

The Chairman
Review of MPs' Expenses
The Committee on Standards in Public Life
35 Great Smith Street
London SW1P 3BQ.

Sir

The most effective solution to the problem of adequately supporting members of parliament should rest on 4 basic principles

1) Parliament must not determine what are legitimate expenses for MP's and all expenditure must be declared for tax purposes.

Members of parliament should be treated for tax purposes as any self employed person, in that a tax return is completed each year showing all expenses incurred NECESSARILY and EXCLUSIVELY in performing the duties of an MP, supported by vouchers for any amount, however small.

Cash flow could be a problem for some MP's but this can easily be overcome by such MP's submitting an annual budget to parliament and receiving a monthly payment through the public purse to cover the expected expenditure.

HMRC (H M Revenue and Customs) are able to provide the independent scrutiny of MP's expenses. As an additional benefit MP's would experience at first hand the tax burdens they impose on ordinary citizens.

2) There should be no allowances, be they for second homes, attendance, food or any other purpose.

Any overnight stay in London should be justified and claimed on the annual tax return.

MP's within commuting distance of London – up to 1.5 hours by train – should be presumed to be commuting daily, like many of their constituents. Any overnight accommodation necessary can then be claimed as an expense against tax.

Parliamentary travel cards must be used by all MP's for any necessary travel. Reduced price arrangements with all travel providers are easily put in place through astute purchasing.

Travel for family members must be paid for by the MP, not the public purse.

It would be cost effective for a public procurement body to arrange corporate rates with a number of 4 star hotels or serviced apartments which could be called upon at short notice if an MP requires overnight accommodation. These types of arrangements are common in many industries.

3) MP's should be encouraged to hold paid outside jobs as it is undesirable to have career politicians deciding issues of which they have no life experience.

Safeguards can easily be put in place to avoid any appearance of a conflict of interest by making full details of the employment public.

4) There should be total public disclosure of all expenses claimed by each MP on a House of Commons website without any "redaction" and without having to apply for disclosure under "freedom of information" legislation.

Arguments that security would be compromised are spurious and designed to prevent the legitimate disclosure of facts.

It is taxpayer's money that is being spent and we as taxpayers have the right to know if it is spent wisely and legitimately.

The following points should further be taken into account when considering the issues under scrutiny.

It can be strongly argued that the current salary of £ 64766 is more than adequate remuneration for the hours of work performed by an MP without limiting the range of people prepared to stand for the post.

By claiming all relevant expenses via a tax return there is no need to increase the remuneration of MP's.

There should be no automatic increases in pay on an annual basis. The pay should stay fixed for the duration of each parliament.

The practice of receiving a ministerial salary on top of an MP's salary must be stopped immediately. Ministerial salaries for cabinet ministers should be sufficient and they also should be taxed as any self employed person. Where a grace and favor apartment is provided this should be a taxable benefit in kind.

Constituency offices should be supported by the taxpayers generally with the presumption that the rental for the office is equivalent to the sort of rents paid by charity shops in the local high street. Again publication of the lease details and the beneficial owners of the lease would ensure probity.

No family members must be employed. Contracts of employment must be lodged with HMRC to receive re-imbursment for staff costs from the public purse. Staff members should NOT be employees of the House of Commons. They should be employed on fixed term contracts by each MP.

It is crucial that party political messages are not subsidized through payments to MP's for newsletters or other communications. Only actual constituency communications expenditure should be able to be claimed for via the tax return. A website can easily be created for each MP through the parliamentary IT system, or an outside commercial organization can be contracted by parliament to provide this service for all members free of charge.

There is no justification whatsoever for a resettlement grant. By standing for election a member of parliament is aware of the duration and terms of his employment.

It should be presumed that MP's have sufficient skills to obtain outside employment on leaving parliament. If they are unemployable in the "real world" they have no place being a member of parliament.

The current practice where a disgraced MP can stay until the end of a parliament and then receive a handsome resettlement grant offends all natural justice and there is a strong argument that a mechanism must be found to allow wrongdoers to be removed from their seat in the House. No other post has such security of tenure.

By making all legitimate expenses reclaimable through the taxation system there would be no need for external scrutiny bodies. HMRC is an independent organization that is trusted not to show favor to any group in society.

Where any outside organization is willing to provide staff, premises or other support to MP's that is to be welcomed, as it reduces the cost to the taxpayer, provided all details are fully disclosed and publicly available on a parliamentary website.

In summary I would argue that only by removing all allowances and additional payments and by bringing Members of Parliament into the tax net will we the public be satisfied that public money is not misappropriated.

F P. Plachy
East Sussex