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Feb.

From: TAYLOR, Matthew (MP) [
Sent: 29 June 2009 16:27
To: Inquiry
Subject: FW:

Dear Sir Christopher

I am writing to respond to the request for evidence re the review of MP's expenses. I apologise for this late response - my two year old son was diagnosed with cancer a few days before your deadline. I have spent the last three weeks with him, mainly at Great Ormand Street Hospital. In the circumstances I hope you will accept a late submission (and forgive my typos).

Summary

My key suggestion is that the London Living Allowance system is abolished, and instead an "out of London weighting" (non-pensionable) is given to those genuinely far enough away to face extra costs of accomodating themselves in London. For those nearer, but too far away to get home from an evening vote, genuine accomodation costs for the night could still be claimed on the basis of receipts and attendance for the vote.

In addition, I suggest general office costs are purchased from a named commons supplier(s) using a commons credit card (similar to the existing travel scheme). The communications allowance should be abolished. Websites should not be funded. MPs paid outside interests should be banned, or pay reduced.

My background

I believe it is important that MPs pay and allowances reflects the diversity of backgrounds - not all MPs should be expected to come into the House wealthy. I was elected in 1987, as a result of the death of David Penhaligon MP. I was 24 and lived with my parents at the time, having just left university - so the costs of accomodation and furnishings (and office equipment) were very real at both ends of the country. Without appropriate pay and allowances, I could not have afforded to do the job.

I announced two years ago I would not be seeking re-election, following the birth of my son (now two and a half, and with a one year old brother). The reason is my constituency is 280 miles from London, and that means I would be away from them all the school week when parliament is sitting. I currently travel with the family to and from London when I attend Parliament. This particularly affects my London living needs, and I regard it as fundamental to being able to do the job (had I not been able to travel with them, I would have resigned as an MP when my son was born).

As I have announced I am leaving, changes proposed are likely to have no (or, if implemented quickly, minor) impact on me.

Historic perspective

It is clear that for some of the public any allowances for MPs (and even pay) is hard to stomach. It is well known that at the end of the 19th century MPs were unpaid, and this limited the range of people who could afford to be an MP. Few argue to return to this. However, it is less well known that in previous centuries they had been paid by a stipend on constituents, but this died out as a result of candidates promising not to take the stipend - an offer they made to increase the chance of getting elected. SSRB recommendations have repeatedly been cut back for the same reason. Resolving the issue today needs to address this evolution of pay and allowances by going back to basics, including salary in the review conclusions, and ensuring future independent recommendations cannot be amended by MPs or the executive.

Additional Costs Allowance

- The Additional Costs Allowance cannot continue in its present form. However, a flexible system is needed to reflect the different circumstances of MPs: the need of new MPs to arrange London accommodation; the differing family circumstances and demands on MPs; and the different distances involved (it takes me a working day each way to and from Westminster, so I have to travel on a Sunday to have a working Monday, and leave before Thursday votes to get home for a working constituency Friday). It is also clear from previous reviews that flexibility is cheaper than "state lodgings", quite apart from issues of security and differing needs. The simplest solution is, having looked at all the options being canvassed, to abolish the allowance and introduce an "out of London weighting". This would be taxable, but not pensionable. It would reflect the extra costs of non London based MPs, but leave them to make their own arrangements. The amount of "out-of-London" weighting should be independently set, but based on civil service per diem rates for *extended* stays away, so there is a clear comparator.
- However, a decision should be taken on what is a reasonable commuting distance before this weighting is paid. For some MPs out of central London but at a commutable distance, costs might be claimable for hotel accommodation when the house votes late Monday and Tuesday, on the grounds that they need to be away at night about 50 nights a year at most, unlike those with more remote constituencies
- I would like to touch on family responsibilities. I was surprised to learn after my son was born that basic items to allow an MP to be with their family in London (eg a cot or highchair) were not claimable - even by an MP who is a breast-feeding mother. Yet TVs, HiFi's, etc were allowed. Within any allowance, if it covers furnishings in future, should it not be possible to choose those extra items needed as a parent in the second home, rather than the TV or sofa other MPs may choose? Surely a mother of a new born is not expected to be away from her child four days a week? The flexible solution of an out-of-London weighting would of course, at no extra cost to the taxpayer, allow the MP to prioritise according to their particular needs.

Office Costs Allowances

- A simple reform I have previously suggested to reviews like yours is that (like the travel card) this should normally involve payment through a Commons issued credit card. This would eliminate petty cash claims, reduce the need for MPs to submit minor invoices, and would not involve MPs putting it through their own accounts. Most important, it would guarantee a clear audit trail. A similar verification system to that for travel would require MP explanation of the purpose and need of items. For most items it could if you thought appropriate be required to be through Parliamentary appointed office suppliers (eg Banner) and on an itemised account accessible to the auditors of the claims, to aid clarification of what items are purchased.
- Central provision of office space is likely to be expensive and inflexible, but rules on square footage and facilities, and central oversight to check value and terms etc would allow all MPs similar office premises based on local market rates. But the MP should still take the lead in identifying suitable offices, and the rules should not be overly rigid on space and format (for example, I rent space in both my main towns as they are some distance apart, and this allows regular advice surgeries and a meeting space in both).
- MPs do need when elected to equip the office, and in time renew equipment. Such capital cost issues would be minimised if MPs were required to lease, not buy, capital items, but this might add to the overall cost to the taxpayer long term.

Communications Allowance

- The communications allowance should be abolished, and all the things it pays for not allowed to be claimed as office costs, other than advertising advice surgeries and how to contact your MP. Abolishing the allowance will return to the position I understood when elected - bar advertising surgeries etc, all promotion of an MP is for the MP and his Party to fund. I should add I support increased state funding of political parties (tied to actual membership of political parties, not past performance) to support the democratic process and allow the outlawing of major donors whose influence has become highly undemocratic; but the communications allowance directly benefits incumbent MPs in their re-election efforts compared to their opponents, and as such is anti-democratic.

Web sites

- The current requirement of separation of political and parliamentary web sites leads to expensively taxpayer funded MP sites separate from the local party site. Yet the websites funded for MPs still amount to advantageous propaganda for incumbent MPs. The distinction between party and parliamentary activity is hard to make, given that at the heart of parliamentary activity is competing political Parties. Frankly every candidate now has a website, and every MP will do so whether or not taxpayer funded, so I suggest no contribution to them is allowed. If no support to MPs for a web presence is not felt acceptable, Parliament itself could offer an MP homepage/contact point to a common format, whilst MPs and parties fund their own political sites.

Travel.

- For MPs far from Parliament and/or with large constituencies this is an essential allowance. However, that part of the allowance for travel to other places in the UK (extended travel allowance) is more often than not used for party political advantage. A formal meeting claimed as extended travel is accompanied by meeting the local candidate, or press released in party political terms, yet routinely claimed (especially by "shadow ministers") on the grounds the visit relates to 'parliamentary' work. This extended travel fund should only be available for visits solely used for non-party reasons, and that should mean never accompanied by political press releases, meetings, photo-opportunities etc. The same rule should apply to Ministers - if there is any political part to the trip, the taxpayer should fund none of the trip. All such extended travel claims should be immediately made public, in which case the system would probably police itself.

Staff.

- The present system works well, allowing a great deal of flexibility to meet differing needs. There is huge demand to work for MPs, including as interns (paid or not), and this both gives value and encourages political participation (it is key to getting many young people more involved in the political process). Greater formalisation would make this very hard to retain, and likely increase costs significantly. I have always provided contracts and job descriptions, generally advertised locally and nationally, and held competitive interviews even for interns (and I have not been sole interviewer) - this should all be required. Regarding family members, this has clearly been abused given recent cases exposed. That said, as with many small businesses this can be the most viable way of running an MP's office and keeping family together, especially given MPs are working at two ends of the country and unsocial hours. So any contracts with family members should not be banned, but must be publicly notified and audited, and the salary bands (or actual salary) and full job description made public.

Resettlement Grant

- There are necessary winding up costs (ending staff contracts, office leases, etc). In addition there is a resettlement grant to each MP leaving the job. Some argue it should not be paid to those leaving voluntarily, but given the uncertainty over election dates there are real issues seeking alternative employment until the election is called. Retiring MPs cannot easily arrange new employment given they do not know when an election will be. This issue of arranging new employment having been an MP is especially vexed if they do not take other jobs whilst an MP. This is the reason a resettlement grant is paid. Moreover, the reason the resettlement grant was extended to those MPs voluntarily retiring was also to discourage MPs "hanging on" for the pay or because defeat was more financially rewarding than retirement (or even in some cases choosing to fight unwinnable seats to get the pay-off). It is not clear however why it is increased with age, or why it is payable to those of retirement age.

Outside interests

- I have always believed that in principle being an MP is a (more than) full time job, and it is certainly paid a full time salary. I have never taken outside employment (bar small payments for articles/interviews in my role as MP). I have twice turned down offers of directorships on this basis. I believe in future all MPs should be contracted full time, setting aside outside interests. If this is not accepted, at the very least MPs salaries should be cut to a part-time basis if they take on other jobs (but the review of MP salaries should then reflect the (more than) full time nature of the job specification).

I hope this is of assistance. I would be happy to be interviewed.

Best wishes

Matthew Taylor MP

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