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- Standards Committee -

From: N
Sent: 12 May 2009 18:16
To: Inquiry
Subject: Review of MPs expenses

MPs and other Parliamentary Expenses

Outlined below are my ideas on a radical approach to this thorny problem. They are outline and need development with which I would be happy to assist. To me they have merit and are submitted for your consideration.

Yours faithfully

C.

Summary

That the payments relating to all expenses incurred by MPs in pursuance of their parliamentary duties be consolidated in one *per capita* budget which is administered by their Political Party which can then be judged on the *per capita* cost of their MPs in parliament.

Background

For many years I was a Personnel Services Manager for a large organization employing 18,000 employees and now retired I am a keen political observer but with no formal political ties. I am very concerned about recent "scandals" relating to MPs' expenses and office costs both at Westminster and in their constituencies and the damage that these are doing to the credibility of our political system and country.

Having had dealings with employees and involved in negotiating their remuneration and subsistence costs I appreciate how difficult it can become if remuneration and other payments become linked and confused. I feel that remuneration therefore should be kept totally separate from any other payments and my contribution to your committee's deliberations have this underpinning them. I also have a view that some form of individual or collective incentive is the best way of improving performance and the adherence to minimum standards.

The current scandals seem to me to cover three main areas of costs relating to being an MP these being :-

- a) Travelling and subsistence including the maintenance of two homes were necessary
- b) Office accommodation in London and their constituency
- c) Employment of their support staff and advisors

Currently these seem to be dealt on an individual and separate basis with separate defined allowances and maxima. Equally these appear to be individually based and economies of delivery or supply by joint actions are not automatically encouraged.

The writing of clear rules covering such a diverse group of people, circumstances and needs; against which expenditure can be approved judged and publicly scrutinized is beset with difficulties. This is enhanced when it appears that there is no moral code that can be relied on and the judgment of an "administrator" is all that prevents an initial abuse.

Rather than relying on rules or individual morals, scrutiny must be available without the damaging tabloid

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sensationalism currently rife. Privacy and security issues relating to individuals information is important and I wonder about the need or benefit, other than to the media, of individual receipts. Flexibility must however exist to meet unusual or personal requirements of for example disabled MPs.

It is therefore my view that a far more radical approach be adopted that will test the moral and practical performance of MPs and their Parties but still allow individuals to scrutinise their collective "management" skills even if they are not the Party in government.

Outline Proposal

The total expenditure on each of the three categories above should be readily available and this should form the basis for the initial year's budget. These totals should be divided equally between all MPs. Where MPs are members of a defined political party recognized by parliament this total budget should be devolved to that Party to meet the costs etc incurred under each of the categories above. Each political party will be required to manage its budget allocation how it thinks fit and how and for what it reimburses its MPs.

Its accounts will be subject to external audit on process and the Party will have to publish at the end of each year a report outlining its basic payment policies and its overall accounts giving average MPs expenditure levels in each of the categories above. The external audit and publicising of accounts will be at a similar level to that expected of private sector companies and thus expertise and facilities should be readily available to undertake this.

The only main variations within these accounts to this will be a summary report which lists each MP of that party and how much under each of the three headings they have individually been paid together with a final figure which gives the average cost per MP of that party. This figure will not just be a straight average of individual payments but will include the system administration costs and any costs relating to collective or directly paid services. (e.g. combined flat accommodation in London should a party choose to develop this)

Administration costs will have to be found from within the first years allocation level and it for this reason that immediate savings are not required. Savings will however accrue initially from the current management and payment arrangements within the House of Commons. The staff employed in current payment arrangements will be protected if they seek this under the Transfer of Undertakings regulations.

A core staff will however need to be retained to manage the arrangements for independent MPs. They will have the same allocation but will be required to publish a personal statement of audited expenditure within basic guidelines determine by the core office.

Each year the electorate will then be able to judge the cost of their MP and the costs their political party deems to be appropriate that need to be met in addition to the separate salary payment. Incentives will therefore exist for parties to show how they can effectively and fairly manage this currently sensitive area. They will also be able to fund and assist effective party MPs and deal with those who are not effective. They could make savings through collective facilities provided to their MPs. They could also be seen to be accountable for property investment by their MPs, and whether any payments made in support of accommodation that subsequently result in in personal advantage for the MP are personally retained or are contributed to the party. It may also encourage candidates to be selected who either live or are prepared to live within their constituency and thus become true representatives of the environment they and their families experience.

Future years budget allocation would be determined by previous years costs/number of MPs with an inflation element.

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