



The Rt. Hon. Ann Widdecombe MP
The House of Commons, London, SW1A 0AA

AW/SDM/T-II

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Sir Christopher Kelly KCB
Committee on Standards in Public Life
35 Great Smith Street
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19 May 2009

Dear Sir Christopher,

I refer to your letter of the 24th of April.

I am a retiring Member of Parliament and am therefore unlikely to have to live for very long with the changes which are made. Nevertheless I look back over 22 years' experience of changing expenses and allowances regimes. I make the following comments and would be grateful if they could be taken into account.

If we do not want to go back to the days when the only people who could afford to sit in Parliament were the privately-wealthy on the Conservative side and the Trade Union-sponsored on the Labour side then we have to make sure that MPs are enabled to do their jobs. Given that MPs have to split their lives between Westminster and the constituency and that many of them have families it is reasonable to allow a second home. For example throughout the summer recess most MPs are based on their constituencies and it will therefore be necessary to accommodate their families with them. Other MPs station their families permanently in their constituencies and themselves travel to London but they then need somewhere to stay during the week.

It is a fact of life that, if properly controlled, it is probably more beneficial to the taxpayer to allow the MP to buy rather than rent a second home. In London rental costs are as high as mortgages and at least where a mortgage is taken out the MP is responsible for the capital element and he will pay Capital Gains Tax at the point of sale. Whereas if he rents somewhere the whole of the rent falls to the taxpayer and there is no resulting payment to the Exchequer. The third option obviously is to go back to the very old system of paying MPs only hotel expenses but, again, in London that is not only costly but unnecessarily difficult for an MP who may wish to set up a small study, leave all his belongings etc. etc. while at Westminster.

I therefore believe that the second home is a reasonable expense; what appears to have gone wrong is not the principle but the practice. In any future arrangement the policing of second homes expenses is vital. It has been suggested that second home allowances should be restricted only to mortgage/rent and council tax and utility bills. This in my view would bring about a situation in which the rich would get richer. It is inescapable that if you are trying to set up a second home there are very basic items that you have to buy. For example I never bought a television and I borrowed a

Serving the people of Maidstone and the Weald

washing machine which lasted throughout the seventeen years of my ownership of the second home, but I did have to buy a bed, something to sit on, an oven to cook on etc. etc. Most people who would not have bought a second home but for becoming an MP simply won't be able to face major outlays of expenditure in that way. Those who can of course are those who are already wealthy and so we will have a situation whereby they will be able to own second homes and make capital gains at the end while the rest will have to rent to the benefit neither of the MP nor the taxpayer. I did not come from any grand job in the City but rather from university administration but I still had to take a pay cut and endure a hike in my pensions contributions and the idea that I could quite suddenly have bought a second home without adequate and realistic help is a nonsense.

Similarly it is essential that MPs are able to maintain their second homes, radiators will break down, central heating systems will collapse, tiles will fall off roofs and gutters will become blocked just as they do in main homes. I have always applied the 'but for' test when deciding whether to make a claim or not, i.e. I would not have this expense but for being an MP. It is the principle that works in industry and elsewhere. When I worked for Unilever any expense which was reasonably incurred when one was away from home on Unilever duties was reimbursed. The question was straight forward: would I be paying this but for my duties as a Unilever employee?

It should be possible to set out more detailed rules to prevent abuses. For example I owned my second home for 17 years and during that period each room was decorated once and the outside of the house twice. That seems to me a perfectly reasonable approach to maintenance and we should be able to lay down such guidance as one television every ten years, one exterior decoration every seven years etc. etc.

One of the abuses which has been revealed is that MPs switch between houses. One has to allow for the fact that occasionally circumstances will change, particularly when an MP gives up being a minister or, acquires a family or whatever the case may be. Therefore there will be genuine reasons why MPs might decide to base themselves in one place rather than the other. However, it seems to me that where this occurs a full written statement of reason should be produced which would have to be assessed rather than automatically accepted.

The much-reviled John Lewis list seems to me a sensible tool of control when assessing what it is reasonable for an MP to claim for any given item. The rather silly campaign in the press to present it as some sort of wedding list should not result in its removal. It is essential that there is a guide to what is a reasonable price for any given object otherwise one MP will buy a second hand dining table and another will go to Harrods.

I am opposed in principle to the communications allowance; I have never used it and therefore have no comment other than that it should be abolished altogether. I see no good reason why the House of Commons should fund propaganda.

As far as staffing is concerned it should be made very clear that our staff salaries are not part of our personal expenses. I think most people have the idea that somehow these sums are paid into our bank accounts and we distribute them as we see fit. Although this may be largely taken care of by the resolution of the House that staff should in the future be employed by the House of Commons I think it would be helpful if this were to be emphasised in commentary.

There is of course the vexed question of MPs employing members of their own families. There are many enterprises up and down the country which are family based and where husband and wife help each other. Indeed I can see nothing whatsoever wrong with MPs employing-providing it is on formal contract-members of their own family. Indeed it could be argued that the taxpayer gets a better deal. I know at least one MP's secretary who bemoans the fact that she always ends up doing press releases at Sunday lunchtime!! As she points out she couldn't be called upon in the same way if she had simply been an unrelated employee. Again this may cease to be such a source of aggravation when staff are employed directly by the House of Commons, but I do not think that an outright ban on Members employing their families would be at all sensible. I write as one who has never employed a family member.

It is essential that the level of allowances should be determined by an independent source but it would also be helpful if the recommendations of that source were to be considered binding. It has been my consistent experience throughout my twenty two years as an MP that whenever an independent review body makes a particularly generous recommendation on MPs' salaries, we feel it necessary to demur and stagger the result. The outcome of that has been that for many years now we have been consistently underpaid. It would therefore be helpful if an independent review body's recommendations would be implemented in full. However it is also the case that there was at least one occasion when an outside organisation was invited to review our office expenditure and made recommendations, in their complete ignorance of how an MP works, to the effect that we would actually lose a substantial amount from our Incidental Expenses Provision for every member of staff who was employed at Westminster. The result would have been catastrophic and flowed from a complete misunderstanding.

As a matter of detail there is one inequality which has always rankled. Those of us who base our caseworkers in our constituencies and who run a full office there have to bear our telephone bills out of our IEP whereas those who base their entire operation at Westminster get their telephone calls completely free.

The policing and sanctions regime is ineffective on both counts. It is true from time to time the Fees Office will query an expense but the abuses which have been revealed in the press could not have taken place if the policing had been stronger. I do believe that much of this stems from the days when our allowances were seriously inadequate. When I first arrived in Parliament I was subsidising almost every category of allowance including staff, because the levels were unrealistic and were still exhibiting

throwbacks to the days when MPs were part time and much less burdened in terms of casework than they are now. As a result all the rules used to be interpreted extremely flexibly in order to minimise our costs. What has happened since is that the allowances have caught up with reality and are now perfectly adequate but in the process the very flexibility which was designed to minimise cost has been used by the less scrupulous to maximise gain.

My view is that claims should be subject to independent random checks as well as more vigorous scrutiny at Fees Office level. For example when claiming any items of furniture or similar under the second home allowance a statement of justification should be required e.g. 'my current washing machine is broken and the estimates for repairing it (attached) make it clear that a new one would be more economical'.

That should at least put people off from claiming goodness knows how many widescreen televisions!!

There should be a range of sanctions for those who deliberately abuse the system but before you can have sanctions you must first have greater clarity of the rules. Members claiming second home allowances on what is patently a main home should be stopped. They should have to give much more detail about their main and their second homes so that the fees office can question situations in which MPs occupy a broom cupboard in London then claim on a family home in the constituency. Switching should not be allowed without independent scrutiny of justification and where people have made claims for something which they haven't paid the sanction should be suspension or expulsion from the House of Commons. Some of the goings-on, if factually reported, would be the subject of criminal proceedings in different circumstances.

However although I believe that the policing and sanctions regimes should be tightened really very considerably we should seek to avoid the situation which prevailed for many years over the Members' Register of Interests. It became almost a party political game to find tiny and insignificant breaches which were then investigated by the Standards Committee and the ensuing publicity was often disproportionate. There were serious breaches and there were technical ones but the public could not easily distinguish between the two. There must be a means of filtering out the trivial complaints and also an acceptance that there is such a thing as honest error.

As far as outside interests are concerned proportionality is the key. For example I already have to declare in the register of interests that I am paid to be a Daily Express journalist and I have to indicate the level of remuneration which I receive. The proposed new arrangements which seriously suggest that we list the hours we have to work for any outside remuneration are both ludicrous and unenforceable and they are also quite unnecessarily intrusive. For example I write my Daily Express column, usually, on a Sunday evening. I cannot see that writing an article on a Sunday evening

is of any more interest to the taxpayer than going to Mass on Sunday morning or going for a walk on Sunday afternoon. Similar arguments apply to what I do in recess.

Being an MP means you take your work with you wherever you go and there is always a mix in the way one spends ones time. For example if travelling to Leeds to record Countdown, I will do Parliamentary work on the train going up and do Parliamentary work on the train going back. Therefore if I simply declare that I have spent X hours recording Countdown people might assume that this was to be taken

from the normal working day, whereas in fact it would be taken from an elongated working day. The situation would be even worse for MPs who are Doctors, Dentists, Lawyers etc and who will need to keep their hand in.

However that is detail, the overarching principle is even more serious. I believe that the quality of MPs will diminish seriously (and it has already diminished quite far enough) if we go down the route of discouraging outside interests. It will firstly discourage people with big records of success from coming in if they believe that they have to divest themselves of all their interests and it will make MPs themselves increasingly insular and less in touch with what is going on in the outside world.

It continues of course to be important that a Member's outside interests should be declared, and that there must never be any question of a Member being influenced by outside earnings. In this context the purpose of the register should be revisited. It used to be the case that we declared our outside financial interests which might influence our work as Members of Parliament. There is no way that an appearance on the Basil Brush programme is going to influence my work as a Member of Parliament unless, of course, you wish to fantasise that it affected my vote on hunting!

The register has simply become nose-pokery rather than a serious assessment of possible outside influence.

As I say I am a retiring Member and I am deeply glad that is so, I have never known a time when Members of Parliament have been held in greater contempt, much of it unjustified.

Yours sincerely,

The Rt. Hon Ann Widdecombe MP