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From:
Sent: 15 May 2009 17:11
To: Inquiry
Subject: MPs' expenses

Dear Sir

Here are some observations on MPs' expenses.

There is nothing wrong in principle with what is in the Green Book, so can we please not rush to throw the baby out with the bath water. The oft-repeated excuse we have heard from so many MPs that they have not broken any rules is very lame. The issues here are simply that many of the rules are very loose and woolly (thus making them wide open to abuse),

In short, the rules just need a lot of tightening up.

PAAE

The Prime Minister was keen to replace PAAE with a flat rate daily allowance, but this was quickly derided by the Opposition parties and the public as it would simply be an extra payment just for turning up at work. I think we need to stick with the existing system. A particular issue with PAAE is that it is simply too wide-ranging. I suggest that the mortgage interest element needs to be split off into a separate allowance.

I can accept the need for the taxpayer to pay the interest on a mortgage for a second home, but the taxpayer deserves a cut from the profit when the second home is sold (even after the MP has left the House).. The simplest method would be for the MP to pay back to the House an agreed fixed percentage of the increase in value of the property. I also accept that MPs with two homes need two of just about everything to put in them, but as the House now so rarely has late night sittings I find it difficult to justify an MP having a second home at the taxpayers' expense if their constituency is within commuting distance of Westminster.

But if it is a genuine "second home" it doesn't need to be very big. If a second home were to have a size limit of say 900 sq ft, that would automatically limit the amount of furnishing required. By all means have an approved list of goods, but replacing the "John Lewis list" with the "Argos list" would significantly reduce the amount which could be spent. If limits were also to be placed on the cost of each item MPs could add some of their own money to it.

MPs must be prevented from telling different stories to HMRC, the Fees Office and Council Tax officials of their local council about which is the main home and which is the second home.

I would question the wisdom of assuming the constituency home to be the second home.. There are many MPs who have a big house in their constituency, where the rest of their family live, and a small house or flat in London; here the constituency home is clearly the main home. There are also many who do the reverse, so the London home is clearly their main home. In any event, why should the MP be allowed to choose? They could be told that their second home is the smaller of the two, no matter whether it is in the

constituency or in London. There is clearly no justification for an MP having a second home at the taxpayers' expense which is anywhere else but in the constituency or in London.

Many would-be MPs tout themselves around from one constituency to another and often end up as the MP for a constituency with which they have no personal or family connection. Some settle their family in the new constituency and some stay in their original home, so each case needs to be looked at separately.

There are some MPs () whose main home is neither in London nor in their constituency. There needs to be a debate about whether the taxpayer should fund the whole cost of travel to their main home.

Clearly, an MP must either own outright or have a mortgage on both homes.

There are five instances where one MP is married to another. There may also be some MP couples who are in civil partnerships or simply cohabiting. The rules should spell out that only one of the pair can claim PAAE.

All of us have to eat no matter where we are staying for the night, so there is no justification for allowing MPs to reclaim expenditure on food or any other daily household items.

I don't think it would be equitable to consolidate PAAE into salary as this would have the perverse effect of giving £24,000 more to London MPs, who don't need it, and would inevitably lead to complaints from MPs who do need to have two homes.

PAAE should no longer be tax free.

Other employment

There are now significant numbers of MPs who are former Special Advisers, Party employees, lobbyists and employees of think tanks who are widely regarded by armchair critics as never having had a proper job. I think it is healthy for MPs to have other employment as they bring wider experience to the House (provided that their other employment is open and above board). A number of commentators have said over many years that a full-time professional political class with little or no experience of the wider world is to be deplored.

Employing family members

I see no difficulty with MPs employing members of their family, provided that it is public knowledge and that they are doing a real job.

Travel

It has been known for MPs to share a car for a journey and then for all of them to claim mileage allowance.

This practice is almost certainly criminal fraud and needs to be prevented by a specific change to the rules.

In conclusion

It has been reported that some MPs are known to be intimidating to Fees Office staff who have the temerity to question a claim, so whoever has the job of approving expenses

claims in future must have the teeth to be able to challenge MPs on extravagant or excessive claims and to say no forcibly. It could also be a useful deterrent to publish a tariff of serious, effective punishments for varying degrees of infringement.

My two final points are of great importance.

Firstly, the Speaker needs to understand that there can be no more secrecy. I used to support the proposal that MPs' addresses should be withheld when expenses claims are published. Unfortunately I can no longer do so as so many MPs have clearly demonstrated that they just cannot be trusted. Addresses must at the very least be given to the auditors, but it would be preferable, in the pursuit of openness and accountability, if they were to be published. An MP is still a major public figure within their constituency, so anyone who really wants to find the address of their MP should have no problem in doing so.

It is not made clear how many MPs have always behaved honourably, so they have all been tarred with the same brush. So the final point is that the whole House, the SSRB and yourselves all need to understand that the public simply will not tolerate MPs receiving a substantial pay rise in order to compensate them for the losses that the greedy ones will suffer as a result of cleaning up the expenses regime - that would just be seen as reward for wrong-doing, which is a great deal worse than reward for failure.

Yours faithfully

W Boulter

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