

SUBMISSION TO THE COMMITTEE ON STANDARDS IN PUBLIC LIFE

Plaid Cymru Westminster Group

Opening Statement

Plaid Cymru welcomes the opportunity to submit its views to the Committee on Standards in Public Life. The thorny issue of Members Allowances has been smouldering in the background for years and it is right that a total root and branch review should now be set up.

It is plain that the Additional Costs Allowance was for years looked upon as a device to top up what was considered a modest salary for Members of Parliament. This has been unspoken for a long time but is now coming to the fore.

In truth the current Parliamentary Salary is in need of a review and Governments have consistently failed to deal with this issue for political reasons. When the salary is compared with other public sector pay levels, this becomes obvious.

It would perhaps be better to dispense with the Additional Costs Allowance and consider a substantial increase in pay. That would save on the costs of administering the Additional Costs Allowance and leave no room for the unacceptable manoeuvres made by many Members of late. The political implications of this would have to be considered but the time has surely come to bite the bullet.

As regards Office Costs Allowance, ICA, and the allowances, full receipts should be available for all reimbursements being claimed. The Communications Allowance should go.

It is deeply regrettable that public confidence in the expenses system and in democratic politics has been eroded. Although the expenses claims made by Plaid Cymru MPs have been in accordance with the spirit and letter of the parliamentary guidelines, the party has argued for some time that lessons need to be learned from the Welsh Assembly and the Scottish Parliament in terms of reforming the system to ensure transparency, fairness and openness.

I know that my colleagues in the Scottish National Party have commended the manner in which the allowance system in the Scottish Parliament is working including its total transparency. The same is true of the National Assembly for Wales. In some ways it has been an easier job to undertake in the devolved Parliament and Assembly since they started with a clean sheet and without the baggage referred to above. There are also some good examples of

transparency and accountability in local government practise which I believe also informed the deliberations of the devolved administrations.

These few opening remarks no doubts will be returned to in the further consideration of the numbered questions put by the Committee.

1. What are the necessary elements of a system which both supports MPs properly in the performance of their important and demanding role and commands public confidence?

It would be stating the obvious to say that members from Wales, Scotland, the West Country and North West and North East of England cannot do a sensible daily commute to Parliament. Clearly therefore there is a need for London accommodation.

In addition if a Member is going to provide an acceptable level of service to constituents there should be an adequate staffing allowance and office costs allowance and the costs of communicating with constituents should be met. Travel on parliamentary business is also a vital component in ensuring that Members do the best they can for their constituents.

These should be upheld and bolstered by a robust system of vouchers and accounting. Members should be reminded that franked House of Commons envelopes are for Parliamentary use. Far too many Members are being referred to the Committee on Standards and Privileges because they use what they consider 'free' postage to bombard constituents with material in order to assist their campaigns.

Simplicity is key. The Communications Allowance which is being referred to above has and is being regularly misunderstood.

2. Is it right that the House of Commons should be in a position to determine the nature and size of its own expenses scheme? If not, what are the alternatives? Who should be responsible for approving the content of the Green Book which sets out the basic rules?

Parliament should not have any role in deciding pay and conditions. An independent body should be set up for this purpose keeping those important matters at arm's length from Parliament. In this way the public's perception of a Parliament full of individuals who are self-serving could be allayed. The same is true of the expenses scheme. The Green Book should be formulated by an arm's length body – perhaps the putative independent Parliamentary Standards Authority which is the subject of draft legislation this week.

3. Are the range of expenses which are currently reimbursable correct?

Are the correct judgements being made about the resources MPs need to perform their jobs effectively?

Yes, but with the exception of the discredited Additional Costs Allowance and Communications Allowance.

4. Are the arrangements for policing the expenses system adequate? If not, how should they be reinforced? Is there adequate independent involvement? Are the new arrangements for internal and external audit introduced at the beginning of this financial year adequate?

Clearly not. There is no independent verification/adjudication system. The draft Bill will deal with this area.

5. If it is the right principle that MPs should not expect any element of personal financial advantage through the claiming of personal expenses, what approach should be taken in situations such as the support of mortgage interest which does offer the possibility of such advantage but which may nevertheless provide better value for money to the tax payer?

An increase in salary. Members could then choose whether to buy on mortgage or rent. Far simpler and not open to abuse. Once the initial 'public fallout' has receded the situation would be seen as a better option.

6. However logical the approach to reimbursement of expenses, is it possible that its implementation throws up so many difficulties, including difficulties of explanation to the wider public, that there is a case for considering a radical simplification which costs the same or less than the current arrangements? Would it be acceptable for some increase in the level of basic pay to form part of that?

Absolutely so. It is the ultimate answer and the political will must be found for it.

7. Where reimbursement is made in respect of expenses such as the cost of running an office, should this payment continue to be made as an additional personal expense allowance to MPs? Or could the payment be made directly by the House authorities or in some other way? Is there a case for more centralised procurement through the House of Commons authorities? If so in which areas might such procurement take place?

In principle, there could be little objection to the House authorities defraying these necessary expenses directly. In practice, however, it might be very

cumbersome and would involve resource implications well beyond those currently at the authorities' disapproval.

As for procurement, it is hard to visualise a further centralisation of procurement.

However, with regard to the main expenditure heading – namely rent and rates these could be paid centrally. There already exists a mechanism to determine whether the rent payable is a reasonable one – that could be followed and the Landlord of the office premises could be paid centrally. Similarly, the local authority.

8. What is the best way of providing recompense to those MPs who inevitably have to spend time away from their main home on parliamentary business?

In the event of the Committee rejecting that argument then the overnight allowance should be based on either the average daily cost of a medium range hotel in London or the average cost of renting a modest London property. The allowable sums under the Additional Costs Allowance were once based on the average cost per diem of staying in a mid-range London hotel. This formula became redundant due to the ravages of inflation and other factors but if it were readopted it could be 'geared' to RPI.

9. How much discretion should the system allow about issues like the designation of second homes?

As little as possible. It is the practice of what is euphemistically called 'flipping' that has caused the greatest outrage among the public and rightly so. There is no innocent answer to "why did a person 'flip'?" Once a designation is made it should be carefully examined to see whether it stood up to scrutiny and then it should become final as far as that property is concerned.

10. Is it acceptable that MPs should be able to employ spouses or other family members? If so, what safeguards are necessary?

There are perception problems with this. Although it can be said that many family members who also work for Members of Parliament are suitably qualified and do an excellent job - the public are very wary of it.

As the family member is paid via the public purse should that employment not have been made via public advertisement as is normal in the public sector? If it were and a family member was appointed there would be anxious perception problems. If the family member were appointed through a 'closed' process those anxious perception problems would occur again and perhaps more so.

11. Should receipts be required to support all claims for reimbursable expenditure?

Yes, and without a de minimis level.

12. What level of detail of expenses claims should be routinely available to the public without the need to make FOI Act requests for it?

All claims submitted by Members which have been processed for reimbursement. In the National Assembly for Wales all claims and all receipts are posted on the National Assembly website every 28 days. This would be a welcome transparent procedure.

13. Is it acceptable or desirable that MPs should be able to receive remuneration for activities outside parliament? If so, should that be reflected in any way in the treatment of their Parliamentary pay and expenses? Is there a need for further regulation or guidance on these activities?

Here the writer declares an interest in that he practises as a Barrister during the Summer vacation and also undertakes some written advice work during the Winter months. This does not interfere with the performance of his Parliamentary duties.

From July 1st all receipts will have to be registered. This would include the time spent by the Member on that activity, the public can readily see whether an individual is devoting too much time to extra Parliamentary activities.

The notion that a 'docking' of pay is appropriate is rather difficult to envisage. If there is to be a logical application of this notion then a person with very lucrative outside sources might earn more than his own Parliamentary Salary. Is it proposed to pay a minimal salary or even nil?

It should, however, be clearly placed on the record that Members must avoid putting themselves in a position where they might be beholden to an individual, society or organisation who might then respect some advocacy or other Parliamentary assistance.

14. Should MPs be reimbursed for expenditure incurred on newsletters and other material designed to inform the public about their work?

From the number of complaints to the Standards and Privileges Committee above misuse of the Communications Allowances it can fairly be said that newsletters of the type frequently provided by the Communications Allowances are an area which is embarrassing and the Communications Allowances should go or be limited to a far lower figure to be used only to advertise advice surgeries.