and their staff does not feel that the Scheme has an impact on equality and diversity. However, IPSA accepts that there will be a variety of possible reasons for the low response rate, and there is little value in speculating about them.
- 1.15 The low response rate also means that the data are not statistically relevant. Nonetheless, the feedback to each question has been included in the assessment that follows. Readers are requested to note that the EIA Questionnaire was anonymous and none of the quotations in this document comes from the Questionnaire (rather they come from responses to the public consultation).
- 1.16 Table 3 in the Annex presents the number of responses to the EIA Questionnaire which suggested that the Scheme impacts unfairly against individuals based on a protected characteristic, caring duties, or socioeconomic status. Of those respondents which identified a negative impact of the Scheme, the majority felt that the Scheme has the most impact on those with caring responsibilities and on MPs' financial resources.

THE ASSESSMENT

- 2.1 The assessment that follows looks at the impact of the Scheme on the nine protected characteristics in the Equality Act, and on those with caring responsibilities and on financial resources. Policy changes which have been implemented as a result of this EIA are identified.

Age

- 2.2 IPSA received two responses to the EIA Questionnaire which suggested that the Staffing Expenditure budget had a negative impact on older staff members. These respondents felt that Scheme is unfairly benefiting young people over old people. They perceived a trend towards recruiting younger, more inexperienced staff due to cost implications of hiring older, more experienced staff within what was considered to be a low Staffing Expenditure budget. They also believed that the insufficient level of the budget encourages the practice of taking on interns for little or no salary, thus favouring young people who can survive on a meagre salary in central London, which in turn implies a level of wealth and/or privilege. No respondents to the consultation question directly identified Age as a characteristic impacted by the Scheme.
- 2.3 Throughout the course of the January 2011 consultation, IPSA met with a variety of MP groups and civil society organisations, some of whom stated there is a need to address the system of low-paid/unpaid interns working for MPs and the negative effects this may have on equality and diversity in Parliament. Some groups expressed their preference for a separate central intern budget or fund, possibly raised through charitable donations or administered by the House of Commons, which they felt would give equal opportunity to those who cannot afford to live on the low or non-existent wages of an MP's intern. There were also calls to raise the staffing budget in order to better enable the employment of older, more experienced staff. In a similar vein, there was a suggestion to have a centrally-funded scheme to encourage those from ethnic minorities to work for MPs.

IPSA's Position

- 2.4 IPSA does not have conclusive evidence that the MPs' Expenses Scheme discriminates against any MPs or their staff based upon their age. Anecdotal evidence has suggested that younger, graduate-level staff are paid less than older, more experienced staff, but contradictory accounts have been put forth that older, more experienced staff are paid less than their younger, newly-recruited counterparts.

- 2.5 At this time, IPSA is content that the Scheme treats all MPs and staff equally based on their age. No evidence has been put forth which suggests that age discrimination is occurring due to an MP's age. With regards to MPs' staff, the model contracts and job descriptions allow for modification based upon employment duties. This ensures that those on IPSA's payroll have a legitimate contractual relationship in place between staff and the MPs who are their employers, and the salary bands are sufficiently broad to cater for new and experienced staff. The decision of where to place a particular staff member rests with the MP as the employer and should be decided based on the employee's capability and experience. However, to investigate the anecdotal evidence further, IPSA is currently undertaking a review of all staff contracts. Any findings that suggest that inequities do exist because of an individual's age will be addressed appropriately.
- 2.6 With regard to interns, the practice of using volunteers and interns is controversial, not only in Parliament but across a variety of professions. Opinions are divided between completely prohibiting unpaid internships, versus expanding the opportunities for internships so that individuals can gain pre-employment experience. There are also concerns about unpaid interns taking the place of paid staff. IPSA does not believe it should tell MPs where to stand on this debate, or how to treat interns already within Parliament. As an independent regulator, IPSA will remain neutral in this debate.
- 2.7 The Scheme permits MPs to claim incidental expenses for interns, or to put interns on a contract of employment and pay them the National Minimum Wage or higher. A central interns' fund would not change the rules of the Scheme, merely which budgets were used to fund the practice of interns. Funding interns from a central, additional budget may also encourage MPs to recruit more interns than they currently have. This effect would shift our neutral position to one that seems to encourage the practice of interns. For this reason, IPSA is not altering its policy on interns at this time.

Disability

- 2.8 Two respondents to the EIA Questionnaire addressed disability. One respondent questioned whether the Scheme has adequate provisions for the disabled, particularly in relation to travel and subsistence claims; and as a consequence the respondent felt that IPSA could be seen as being reactive, rather than proactive, on equality issues. Both responses suggested that IPSA could consider developing an individual disability allowance for qualifying staff to ensure there is no discrimination arising from claims such as travel and subsistence.
- 2.9 IPSA also included a question in the consultation on whether any aspect of the arrangements for disability assistance, security assistance, insurance, contingency

and financial assistance could be improved (question 42). Three responses were received that were relevant to this EIA from an MP, a member of the public, and from the charity POhWER. The MP and the member of the public both noted that disability assistance is vital for MPs and their staff and that such assistance should provide everything expected of an employer. POhWER made the following points:

- a. that IPSA's requirement that claims for disability assistance must be accompanied by an assessment by a suitably qualified person specialising in the nature of the condition is "potentially obstructive" and not in accordance with best practice, and that consideration should be made to recent changes in the Access to Work Scheme to ensure that the MPs' Expenses Scheme clearly sets out the items that are claimable from IPSA;
- b. that clarity is required on whether or not the Scheme supports the travel costs for a carer for a disabled dependent of an MP;
- c. that reasonable adjustments for disability access to offices should be funded as it is a legal requirement for employers, and that an explicit provision should be included for reasonable adjustments for candidates for interview by MPs; and
- d. that the support for MPs and their staff with disabilities should be covered from one budget, rather than support for staff being drawn from the Contingency Fund.

IPSA's Position and Policy Change

2.10 IPSA recognises that disabled staff and MPs should be supported equally. Having considered the responses to the EIA Questionnaire and to the consultation, IPSA has made several amendments to the Scheme that are designed to provide better support individual MPs, staff and dependants with disabilities. The Third Edition of the Expenses Scheme therefore incorporates the following provisions:

- a. the Scheme has been amended to state explicitly that Disability Assistance covers necessary additional expenditure (including all 'reasonable adjustments' within the meaning of the Equality Act 2010) incurred in the performance of an MP's parliamentary functions, which are reasonably attributed to the disability of an MP, or a member of his or her staff. These claims will come from the Disability Assistance Budget rather than from the Contingency Fund. Please see paragraph 10.1 of the Scheme;
- b. Disability Assistance is also claimable for expenses incurred for reasonable adjustments for job applicants. Please see paragraph 10.1 of the Scheme;

- c. IPSA no longer requires an assessment by Access to Work or the House of Commons Health and Welfare Service prior to approving claims relating to a disabled staff member of an MP. However, IPSA reserves the right to request such an assessment where there are large costs involved. Please see paragraph 10.3 of the Guidance Notes which accompany the Scheme; and
- d. expenses may be now claimed for a carer to travel with a disabled staff member or an MPs' disabled dependant. Please see paragraphs 9.22 and 9.31-9.33 of the Scheme.

Gender reassignment

- 2.11 No responses or evidence were received that suggests that the Scheme has an unfair impact on anyone based upon their gender reassignment. IPSA is content that our Scheme is compliant with the Equality Act 2010 in this area.

Marriage and civil partnership

- 2.12 Two responses to the EIA Questionnaire (one from an MP and one from a staff member) suggested that the Scheme negatively impacts MPs who are married as it does not allow expenses for spouse travel if the spouse is not travelling with a child. In addition, one response was received to the consultation which stated that the Scheme discriminates against those based on their relationship status. Rt. Hon. David Maclean wrote,

"[The Scheme] discriminates against people in relationships, even without children, as there are restrictions preventing couples staying together throughout the week"

IPSA's Position

- 2.13 IPSA does not believe that the Scheme impacts unfairly upon any individual in regards to marriage and civil partnership. The Scheme imposes no restrictions on couples staying together throughout the week, as the quotation at paragraph 2.12 suggests, but IPSA will not fund additional accommodation for a spouse or partner.
- 2.14 IPSA also supports spouse/partner travel when the spouse/partner is travelling in exercise of caring duties for a dependant, but not if the spouse/partner is travelling alone. One of the fundamental principles of the MPs' Expenses Scheme, the presumption should be that in matters relating to expenses, MPs should be treated in the same manner as other citizens. On that basis, IPSA does not think it is appropriate to fund all spouse/partner travel, a policy which is generally consistent across other public and private sector organisations. For this reason, IPSA does not believe that the Scheme discriminates against MPs who have or who have not entered into marriages and civil partnerships. Conversely, IPSA has recognised that

the Scheme does have an impact on those MPs with dependants and has undertaken steps to mitigate the effect of the Scheme on those with children. This is covered in the section on Caring Responsibilities.

Pregnancy and maternity

2.15 One MP and six MPs' staff members noted in the EIA Questionnaire that the Scheme has an unfair impact on individuals who become pregnant or are on maternity leave. The MP felt that IPSA does not support MPs with their expenses when they are on maternity leave. The staff members believed that the guidelines for staff maternity and paternity leave are unclear and they expressed concerns as to their eligibility. Respondents suggested that this could discourage MPs from employing a person of child-bearing age. Four responses requested that maternity/paternity pay be 'centrally funded' instead of being paid from the Contingency Fund, and for there to be clearer policies in this area.

2.16 The Annual Review's consultation included a question on maternity, paternity and adoptive leave, which asked:

"For the avoidance of doubt, should payment of cover for maternity, paternity and adoptive leave be separately identified from contingency arrangements in Part 12 of the Scheme?" (Question 35)

2.17 49 responses were received to this question, the majority of which called for the provisions for the payment of cover for maternity, paternity and adoptive leave to be removed from contingency payment arrangements and requested instead that it was clearly set out elsewhere in the Scheme. One respondent alleged that IPSA has reduced maternity benefits and set out his view of the impact of this on staff as follows:

"[The] reduction in maternity benefits is not helpful in the recruitment and retention of staff and under the current arrangements for maternity, particularly for female staff who are generally under-represented within the Unit." (Iain M Corby of the Parliamentary Resources Unit)

2.18 Respondents also questioned how MPs on maternity or paternity leave were expected to submit their expenses.

IPSA's Position and Policy Change

2.19 In the First and Second Edition of the Scheme, the payment of maternity, paternity and adoptive **leave** came out of MPs' Staffing Expenditure budget, and maternity, paternity and adoptive **cover** has been paid from the Contingency Fund, which was covered under Part 12 of the Scheme. If the cover came from an MP's Staffing

Expenditure budget, IPSA felt that MPs might feel reluctant to hire or continue to employ any individuals who may be entitled to maternity, paternity, or adoptive leave in the future because of budget concerns. However, the unintended consequence of this arrangement, as highlighted in responses to the EIA Questionnaire, was an uncertainty among MPs' staff of funding for their leave.

- 2.20 Contingency payments are for instances where an MP has necessarily incurred expenditure or liability for expenditure not covered by any of the other budgets included in the Scheme, or if the expense exceeds the MP's budget. They are paid through application only and subject to declarations by the MP about why the expense was unavoidable and why refusal of payment will significantly affect their ability to perform their Parliamentary functions.
- 2.21 Payments for maternity, paternity and adoptive **cover** have never been subject to the conditions placed upon a contingency payment. They have come from the Contingency Fund to ensure that these costs were met by a central budget rather than an MP's individual Staffing Expenditure budget.
- 2.22 However, we recognise that including such payments under the Contingency Fund provisions has caused uncertainty for some MPs' staff. For this reason, IPSA has moved the provisions for the payment of cover for maternity, paternity, adoptive and long-term sickness leave from the contingency payment arrangements and placed them with the Staffing Expenditure budget part of the Scheme. These costs will continue to be met from the central budget and not from the MP's staffing budget, but they are now contained within the staffing section of the Scheme to make clear that such payments are a legitimate part of employing staff. The process to notify IPSA of the need for cover will remain unchanged. Please see paragraph 7.4 (a) of the Third Edition of the Scheme for maternity, paternity, and adoptive leave.
- 2.23 To address the point on the perceived reduction in maternity budget raised at paragraph 2.17, there has not been a reduction in maternity benefits since IPSA has taken over the payment of staff salaries, and IPSA can confirm that the maternity leave entitlement exceeds that of the statutory entitlement. All employees are entitled to 26 weeks' ordinary maternity leave and 26 weeks' additional maternity leave. If an employee has worked a continuous period of at least 26 weeks ending with the qualifying week (that is, the 15th week before the expected week of child-birth) the entitlement will be 26 weeks ordinary maternity leave on full pay and 13 weeks' additional maternity leave paid at the statutory rate of maternity pay depending on the individual's average weekly earnings. The 13 week period of additional maternity leave following this will be unpaid.
- 2.24 With regard to the question on how MPs on maternity, paternity or adoptive leave are expected to submit their expenses, the guidance to the Second Edition of the

MPs' Expenses Scheme is that any MPs taking such leave can delegate the authority to submit claims to another MP or their proxy (please see Part 2 of the Guidance). This arrangement is designed to support MPs during the time when they are on leave and thus are unable to fulfil their Parliamentary duties. It remains unchanged in the Third Edition of the Scheme.

Race

- 2.25 Five responses were received to the EIA Questionnaire which said that the Scheme impacts on individuals because of their race. Three gave no examples but said that the Scheme impacts on ethnic minorities, and two suggested that in terms of race, white people are unfairly favoured by the Scheme because people of this ethnic group are more likely to be from higher socio-economic groups, therefore enabling them to act as an MP's intern, which they felt frequently leads to a career in Parliament.
- 2.26 Three responses were received to the consultation question relating to race. These responses suggested the following:
- a. one anonymous response said that the Scheme impacts on ethnic minorities, but gave no examples of how or why this is the case;
 - b. Interns Aware and Interns Anonymous stated that as "resources are not distributed equally across ethnic groups it is highly likely that internships are a form of indirect discrimination;" and
 - c. Barry Gardiner MP wrote that the "cost [of staff travel incurred above the IPSA limit] could make it restrictive for staff who may get into financial difficulties and put off those from less wealthy backgrounds from applying to become MP's staff... given that there is often a link between race and socio - economic background, these concerns may also result in disproportionately putting off staff and MP's from BAME [Black, Asian and Minority Ethnic] groups."

IPSA's Position

- 2.27 IPSA is content that the Scheme does not impact on any staff or MPs unfairly because of their race. IPSA has already stated its position on interns under the Age assessment above. Likewise, IPSA does not consider that it should comment on the diversity of staff employed by MPs.

Religion or belief

- 2.28 No responses or evidence were received that the Scheme has an unfair impact on anyone based upon their religion or belief. IPSA is content that our Scheme is compliant with the Equality Act 2010 in this area.

Sex (gender)

- 2.29 14 responses were received on the EIA Questionnaire which suggested that the Scheme could disproportionately affect women, particularly those with children and/or caring responsibilities. Some respondents felt that the new IPSA scheme is regressing on equality and diversity because the previous scheme administered by the Fees Office until 2010 was perceived to have more family-friendly policies and allowances.
- 2.30 One key reason given was the perceived lack of provision for children and families to be together given that an MP is required to live and work in two locations (London and the constituency). Respondents also suggested that the cut-off age of children for whom an MP can claim additional accommodation expenses is seemingly arbitrary. Some respondents saw this rule as imposing a barrier to a female MP wanting to join Parliament because it may constrict her ability to have a full family life.
- 2.31 Responses to the consultation question were consistent with those of the EIA Questionnaire, and largely focused on the impact of the Scheme on women with caring responsibilities. The following three quotes are representative of the responses that identified a negative impact of the Scheme on women:

“We have had reports that some women decided not to stand at the last election because of the effect on their family life. Women have also expressed doubts about whether they will be able to remain members in future if their family circumstances change.” (Kate Green, Chair of the Women’s Parliamentary Labour Party)

“These family issues affect men and women, but are likely to be a greater disincentive to women to stand for Parliament outside London, we know already that some women have left Parliament because they found combining family and work too difficult and women are still fewer than 25% of all members. Addressing these points is important if we are to have a more balanced Parliament.” (Submission by Helen Goodman MP, Ann Coffey MP, Tristram Hunt MP, Lisa Nandy MP, Rob Flello MP, and Mary Glendon MP)

*These family unfriendly rules act as a deterrent to people, especially women, who might otherwise consider standing for parliament.
(Campaign for Gender Balance and Women Liberal Democrats)*

IPSA's Position

- 2.32 Whilst IPSA has not received evidence that the Scheme directly impacts MPs or their staff based on gender, responses received to the EIA Questionnaire and the consultation suggest that the Scheme may disproportionately impact on female MPs with children. IPSA believes that MPs, regardless of their gender, should not be negatively impacted by the Scheme, and these concerns have been addressed below in the section on Caring Responsibilities. The decision to stand as an MP is a personal decision which individuals make during their professional career and which has significant implications on family life. IPSA's role is to support the work of these individuals, but it is not within IPSA's power to reform the working practices of the House of Commons or the lifestyles of MPs. IPSA is content that the Scheme does not impact on gender equality within Parliament.

Sexual orientation

- 2.33 No responses or evidence were received that the Scheme has an unfair impact on anyone based upon their sexual orientation. IPSA is content that our Scheme is compliant with the Equality Act 2010 in this area.

Caring responsibilities

- 2.34 The most frequent impact on equality and diversity that the EIA Questionnaire highlighted was in relation to the negative effect of the Scheme on family life and those with caring responsibilities. 30 responses were received in this area. Of those, just under half identified the cause of the impact as the IPSA definition of caring responsibilities and restrictions on what can be claimed on expenses as a result of this definition. 13 respondents suggested that IPSA extend the additional caring budget to include children over the age of five, and expand the provisions for family travel, to better support an MP's family life.
- 2.35 Some respondents noted that under the old expenses scheme administered by the Fees Office, childcare for MPs' staff was given in addition to salary, whereas IPSA has introduced a scheme whereby childcare costs are deducted through a salary sacrifice scheme. Respondents felt that these provisions are less generous.
- 2.36 Two respondents to the EIA Questionnaire believed that the Scheme does not adequately take into account the status of separated or divorced people, and by extension their caring responsibilities, and noted that a single parent with caring

responsibilities may need to pay for childcare costs both in their constituency and Westminster. These respondents felt the Scheme implies the existence of a spouse who will automatically assume childcare responsibilities. However, they also noted that this is a trend that pre-dates the creation of IPSA.

- 2.37 24 of the 74 responses to the consultation question suggested that the Scheme unfairly impacts those with caring responsibilities. The two quotes that follow, one from a member of the public and one from an MP, set out how they view the Scheme's impact on those with caring responsibilities and the risks that ensue:

“The main risk in the present scheme is that, by limiting secondary accommodation to a single bedroomed flat, it can make life difficult for anyone with caring responsibilities” (PJ Jones, member of the public).

“As a husband and a father of two children I believe that the MP's expenses scheme forces me to make choices about doing my job and seeing my family. And I think that is wrong... I think I make a considerable contribution to public life in the role that I perform as a MP but it doesn't mean that I am going to sacrifice my family life as a consequence and the expenses rules, in my opinion, are framed in a fashion which prevent people from even considering pursuing a career as a Member of Parliament” (Michael McCann MP).

IPSA's Position and Policy Change

- 2.38 Whilst IPSA does not have evidence that the public would feel discouraged from running for office as a result of the Scheme, it has implemented policy changes to mitigate any potentially negative impact on MPs' family life. These changes are as follows:
- a. IPSA has extended the definition of caring responsibilities from children up to age five, to children up to the age of 16, and those aged 17 and 18 in full-time education. This amendment allows MPs to claim the additional Accommodation budget if they have dependent children as described. The revised definition should better support MPs with caring responsibilities to find suitable accommodation for them and their dependants. Please see paragraph 4.21-4.22 of the Third Edition of the MPs' Expenses Scheme;
 - b. in line with the rule above for Accommodation, MPs may now claim for spouses' or partners' travel if the spouse/partner is travelling with, or exercising care for, the MPs' dependent child. Such claims are limited to 30 single journeys. Please see paragraph 9.21 of the Third Edition of the MPs' Expenses Scheme;

- c. MPs may now claim salary sacrifice for childcare vouchers. This is an operational change and thus it does not need to be reflected in the MPs' Expenses Scheme; and
 - d. guidelines have been published to provide clarity to MPs on the additional Accommodation budget. The guidelines state that MPs become eligible once they notify IPSA that they have, or are expecting, a dependant. Guidelines can be found at paragraph 4.21 of the Guidance Notes which accompany the Third Edition of the MPs' Expenses Scheme.
- 2.39 With the following changes implemented with immediate effect, IPSA believes it better supports MPs with caring responsibilities.
- 2.40 To address the point on childcare at paragraph 2.35, IPSA operates a childcare vouchers scheme as a salary sacrifice rather than an additional payment. This is a non-taxable benefit which equates to a saving of £75.33 per calendar month, or £903 per year on the maximum voucher allowance based on a 20% tax payer. IPSA recognises that its Scheme is less generous than the previous Scheme administered by the House of Commons, but it believes its Scheme provides a suitable level of support to staff members, comparable to the schemes administered by other public sector organisations.

Socioeconomic issues

- 2.41 The second most frequent characteristic in which respondents to the EIA Questionnaire perceived a negative impact (after Caring Responsibilities) was on the impact of the Scheme on those MPs without significant personal financial resources (29 responses). Reasons given by respondents included that MPs have to pay up front for many expenses which can run into thousands of pounds, and also that budgets do not adequately fund what MPs are being asked to achieve. For this reason, respondents suggested that MPs must have an additional, independent source of income to supplement their outlay.
- 2.42 Respondents felt MPs from a wealthy background were unfairly favoured by the Scheme for a variety of reasons, ranging from being in a position to claim fewer expenses to avoid media scrutiny, which suggests they can "buy themselves out" of the Scheme, to being able to afford large upfront expenses. In the extreme, some respondents felt that MPs would become less representational of British society owing to the Scheme and that this would have negative effects on the democratic process.
- 2.43 Some respondents stated that negative equality and diversity impacts could be mitigated by replacing the current Scheme with a flat-rate allowance.

- 2.44 25 responses were received to the consultation which said that the Scheme impacts those without significant personal financial resources. The following three quotes are representative of those from MPs.

“The existing system reduces equality and diversity. We are headed back to a Parliament open to the rich and to the poor, to a Parliament easier for the flasher and the church mouse. The middle income groups and the ordinarily embarrassable people will be excluded, will exclude themselves or be discouraged” (Sir Peter Bottomley MP)

“If left unaddressed, we are in danger of creating a two-tier Parliament that favours those with personal wealth” (Charles Walker MP)

“There are of course many Members of Parliament with vast personal financial resources for whom the payment up front of office costs is not an issue. But those of us with more modest means, it is a real problem. I think that in time, if unchanged, the IPSA regime will deter those from more modest backgrounds from becoming Members of Parliament and we could return to the days when Parliament was the preserve of the rich” (Pete Wishart MP)

IPSA’s Position and Policy Change

- 2.45 Loans, advances, direct payments for rented accommodation and offices, and payment cards are available to assist MPs with cash-flow. But IPSA also recognises that new MPs may have start-up costs which put pressure on personal finances. For this reason, IPSA included a question in the consultation to ask whether it should develop a start-up budget for new MPs. Responses received from MPs and the public were broadly in favour of this. Thus, the Third Edition of the MPs’ Expenses Scheme contains provision for all new MPs from 1 April 2011 onwards to have access to a budget of £6,000 to cover their start-up costs. This budget will be available for one calendar year only from the date after their election. It must be used for the fixed or one-off costs associated with establishing an office, and will exclude the purchase of consumables or any ongoing resource costs. Please see Chapter 8, Part A of the Third Edition of the Scheme for the Start-Up Budget.
- 2.46 Regarding the suggestion for a flat rate allowance for MPs, suggested at paragraph 2.43, IPSA does not believe that a flat rate allowance would mitigate the impact of the Scheme on MPs or their staff. MPs with dependants, for example, would be expected to fund accommodation and travel from the flat-rate allowance which MPs without dependants would not have to fund. Thus, MPs with dependants would be worse off financially than their colleagues without families. At this time, IPSA does

not consider it appropriate to move from an expenses system to one of flat-rate allowances.

CONCLUSION

- 3.1 The majority of responses that were received by IPSA suggest the Scheme has little if any impact on the protected characteristics of MPs and their staff within the House of Commons. Many of the responses to both the EIA Questionnaire and to Question 2 within the consultation document identified factors such as Parliament's sitting hours and working practices, as well as a lack of provision for childcare, as negative influences affecting MPs. Pressure on financial resources was also raised as an issue, particularly for new MPs. Staff members felt strongly that the Scheme needed improvement in the provisions for maternity leave. IPSA has addressed these concerns where it agrees the Scheme is an influencing factor, although it cannot change the working practices of the House of Commons. Thus, policy changes have been made where IPSA considers it can better support MPs and their staff.
- 3.2 IPSA does believe it is not part of its remit to provide a scheme that increases the diversity of Members of Parliament. But, in its role as a service provider to MPs, IPSA has undertaken steps to mitigate any potential negative impact the Scheme may have upon individuals' protected characteristics, and to better support MPs and their staff in their duties. IPSA believes that these changes will make the MPs' Expenses Scheme more fair and workable. It will continue to monitor the impact of the Scheme and it would welcome feedback on how the changes included in this document, and those in the response to the 2011 Annual Review, are working for those who use IPSA's services.
- 3.3 In conclusion, IPSA is confident that it conforms to best practice as a public sector organisation under the Equality Act 2010.

ANNEX

Table 1: Gender, Minority Ethnic and Previous Parliamentary Experience Data by Political Party²

Party	Male (MPs)	Male (%)	Female (MPs)	Female (%)	Minority Ethnic (MPs)	Minority Ethnic (%)	Returning (MP)	New (MP)	Total
Conservative	257	84%	49	16%	11	4%	159	147	306
Labour	177	69%	81	31%	16	6%	195	63	258
Lib Dem	50	88%	7	12%	-	-	47	10	57
Green	-	-	1	100%	-	-	-	1	1
SNP	5	83%	1	17%	-	-	5	1	6
Plaid Cymru	3	100%	-	-	-	-	2	1	3
DUP	8	100%	-	-	-	-	6	2	8
SDLP	2	67%	1	33%	-	-	2	1	3
Sinn Féin	4	80%	1	20%	-	-	5	-	5
Alliance	-	-	1	100%	-	-	-	1	1
Other	1	50%	1	50%	-	-	2	-	2
All	506	78%	143	22%	27	4%	422	227	650

² Data from the House of Commons Library, General Election 2010: Detailed Analysis Research Paper 10/36, 8 July 2010. Available at <http://www.parliament.uk/briefingpapers/commons/lib/research/rp2010/RP10-036.pdf>. Accessed 6 December 2010.

Table 2: Data from the Consultation on the Perceived Impact of MPs' Expenses Scheme on Equality and Diversity within the House of Commons, by Protected Characteristic

Characteristic / Type of Respondent	Age	Disability	Gender Reassignment	Marriage & Civil Partnership	Pregnancy & Maternity	Race	Religion & Belief	Sex (Gender)	Sexual Orientation	Caring duties	Socio-economic	No impact
Anonymous						1		1			1	
Peer				1						1	1	
MP						1		4		13	20	1
MP Staff											1	1
MP's Wife								1		1		
Organisation		1				1		1		1		4
Parliamentary Group								3		3	3	
Pooled Staffing Resource					1			1				
Public								1		4		24
Union										1		
TOTAL	0	1	0	1	1	3	0	12	0	24	25	30

Table 3: Data from the Equality Impact Assessment Questionnaire on the Perceived Impact of the MPs' Expenses Scheme on Equality and Diversity within the House of Commons, by Protected Characteristic

	Age	Disability	Gender Reassignment	Marriage & Civil Partnership	Pregnancy & Maternity	Race	Religion & Belief	Sex (Gender)	Sexual Orientation	Caring duties	Socio-economic	No impact
Number of Responses	2	2	0	2	6	5	0	14	0	30	29	7