

From: SIR PATRICK CORMACK, F.S.A., M.P.



HOUSE OF COMMONS

LONDON SW1A 0AA

Telephone: 020 - 7219 5019

Sir Christopher Kelly
Chairman of the Committee on Standards in Public Life,
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29th May 2009

Dear Sir Christopher,

Following our conversation, and correspondence, I am enclosing, as promised, a submission for your Committee. I hope this is helpful to you in your deliberations. If I can amplify it in any way, or you have some specific questions, please do not hesitate to come back to me.

I am also enclosing a copy of the letter which I sent to Sir John Baker on 8th April, 2008. Although some of this has been overtaken by events and I have, with some reluctance, come to a different view on salary, I believe that many of my comments are relevant and I thought you might find them helpful. You do, of course, have my full permission to share this letter with your Committee.

With all good wishes

REVIEW OF M.P.'S EXPENSES

A Submission to the Committee on Standards in Public Life from Sir Patrick Cormack, MP

29th May 2009

I have reluctantly become convinced, over the last few weeks, that the most effective way of restoring public confidence in Parliament is for there to be a significant increase in Members' salaries and an abolition of all allowances, save the allowance to pay for staff and a constituency office – which allowance should be exclusively administered by the House of Commons, by direct payments to the staff concerned, or to the owners of property rented. In order to ensure that Members could perform their parliamentary and constituency duties effectively, and have, where necessary, a second home, the salary of Members would have to be doubled at least, and this might, yet again, be deemed politically unacceptable, and there are, of course, pension implications.

I, therefore, direct the rest of my comments to the allowances and how I believe they should be administered in future.

Each Member of Parliament represents a part of the United Kingdom and goes to Westminster to represent that constituency. For that reason it should be deemed that a Member of Parliament's main home is in, or near to, the constituency.

Those Members representing seats within Greater London should continue to receive a London living allowance, to enable them to stay overnight on those nights when the House sits until 10.00pm or later.

Members living outside Great London, but within a thirty mile radius of Westminster, should be able to claim accommodation for those nights on which the House sits until 7.00pm. or later.

All other Members should be allowed to claim for a second home, within central London, but such a home should be rented, the Lease agreed by, and a copy deposited with, the House authorities. A Second Home Allowance limit should be agreed by the Members' Estimates Committee at the end of each Parliament, and that limit should apply for the duration of the next Parliament. The allowance should include provision for utility bills, council tax, two hours cleaning at the minimum wage, for all of which items receipts should be produced. Newly elected Members of Parliament should be allowed to claim for up to £5,000 of basic furnishings for the second home, and other Members should be allowed to claim up to £1,500 per year on replacement items. In all cases receipts should be produced.

No Member who has scrupulously observed the Rules of the current Green Book, and who has entered into contractual obligations as a result, should be disadvantaged by any changed rules and such Members should be given adequate time to change their arrangement. No Member should be allowed to enter into any new mortgage arrangement after the House has adopted the recommendations of the Kelly Report.

Henceforth, any newly elected Member who already lived in London at the time of his/her election should be allowed to rent a second home in the constituency, but should only to be allowed to change the designation of second home if the London home is sold, and a home in the constituency purchased or leased.

Members should be allowed to recruit and employ staff, but all salaries should continue to be paid by the House authorities, with whom contracts should continue to be lodged.

From the beginning of the new parliament no Member should be allowed to make any payment of over £2,000 a year to his constituency party or Association for any secretarial services received.

TRAVEL

The present general arrangements should remain in force but Members with constituencies more than 100 miles from London should not have their mileage payments reduced for those journeys if they exceed 10,000

COMMUNICATIONS

The communications allowance should be abolished as from the end of the current parliament.

OUTSIDE EARNINGS

Members should continue to be required to register all outside earnings, but should not be required to say how many hours are worked, as this is a particularly difficult task for those who earn part, or all, of their outside money from writing. It is also invidious to give special provisions for some, such as Barristers and Solicitors, and not for others. I see no reason why the arrangements currently in force in respect of the registered interests should not be maintained.

Sir J Baker, CBE.

Woking,
Surrey

8th April 2008

I am sorry that it has not been possible for us to meet or to speak.

I am just about to begin a very brief holiday but I am setting down a few of my thoughts and hope that this will help you as you deliberate.

When I was first elected to the House in 1970 the salary was £3,250.00 and the only allowance £500, towards the employment of a secretary. We were allowed free travel between our constituencies, or from the nearest station and Westminster, but could not claim for any travel within the constituency. Even in those days £500.00 did not employ a secretary in London and I was given some secretarial assistance by my Conservative Association, and even more by my wife, who, for some years, worked without any payment. When I did start to pay her I paid her out of my own pocket from the outside earnings that were absolutely necessary for me to do my job properly within Parliament.

Over the intervening years the role of the Member of Parliament has changed fairly significantly. My constituency secretary, who has worked for me in one capacity or another, first as a volunteer and then as an employee (initially of the Conservative Association) reckons that the constituency case load has quadrupled over that period and I am sure she is right. I now employ two secretaries, one of whom is my wife, and both of whom are based in the constituency, and I also employ a full time graduate assistant at Westminster.

I am involved in a great many groups and committees in Westminster and in order to do my job adequately I am in my office every morning by 7.30am at the latest, unless I have a breakfast meeting – and even then I often go to the office beforehand. I hardly ever return to the constituency before Friday morning, and almost every week I drive to London on a Sunday. I put in around 60 hours a week in London and between 12 and 20 over the weekend in the constituency. I

know of no one else, other than parliamentary colleagues, who has a similar work pattern.

Much of my time is spent dealing with business and professional people – head teachers, doctors, solicitors, local company directors etc – who come to me for assistance and advice. I recently calculated that of those who had sought my help in this way not a single one was earning less than £20,000 more than me, and most considerably in excess of that. Added to this I would point out that, in my thirty eight years in the House, I have never taken more than twenty one consecutive days holiday, and that only once. My normal holiday pattern (and I do not think this is untypical) is that I take between eight and ten days off at Christmas time, a week at Easter, and two breaks during the summer recess, one of two weeks and one of a week. Even when I am not doing constituency engagements I am generally at my desk for a minimum of six hours a day, and generally far more than that.

Not only are the hours that I work – about which I am not complaining – longer than what would generally be considered acceptable. There is no increment for years of service in Parliament. Recently Select Committee Chairmen have been paid an annual salary and I receive that. However, before I became a select Committee Chairman I still worked similar hours and had considerable responsibilities (for instance as a member of the Commission) and received the same as the most recently elected member of the House. I do think this is something that you ought to look at.

As far as the allowances are concerned I have absolutely no objection to revealing what I pay in secretarial salaries but I do not wish it to be known precisely what each employee receives. I believe that they are entitled to their share of privacy. They are all paid via the Fees Office and they all pay their taxes. I would be strongly opposed to a system whereby the House of Commons employed secretaries on my behalf and I since rely hope that you will not recommend such a course.

As far as the London additional costs allowance is concerned I believe that it is entirely justified, although I do not believe that a Member should be able to purchase a property with the aid of the allowance. Those who are currently doing so should, of course, not be penalised but, as from the beginning of the next Parliament, the allowance should be for rent and other incidental expenses, which again I have no objection to seeing listed.

I believe the allowance is pitched at around the right level although it does cost me considerably more than £23,000 a year to live in London and expenses such as

the Congestion Charge are, rightly, not claimable. I would be strongly opposed to transferring the allowance to salary. If we were to do so the salary would have to

be increased by far more than £23,000 a year and there would be pension consequences etc.

There is a danger of our being panicked by recent events into taking steps that are neither desirable nor necessary. What is absolutely desirable and totally necessary is that there should be clearer rules and there should be some changes to those rules, such as the one I advocate over the purchase of properties.

I hope this is helpful and would, of course, be glad to talk to you if you could find the time.

From: SIR PATRICK CORMACK, F.S.A., M.P.



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HOUSE OF COMMONS

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Telephone: 020 - 7219 5019

CONFIDENTIAL

Sir Christopher Kelly KCB

Chairman

Committee on Standards in Public Life

35 Great Smith Street

London SW1P 3BQ

31st March 2009 / AMR

Dear Sir Christopher,

I have been in the House since 1970, when the only allowances that Members of Parliament received were £1000 towards the employment of a Secretary and either first class travel or mileage between their nearest station and London. There was no provision for travel in the constituency.

Things have moved a very long way since then and I think it is, given present circumstances, entirely right that you should be looking into the whole system of expenses and allowances. However, I really do think it is important that you take proper time to look into things thoroughly. We have far too often legislated in haste and repented at leisure for me to feel that any 'quick fix' ever produces the right results.

There is, I fear, far too much of the 'knee jerk' reaction in the Prime Minister's recent utterances and I would greatly welcome the opportunity of a leisurely and quiet talk with you, drawing on my experience over the years. I wonder if you would be willing to join me for lunch or dinner at the Athenaeum one day after the House returns from the Easter recess? I do hope so and if you found our conversation helpful I would obviously be more than happy to submit written, or to give oral, evidence to the Committee.

With all good wishes,