

## UNITE branch response to IPSA consultation February 2011

1. We are the UNITE trade union branch representing staff of MPs, both in Parliament and in constituency offices. We have over 500 members from all political parties, and work on a cross-party basis to represent the views and concerns of our members and the wider staff who work for MPs. We were founded in 1984 and campaigned over the years, for example, to establish the first proper pensions for MPs' staff.
2. This submission is in response to IPSA's First Year Review of the MPs' Expenses Scheme launched in January 2011, but should be read together with our previous submission to IPSA's original consultation in January 2010, and our submissions to IPSA's consultations on publication proposals and amendments to the scheme rules in July 2010. This is because while there are new details, addressing how IPSA has operated in practice, many of the basic issues raised last year have not been resolved.
3. We know how concerned you have been to establish an empirical basis for evidence for your review, and so in January we launched a survey of all staff, not simply union members, which supplies the statistical data for this response, and which we are making available to you in summary, along with full comments as an annex to this submission. We contacted all staff through the Commons' Chief Executive's office, asking them to complete our online survey, and we had 536 respondents. While we recognise that this is effectively a self-selecting set of respondents, it is the largest survey of staff since the creation of IPSA, and we believe that its size carries significant weight.
4. We do not intend to respond to every question in your consultation. As a union branch we were appalled at many of the details that emerged from the expenses scandal. We had long campaigned for reforms to the expenses regime and the operations of the Fees Office, and we agree that transparency and accountability were welcome. We do not have a corporate view of the operations of your expenses scheme so far as it impacts MPs (although no doubt many of our members may submit such views to you), but are of course interested in the impact that it has had on staff.
5. The general point that is clear about the scheme is that staff are spending considerably longer processing expenses claims than they were under the old system. Practically 70% of staff who processed claims under the old system spent less than an hour a week doing this, with much smaller proportions spending

longer<sup>1</sup>. Under the new system, only 8% spend so little time; 58% spend 3 hours or more a week, and 26% spend more than 5 hours each week processing claims<sup>2</sup>. It should be noted that not only is this time in which staff are not undertaking their normal work for MPs or constituents, but that the cost of these staff-hours should be included when calculating the cost of the new expenses system, since this labour is paid for out of public funds. Our members also made a large number of detailed comments about the operation of the scheme in our survey. They are attached for your information.

6. You do ask a number of specific questions that we would like to address. **Question 2** asks what impact IPSA has had on **equality and diversity** within the House of Commons. You will note that our survey canvassed this specific question from staff, and their comments are available to you<sup>3</sup>. There are a number of issues we would like to highlight:

- a. Firstly, we think the scheme has had a negative impact on staff members with children, as IPSA has removed the salary *supplement* for new staff of MPs of £8 per day towards the cost of childcare. This means there is a two-tier system of financial childcare support between new and old staff of MPs (with new staff only having access to a salary *sacrifice* scheme, worth a fraction of the salary supplement scheme). The salary supplement should be reinstated for all staff of MPs and come from a central budget rather than the staffing budget to avoid making it more expensive for MPs to employ someone with children.
- b. Secondly, as detailed in paragraph 26 of our submission, we believe the qualifying criteria for the contingency budget is not suitable for claims related to maternity, paternity and adoptive care payments. These are rights in law and are not subject to qualifiers such as “whether the Member could reasonably have been expected to take any action to avoid the circumstances which gave rise to the expenditure or liability”. We urge IPSA to create a separate central fund to cover these costs instead.
- c. Thirdly, as detailed in paragraph 24 of our submission, we believe that the failure of IPSA to provide funds for MPs to pay interns a Living Wage or London Living Wage and comply with employment law has had a negative impact on the equality and diversity with the House of Commons. It is our opinion that the majority of interns who work for MPs are ‘workers’ not

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<sup>1</sup> UNITE survey for IPSA response, January-February 2011, question 3.

<sup>2</sup> Ibid., question 2.

<sup>3</sup> Ibid., question 26.

‘volunteers’ in law and National Minimum Wage law should apply. Few interns or paid staff members working in Parliament are from low-income households, from areas outside London, and from ethnic minority groups. We believe the establishment of an interns fund would go a long way to redressing these imbalances, by ensuring that everyone could have the opportunity to work here and not just those who can afford to work for free for months on end.

7. **Question 6** asks whether the boundary for the “**London Area**” should be redrawn to enable more MPs to claim for overnight accommodation. As a branch, UNITE has no opinion on this, however you suggest in your paragraph 56 that “there would be consequences for the MP’s staff ... it would not be a supportable use of public funds to allow the MP’s constituency to be regarded as non-London Area for the purposes of travel and accommodation and London Area for the purposes of staff salaries”. We reject this statement as a non-sequitur. Surprisingly for an “evidence-based” exercise, no evidence is provided for this assertion that there is somehow a link between the distance that can be travelled in an hour at peak time (or whatever formula is agreed upon) and the market rate for a job assisting an MP in that area! This seems to us to be an arbitrary link – and one that at this time does not necessarily add to the public purse as London Area staff budgets are no higher than those of other MPs.
8. **Question 7** asks in general terms whether there should be changes to the **budgets for MPs’ staff**. As you would expect, we have a number of points to make about this.
9. You will know that staff consider **the current £109,548 budget** to be a real-terms reduction from the budget that existed before IPSA took over, mainly because of the inclusion of employer pension contributions. We recognise that IPSA wanted to make the full staff cost more visible and accountable, and have no principled objections to this, but we do not believe that the budget was increased enough to reflect this new cost. Although IPSA have stated that costs that used to be allocated to this budget have now been removed, such as translation and cleaning services, House of Commons answers show that these were not in effect used and so have a negligible impact. According to these figures, in 2009-10, 14 MPs claimed for professional advice, 22 for cleaning, 7 for janitorial or reception services, 7 for maintenance services for computer hardware and software, 1 for interpreting and translation services, 4 for recruitment services, and 30 for training for their staff<sup>4</sup>. The removal of these areas does not leave more capacity in the staff budget.

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<sup>4</sup> Hansard Written Questions, HC Deb, 7 September 2010, c389W

Therefore we believe it would be best if the employer pension contributions were transferred back into a central budget held by IPSA.

10. IPSA has based its budget figure on the 2007 recommendation of the Senior Salaries Review Board (SSRB), specified as the mid-point of 3.5 full-time members of staff per MP. We believe, however, that this figure is now outdated. The SSRB showed that between 2004 and 2007 the proportion of MPs employing more than three members of staff had increased from 14% to 87%<sup>5</sup>, and based its recommendation on an office employing one caseworker, one researcher, one senior researcher / parliamentary assistant and half a junior secretary. This does not reflect current offices where, for example, senior researchers are practically unheard of. Importantly, the SSRB stated that “we agree that the workload has increased for many MPs”, indeed that “the volume of casework appears to be growing inexorably”. Workloads have increased significantly even since then. Expectations have grown for MPs to be active in social media, which has added a new area of work for staff, and this has also made MPs more accessible than ever before. The number of constituents who contact MPs through the variety of electronic media continues to grow, and these forms of media encourage the expectation of an immediacy of response that would not previously have existed. MPs and their staff are being expected to do more, and more quickly. The economic problems of the country over the past couple of years have also meant more casework for MPs as more people find themselves needing help; financial cuts to the CAB and other free support groups may well mean a further spike in constituents needing the assistance of their MP. Finally, it is worth noting that the demands of the new expenses scheme have in themselves led to more work for MPs’ staff, as was illustrated in paragraph 5 above. We support a fresh review by the SSRB as we believe the figure the staffing budget should be based on is closer to 4.5 staff members per MP.
11. Previously, MPs had the budgetary flexibility through virement to address growing workloads and structure their offices accordingly. You have decided to remove this power and this has had a definite impact on a number of offices. Our survey shows that half of our respondents reported that there have been reductions in hours worked or paid positions in their office since IPSA took over<sup>6</sup>, while 34 respondents (7%) stated that there had been redundancies in their office.<sup>7</sup>
12. We appreciate that IPSA made further funds available from its contingencies budget, but despite this we know that many MPs were not willing to apply for additional money through fear of the public climate following the expenses scandal. We agree

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<sup>5</sup> SSRB Report on Parliamentary Pay, Allowances & Salaries 2007, Volume 1, page 45.

<sup>6</sup> UNITE survey for IPSA response, January-February 2011, question 6.

<sup>7</sup> Ibid., question 7.

with you that MPs must be braver in claiming for what they rightfully need to spend, but there still needs to be a clearer steer from IPSA, particularly when this comes to staff salaries. A number of MPs previously vired money to have a much larger staff budget, and the question of whether the annual staff salaries for long-term staff can be claimed every year as a “contingency” is one that has not been made clear. We recognise that you have stated that the average (presumably mean) staffing bill for the past year, including NI and pension contributions, has been £6,396 below the limit, but we would be interested how many have spent *significantly* below, and how many are *at* the limit. You state that 28 claims were made for contingency funds “related exclusively to staffing”<sup>8</sup>, but this does not tell us how many were *partially* related to staffing. Interestingly, the 2007 SSRB report states that “17% of MPs claimed above the maximum [staffing budget] suggesting that the allowance was supplemented using surplus funds drawn from either the IEP or the MP’s Parliamentary salary”.<sup>9</sup> This may indicate a more realistic number of MPs who had staffing stresses at the top of the budget than the 28 you have mentioned.

13. We are pleased that you recognise that some offices, notably those of London MPs, have a higher workload than that for which you have budgeted, and that you may consider raising their budgets accordingly, a move that we would support. Although we believe that the basis on which the budgets have been set is flawed, and would like it revisited, we think that this could be addressed immediately by restoring the ability to vire from other budgets *into* the staffing budget, which should itself be ring-fenced.
14. We would also like to flag up our concern for the future if the Government’s plans to **reduce the number of MPs to 600** are passed. The Deputy Prime Minister has publicly spoken of this plan saving £12 million a year, but has not responded to our request for a meeting with him in October last year. The amount of representational and casework to be done for constituents will not be reduced, so this will essentially mean extra work for each remaining MP’s office. Of course, these impacts will not hit until after the next election, but we would appreciate IPSA’s assurance that this is already under consideration and that staffing budgets will be increased to reflect the bigger average constituencies.
15. Beyond the *size* of the staff budget, there are other areas that are of concern to staff, notably the **disparity that has emerged in pay** between staff employed before IPSA took over, and those since (or pre- and post-election if you prefer). IPSA introduced payscales that started higher and ended lower, and as a result, in many offices, new staff are earning more than staff who may have worked for their MP for

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<sup>8</sup> IPSA Annual Review January 2011, Annex A Table 13.

<sup>9</sup> SSRB Report on Parliamentary Pay, Allowances & Salaries 2007, Volume 2, page 30.

some years but who are still on old, lower contracts for the same jobs. Over 9% of our survey respondents reported this<sup>10</sup>, which may only occur in a minority of offices, but it should still be addressed. The situation is not only clearly unfair, but could also be very divisive in what are essentially small, close-knit offices. We believe that there must be a levelling up so that no member of staff is employed at below the paycales that IPSA now advocates.

16. There is no mention of **pay progression** in the consultation document, but this is a genuine issue. While many staff will only work for their MP for two years or less, others have (and will) work for decades, adding value to their MP and the public through experience and loyalty. As the current staff budget is based on mid-point salaries, there are specific problems in offices of long-time staff. This must be addressed, and we would support moves such as establishing a “concertina” style of budget that could expand to reflect more expensive long-term staff and then contract after they leave.
17. An issue that angers many staff is that of performance-related **bonuses**. We are pleased that IPSA states that it “does not wish to prevent MPs from rewarding exceptional performance, so long as they are able to do so from within existing resources”, and yet this is precisely what IPSA’s policies have brought about. It has meant that for the many low-paid staff who work hard for MPs, no reward has been available for the past year. As you can see from our survey, staff regularly work long hours beyond their contracted hours<sup>11</sup>, and almost nobody even considers applying for overtime pay<sup>12</sup>. Ending performance-related bonuses has meant that staff have sought to make up for this shortfall in other ways: 59 respondents (13%) stated that they have reduced their pension contributions due to the reduction in the ceiling of the budget and the loss of the ability to be paid a bonus<sup>13</sup>. Many staff have told us that they used to use their bonus to pay an increased contribution to their pension – this cannot have been an intended consequence of the IPSA system.
18. The removal of all discretion from MPs in paying bonuses is one of the areas that causes some staff to question whether MPs are their *de facto* employer as IPSA sets these rules. The removal of this power is seen as arbitrary and some of the discussion of this has been offensive. The consultation states that “this decision was taken to provide a safeguard against any abuse of staffing expenditure. Such abuse was a concern at the time”<sup>14</sup>. There was no evidence of widespread abuse of the

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<sup>10</sup> UNITE survey for IPSA response, January-February 2011, question 18.

<sup>11</sup> UNITE survey for IPSA response, January-February 2011, question 9.

<sup>12</sup> Ibid., question 10.

<sup>13</sup> Ibid., question 22.

<sup>14</sup> IPSA Annual Review January 2011, paragraph 145.

bonus system during the expenses scandal. The one case regarding a family member employed by Derek Conway MP related more to a salary paid for work not undertaken rather than an abuse of the bonus system.

19. We recognise that there may well be a case for a cap on bonuses (a sensible suggestion would be a cap on the percentage of salary to be awarded as a bonus), or a need for a more structured system that allocates reward on the basis of performance, determined through proper appraisals, etc. The UNITE branch has called for more modern, professionalised work standards in Parliament for years, and this is fully consistent with that call. We would hope that IPSA would see its clear role in instituting such standards.
20. A major consequence of the decision to end bonuses (and a reason why a simple voucher reward and recognition scheme would not be appropriate) is the impact that this has had on the available **redundancy** package. As you will be aware, staff made redundant were previously entitled to receive statutory redundancy, which could be matched by the MP, and a bonus of up to 15% added, as long as this was within the budget. This has now been reduced to simply statutory, which means that, for example, staff who have worked less than two years would receive nothing.
21. By its very nature, working for an MP can be very insecure for reasons that have nothing to do with the performance of the member of staff. At every election, hard working staff lose their jobs because the MP who they work for is voted out of office, and they will also be made redundant if their MP dies or for any other reason leaves Parliament. There is a particular problem in that these periods of insecurity are cyclical (and, indeed predictable, if the Government's Fixed term Parliaments Bill is enacted). This means that all staff will know that there is a real prospect of them losing their jobs in May 2015 and so will consider the question of whether to stay with their MP through that election or not. They will know that if they lose their job, they will then be job-hunting at the same time as possibly hundreds of their fellow workers, probably all with similar skill sets and competing for the same kinds of jobs – this is not an attractive prospect. The fear must be that staff will choose to leave before the election, probably throughout 2014, so that MPs and their constituents will lose the skills of experienced staff at an unprecedented rate. This is confirmed by our survey, which alarmingly shows that virtually half (49%) of all respondents are less likely to work through the next election because of this<sup>15</sup>. Changes clearly need to be made to make the redundancy package more attractive once more, to ensure retention.

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<sup>15</sup> UNITE survey for IPSA response, January-February 2011, question 11.

22. You ask a number of questions relating to more specific points to which we do wish to contribute. **Question 32** asks whether IPSA should approve all **staff contracts** or just audit a sample. You will see from our survey that our respondents are almost exactly split on this matter<sup>16</sup>. The Union branch supports IPSA continuing to approve contracts, as this is the best security against poor employers trying to set pay below IPSA-approved paycales for their staff. IPSA certainly has ample resources to continue to provide this important regulatory function.
23. Similarly, **Question 33** asks whether IPSA should approve all **pay variations**, or just audit a sample. Our survey again shows a close split on this, with just a small majority for approval (56% - 43%)<sup>17</sup>. Again, the branch believes that approval best protects staff against poor employers.
24. **Question 34** asks about the payment of **interns**. You will be aware that in law, there is no such thing as an intern<sup>18</sup>, and that anybody who is given set hours of work and set tasks to perform should be treated as a 'worker' and paid at least the national minimum wage, and ideally the Living Wage or London Living Wage. The Union branch expects proper payment for all employees, although we recognise the different position of students who come to work for an MP as a part of their course, specifically those from the USA and Hull University. We were pleased that IPSA's original consultation recognised that "interns are employees, and relevant employment legislation will apply, such as the National Minimum Wage"<sup>19</sup>, but since then, no steps have been taken to ensure this. We are still left in the position, therefore, that people who live in London and are from a wealthy background have the advantage of being able to 'intern' for free, which then gives them a leg-up for securing a paid job with an MP. We support the introduction of an apprenticeship scheme as long as it is accredited and has input from MPs, the union branch, and other staff groups.
25. We understand that volunteers of different types are being used more frequently by MPs, and acknowledge that it is now difficult to get a job with an MP without previous experience, which encourages the increase in numbers applying for 'intern' positions. This can, however, be a clear advantage for people from wealthier backgrounds who can afford to work for free (supported by parental or family wealth), which is not a situation that we would want to see entrenched. A number of solutions for this have been suggested, and we would like to see IPSA establish a separate Interns Fund that could pay for each MP to pay a series of interns the Living

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<sup>16</sup> Ibid., question 27

<sup>17</sup> Ibid., question 28

<sup>18</sup> Employment Tribunal case of Vetta v Dream Motion Pictures 2009.

<sup>19</sup> IPSA MPs' Expenses: A Consultation, January 2010, page 48, paragraph 8.10

Wage or London Living Wage for a set period of time, for example six months of the year. We would not expect every MP to take advantage of this, but it would regularise the situation.

26. **Question 35** asks about **maternity, paternity and adoptive care payments**, and from what budget they should come. You will be aware of the widespread offence that many staff members took to the designation of such situations as “contingencies”, to be paid for from that budget, as well as the qualifying criteria that seemed to apply to these payments. You will see from our survey that a number of staff have had trouble accessing these payments, as well as other statutory entitlements<sup>20</sup>. These uncertainties also made the employment of female staff less attractive to MPs, with clear equalities implications that could well have forced legal action. We are therefore pleased to see that you have recognised this, and we would welcome a separate guaranteed budget to cover these costs. Under no circumstances should the ‘contingency’ qualifier - “whether the Member could reasonably have been expected to take any action to avoid the circumstances which gave rise to the expenditure or liability” – apply to this budget. It should be a separate budget from central funds.
27. **Question 36** relates to the **publication of staff salary details**. You will be aware that there is widespread staff opposition to your original proposal that individual salaries should be published in five thousand pound bands alongside job descriptions. Other lists that identify individuals by job description are available that would precisely pinpoint staff. Our survey shows that only 11% of respondents were happy with this suggestion<sup>21</sup>. As well as the disquiet that revealing such things can have between staff in small, close-knit offices, it must be borne in mind that many staff are essentially front-line workers, particularly caseworkers, who work face-to-face with the public every day. Many constituents with whom we deal are angry or aggrieved, particularly in the current economic climate with rising unemployment, and if they know individual staff members’ salaries, they could become hostile. You will remember the attacks on Nigel Jones MP and Stephen Timms MP, including the death of Andrew Pennington. We do not raise these because they are common, but because they are a stark reminder that this job comes with real security risks for staff as well as MPs. Publication of staff salaries is unnecessary because the full staff spend will still be published, and IPSA itself ensures that staff are paid within paycales: this in itself gives protection to the public purse (and we believe this argument holds for connected parties). We are pleased that IPSA have recognised these concerns and are proposing simply publishing the overall staff expenditure of

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<sup>20</sup> UNITE survey for IPSA response, January-February 2011, question 20.

<sup>21</sup> Ibid., question 24.

each MP. If IPSA returned to its original publication proposal, this would certainly lead to legal challenges on data protection grounds.

28. There are a number of **other matters** that the consultation does not address, but which we believe that IPSA must address. Many of these concern employment standards, as we believe that the establishment of IPSA was an opportunity to modernise the archaic employment practices in Parliament, which should be an example to the country rather than an embarrassment.
29. Firstly, you will be aware that there is no **personnel or human resources advice** available for staff of MPs. The House of Commons still provides such support to MPs, including in disputes with their staff, but no such support exists for staff other than advice from the trade union branch which, as you know, is not recognised and is staffed with volunteers: this is an unacceptable situation. The extent to which such support is necessary is very clear from our survey, which shows that an astonishing 52% of respondents have needed personnel advice or support since the election<sup>22</sup>. We should emphasise that the Union is not trying to prescribe that IPSA must be the body offering such support; it could be the House authorities or some other body, but even the inadequate advice that the old Fees Office could provide has gone since IPSA took over. This is an area that is currently being lost in the cracks between IPSA and the House and you must come to an agreement as to who will now provide support.
30. This advice is particularly important given how inadequate the **grievance and disciplinary procedures** are within standard IPSA contracts. It is not right or fair that currently any dispute between an MP and their staff will be considered and adjudicated by the MP themselves, as will any appeal without any recourse to any independent person. There is no other organisation where these procedures would be considered acceptable, let alone in Parliament which should set an example. This needs to be addressed urgently. IPSA should make provision for an independent third party to adjudicate grievances and disciplinaries between MPs and their staff, agreed in consultation with the union branch and other staff groups.
31. This urgency is pronounced because we know that many (not all) MPs are still dreadful employers. Exploitation and bullying are still rife in Parliament and most examples of this are never revealed because staff have a natural and deep loyalty to their MP and their political party. Of course this is not wholly MPs' fault because they come from a range of backgrounds and are elected for their political promises, not for any relevant employment experience. This is why we believe that it is

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<sup>22</sup> Ibid., question 29.

important that **MPs should receive mandatory training** on how to be a proper employer / manager before they are allowed to employ staff. We know that IPSA are able to impose conditions on MPs before they can access funds, and we believe that insisting on such a scheme would be a major stride towards establishing decent, modern conditions in Parliament.

32. We know that IPSA provides an available **budget for security** improvements in constituency offices. However, this available budget is not as well known as it ought to be, and there are widespread concerns about the safety of these offices. Our survey shows that half of all respondents do not know about this budget<sup>23</sup>, while a third of staff with a constituency office do not feel safe in them<sup>24</sup>. We know that neither IPSA nor the House authorities are willing to take responsibility for these offices, but greater attention should be paid to this issue – including the widespread inadequacy of fire exits in 21% of respondents' offices<sup>25</sup>.
33. IPSA's current rules allow **pooled staff groups** to be paid for out of the General Administrative Expenditure budget if the staff budget is exhausted; we would like to see MPs being given the discretion as to from which budget these funds should come, which would ensure that there would be no pressure to squeeze staff in order to afford this additional service.
34. We are pleased that you are proposing to restore the "check-off" ability for **trade union subscriptions** to be paid through payroll, however, you will be aware that your original decision not to allow this caused us significant problems. It meant that 92 of our members essentially lapsed from the union and then had to be approached to rejoin through direct debit payments. This cost us as lay union volunteers a huge amount of time and effort – as well money to the union in lost subscriptions. Although we welcome a restoration of this right, this unnecessary decision over the past year, despite our objections, has been wasteful and has angered staff.
35. Issues such as check-off have been made more frustrating for the union as it has been difficult to secure **regular meetings with IPSA**, particularly with the Board members, to discuss matters of concern to staff. Despite requests for meetings from as far back as June 2010, the first group meeting of IPSA representatives and MP staff groups happened only in January this year. You will see from the large number of dissatisfied comments in our survey, as well as the grading of IPSA by staff – averaging 3.29 out of 10<sup>26</sup>, that there is much more work that needs to be done to

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<sup>23</sup> Ibid., question 15.

<sup>24</sup> Ibid., question 13.

<sup>25</sup> Ibid., question 14.

<sup>26</sup> Ibid., question 31.

communicate effectively with staff, because at the moment we feel we are paying for the errors of MPs in the expenses scandal.

36. We are once again putting on record our demand for **recognition of the trade union** branch. You state that the MPs are the employer of their staff and so it is not for you to recognise us, but we do not accept that. Although MPs are able to recruit and fire their staff, IPSA sets paycales, budgets that determine terms and conditions, prohibits bonuses, limits the discretion of MPs and issues P45 forms with IPSA given as the employer. We believe that MPs are line managers, that IPSA are our *de facto* employers and that we should be recognised for the purposes of collective bargaining. If you are not willing to do this, we believe that staff would be better served by being centralised under the house authorities, as MPs voted to do in 2009. We believe that steps must be taken to modernise and professionalise employment standards in Parliament, and that this will not happen without formal recognition of a trade union branch which represents over 500 cross-party members situated across the UK.

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Representing staff of MPs.