

CHARLES WALKER MP



HOUSE OF COMMONS

LONDON SW1A 0AA

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Sir Christopher Kelly KCB
Chairman
Committee on Standards in Public Life
35 Great Smith Street
London SW1P 3BQ

28th April 2009

A handwritten signature in black ink that reads "Dear Sir Christopher,".

Thank you for providing me with the opportunity to respond to your inquiry into Members' expenses.

The PAAE should continue to be paid at the rate of £24,000 per year to Members of Parliament living outside a "reasonable" commutable distance from Parliament. However, this £24,000 should be taxed as income (non-pensionable) with a provision for Members of Parliament to claim the tax back from the *Her Majesty's Revenue and Customs* if they can demonstrate the expenditure was for a *permitted/allowable* business expense. The terms of such a scheme would need to be negotiated and agreed with the Inland Revenue.

Members representing seats in Greater London and the Home Counties should receive a reduced rate of £12,000, with this money taxed as income. Members in receipt of this allowance, living in the Home Counties, should also have the provision to claim the tax back from *HMRC*, if they can demonstrate the expenditure was for a *permitted/allowable* business expense. Such a provision would cover those circumstances where the lateness of the hour required a stay over in London.

The above scheme is straightforward and establishes *HMRC* as its ultimate regulator. I believe such a move would command the confidence of the public.

Yours sincerely,

Charles Walker