

Review of MPs Expenses

A response to the Committee on Standards in Public Life

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Review of MPs' Expenses - A Response

1. Introduction

- 1.1 In commenting on this subject may I firstly say I have neither now, nor in the past, had any personal connection with any MP or any member of his or her family. Equally I am not a member of any political party. As such therefore I would like to think these comments can be regarded as having no political bias or be influenced by inside information.
- 1.2 In terms of my experience that might have some bearing on my comments and their validity or otherwise I should state that in my primary career in the private sector (insurance) I worked in London, Liverpool and elsewhere and travelled quite extensively both in the UK and Overseas drawing expenses in addition to my salary. Subsequently I have worked in the NHS and as an elected Member of a Borough Council but as an independent Member and not representing any political party. I have also held a number of unpaid positions at local and national level in voluntary organisations. Only at the national level did I claim any expenses.
- 1.3 The Committee has posed certain issues that it intends to address but in doing so may I suggest there are, in addition to the Guiding Principles and presumptions that are highlighted on pages 2 and 3, some others that by context or implication need to be considered quite specifically

A. Role of MPs

May I suggest the role of an MP is twofold: -.

1. Firstly it is to represent his/her constituents on matters that are the responsibility of Parliament whether individually face-to-face or by correspondence with Government Departments and Ministers. He or she may, in addition, make representations to other bodies whether Public or Private although in the case of European matters or Local Government it may often be by putting the Constituent in touch with his/her local MEP or Councillor.
2. Secondly it is to speak and, where appropriate, vote in Parliament on issues that are brought before the House, either as a whole or in one of the Select Committees. Such action will often be preceded and/or reinforced by individual contact by whatever means with colleagues throughout the House and also with Ministers.

Whilst these roles may well be better expressed by others, I suggest they are broadly as seen by the general public.

B. The link of expenses reimbursement to the remuneration of MPs

1. Whilst the Committee rightly states that the basic level of MP's pay is being considered elsewhere and therefore it is not, at present, minded to consider it itself, I am very pleased to see it makes the exception for any changes in the arrangements for reimbursing expenses that have direct implications for pay.

2. However without going into precise figures it does seem reasonable to relate both MPs expenses and remuneration to their roles as described above. Accordingly, and whilst the SSRB will be determining its own conclusions, it is surely inescapable that if MPs have differing responsibilities then both their remuneration and their associated expenses will also differ.
3. Turning to the first role as a constituency MP, it is clear that s/he does need to be remunerated for his/her work in this capacity. This is, broadly speaking, proportionate to the number of constituents. Whilst there are issues on the disparity between constituencies these are matters properly within the scope of the Boundaries Commission and should, therefore, not be of concern here. However in relation to matters that have been devolved to the relevant elected bodies in Scotland, Wales and Northern Ireland the MP's role must be limited by the extent of those devolved matters. On that basis it would seem appropriate that the remuneration and therefore, also the associated expenses for MPs for those parts of the UK should reflect their more limited responsibilities. Surely that is a valid principle that has to be recognised.
4. Applying that principle to expenses themselves; it would seem sensible to recognise there is an overall cost of providing a local constituency service. Consequently if that service is provided by Members elected to different bodies then it follows that the costs of that service should be shared. How one determines that division is clearly open to debate but whether it be by relevant budget, numbers of citizens affected, a geographical factor or some combination or other, the need to share these costs is surely inescapable.
5. Of course, the situation is complicated by the differing parameters that govern the size of the relevant constituencies in each devolved area for their representatives and those for Westminster but that is by no means insuperable. Reducing the cost to a per capita basis might be one approach but there will be others. Incidentally for those who would wish to avoid this subject how would they justify paying expenses on a non-adjusted basis to those MPs who are also Members of the devolved bodies?
6. On the second role as a representative in Parliament some similarities exist, at least at first sight. As already implied it appears unarguable that changes resulting from Devolution should be recognised and this should be seen in the scope and level of expenses in this role as well.
7. Whilst the Leader of the Opposition has very recently announced his Party's intention both to reduce the number of MPs and also to relate all constituencies to a common number of constituents that is no more than a proposal that may or may not become relevant after the next General Election.
8. Accordingly it is necessary to consider only the current situation. Therefore whilst there has been some recognition of previous discrepancies affecting the number of Scottish MPs this has only been to equalise the basis of calculating the number of seats between England and Scotland. No action has been taken to apply a similar logic in Wales where, if applied, would reduce the number of Welsh MPs from the current 35 to 32.

9. Looking at these factors in isolation would mean a possible change of 3 in a total House of 646 and, therefore, is, I suggest, a *de minimis* consideration.
10. The more substantive issue relates to that of the Scottish Parliament and Welsh and Northern Ireland Assemblies having responsibility for matters that in England are the responsibility of the UK Parliament. Currently there have, to my knowledge, been no proposals to change the numbers of MPs but only to change the procedures of the House to reflect that and even they have come from only one Opposition political party. As such it would be wrong to assume there will be any change, at least until after the next General Election. Even then, because those proposals apply only to Parliamentary procedures they would by no means affect or necessarily be at all relevant to expenses.
11. Because Devolution affects those parts of the UK farthest from Westminster it is inevitable that MPs for those parts of the UK are likely to need to work in their constituency and to participate in the relevant proceedings in the House of Commons. Accordingly their expenses will inevitably need to reflect that dual constituency/Westminster role, almost irrespective of the responsibilities devolved to other bodies.
12. However should there be MPs who choose not to take up their seats in Westminster then, by definition, they are not able to fulfil their full responsibilities. It therefore follows that expenses incurred by such MPs (as well, presumably, as their remuneration) would need to reflect their chosen role and be restricted to those expenses necessarily incurred to support their constituency role alone. Only by such means would it be possible to maintain equity between all MPs. As implied earlier, expenses for all other MPs relating to their Parliamentary role would seem to require a common approach irrespective of the effect of Devolution.

C. Legal Considerations

1. The third principle is, I suggest, uncontroversial, especially after recent media revelations and comment. From what has been published it appears that laws that apply elsewhere are either exempted by or for MPs or by some convention or practice are not applied in the same way. It is surely essential that MPs should be bound by precisely the same laws that apply to all citizens of the UK and that HMRC should not make any special provision for them.

2. Expenses

- 2.1 Turning now to the more general but specific issue of expenses, the Committee must feel in the light of recent, and indeed continuing, disclosures, more than disappointed that its statement made to the Members Estimate Committee and repeated as Annex A has proved to be so prescient, necessary and so sadly breached by so many Members. Indeed recent published disclosures, including many of the responses to them, must put into question whether at least some MPs and possibly also the Fees Office have even read, let alone understood, what the Committee said then or even The Seven Principles of Public Life the Committee has published on its introductory page.

- 2.2 Regarding the Issues and Questions the Committee poses, perhaps the following general comments are appropriate although I comment more specifically on their application in other areas.
- 2.3 The elements that are necessary to support the MP must intrinsically be related to the roles of an MP and these I have tried to address in preceding paragraphs. Insofar as other principles apply it might have been thought before recent publicity that mentioning the vital necessity of integrity and an understanding of public opinion would be presumptuous. Sadly not and therefore in every respect these principles must be emphasised perhaps as a fundamental pre-requisite for continuing membership of the House of Commons.

3. Reimbursement of Expenses

- 3.1 Under this heading the Committee highlights the distinction between Expenses and Allowances. That is very important and perhaps it is appropriate to refer to this under the several headings provided by the Committee. However before doing so I hope it is in order to make a comment on two Allowances that could impact on Expenses for some individual MPs.

A Allowances

1. There are some Members who are either Chairs or Vice Chairs of Select Committees. Whilst the SSRB has regarded Allowances for such Members as an element of pay one of the consequences of recent events has been to open this matter more broadly. IF, as has recently been proposed, a change were to be made that these positions were derived from elections rather than the decisions of Party Whips, then those holding them would be entitled to regard themselves as carrying major responsibilities approved by the House rather than the Executive. As such perhaps the Allowances being paid should be increased, perhaps significantly, to reflect that increased authority.
2. The other common Allowance is that given to MPs who currently are either not eligible, or who choose not to claim, for the costs of a second home. The level of that Allowance has always been regarded as an element of pay and therefore is a matter for the SSRB. The reason for mentioning it here is that any change in the provision for expenses for a second home could have some knock on effects on the decision some MPs may make.

B Expenses

1. In terms of the broad range of expenses may I suggest one needs to look at the detail of each of the headings provided by the Committee for each of the roles performed by the MP. In that context the standard definition by HMRC of allowable expenses must surely apply to MPs as to everyone else. That definition is critical and I have taken the liberty of making some specific suggestions in response to the general heading of Administration and enforcement.

4. Accommodation

- 4.1 I suggest the first matter to be considered is whether an MP should be entitled to claim taxpayer's money for any accommodation s/he occupies. The most recent decision by the House of Commons is to restrict that to MPs who live further than 20 miles from Westminster. This rule was brought in very rapidly and, I would suggest, with rather limited consideration for all the implications.
- 4.2 To my mind if MPs, other than those who have chosen not to take up their seats, do not have additional and specific responsibilities in Westminster then they should commute to central London if it is practical for them to do so, as do so many of their constituents. To that end whilst some members of the public regularly commute say 50 miles or even more, a more appropriate distance might be 35 miles, given the regular, if less than constant, need to travel outside normal commuting hours.
- 4.3 There are, however, some MPs who do have specific additional responsibilities that might be considered as justifying some modification of this distance related criteria.
- 4.4 I suggest these could be Ministers, Chairs and Vice Chairs of Select Committees, members of the Shadow Cabinet and possibly some spokespersons of some other Opposition parties.
- 4.5 In all these cases it is certainly true they have responsibilities that are significantly greater than other MPs and for them, perhaps the distance criteria should be modified to the 20 mile limit recently adopted.
- 4.6 The second matter to be considered is, I suggest, the location of the accommodation. Whilst it may be, and probably is, the case that for most MPs their main home is in or close to their constituency, that is by no means the case in all instances. There can be many reasons why an MP chooses to have his/her main home elsewhere and I suggest it would be presumptuous for anyone other than the MP's constituents to say, as indeed many have, that the location of his/her main home is their business.
- 4.7 Whilst I appreciate recent examples might have been behind the reasons given for seemingly allowing no latitude in this respect, I think there are other ways of avoiding such apparent abuse. Consequently, I would agree entirely that to give an MP absolute discretion on this matter, not least in the light of recent publicity, would be unacceptable.
- 4.8 May be it would be right to say to an MP three things:
 - a) where you locate your main home is a matter between you and your constituents but, having made that decision, the location of any second home for which you intend to claim financial support must either be in London or in your constituency.
 - b) Furthermore your main home will be either the only or the more expensive home you own so that any taxpayer funding provided is ancillary to your main accommodation and not otherwise.

c) Finally it is important that the decision you make in this respect is consistent with any declaration made to HMRC and may not be varied whilst you are in receipt of any financial support.

4.9 The third issue is how to apply these concepts in practical terms without making for undue complexity. In doing so the Committee is naturally fully cognisant of public reaction to the substantial publicity surrounding recent disclosures and, of course, the outcome of the meeting between the party leaders and the Speaker. Whether the recent announcements have been sufficiently soundly based is, again, a matter for the Committee to determine.

4.10 The nature of any financial support to date has been largely at the discretion of the MP up to a fixed amount per annum and most MPs taking up this support have done so to purchase and then “maintain/furnish” a second home. A few have chosen to rent accommodation rather than buy and it may be the Committee will wish to enquire of those MPs the reasoning behind their decisions.

4.11 May be it would be appropriate to remind MPs that they have constituency responsibilities throughout the year and that the number of days Parliament is sitting are substantially less than 50% (in fact less than a third) of the total number of days in a year. Consequently the need for anything more than fairly basic accommodation near Westminster for most MPs may be difficult to support from a taxpayer perspective. That assessment may however be modified a little for those MPs who have specific additional responsibilities.

4.12 Accepting that for those MPs who have a need for some fairly basic accommodation within reasonable distance of Westminster might I suggest the following:-

4.13 Reimburse the rent of a one bedroom flat + Council Tax (for single occupancy) and Utility Bills including a TV Licence, together with in the first year only of becoming an MP the reasonable cost of appropriate furnishing. In determining the amount to be paid, use of perhaps two or three Relocation firms that specialise in these matters should be considered. Thereafter only the rent + Council Tax and Utility Bills including a TV Licence would be reimbursable. Should an MP prefer to rent a two bedroom flat only the amount payable for a one bedroom flat would be payable.

N.B.1 As is currently stipulated any rented property must not be owned by or in any way connected with the MP to ensure there can be no hidden benefit to him/her or his/her family.

N.B.2 For MPs who are a couple the cost of a two bedroom flat + Council Tax and Utility Bills would be payable. In the first year of the MPs becoming a couple and therefore being ineligible for two one bedroom flats the reasonable additional cost of any additional furniture would be paid. Should subsequently only one MP be eligible then the reverse situation would apply. Should the MP choose to stay in the larger flat the amount of taxpayer support would be reduced to reflect the changed situation.

- N.B.3 Should an MP choose to purchase rather than rent a property, then the same monies payable for rental costs would be available to meet the mortgage interest cost with the other specified costs payable as for the rented accommodation. Thus any additional costs would be borne by the MP and not the taxpayer. Similarly any repair or refurbishment costs would also be borne by the MP as would his/her liability for any Capital Gains Tax or other tax chargeable on domestic property.
- N.B.4 Whilst these notes have been written on the assumption that the secondary accommodation is in London, should it be in the MP's constituency the same monies would be payable. In other words an MP's choice of location of his/her main home should not be the occasion for the cost to the taxpayer changing.
- 4.14 For those MPs who have specific additional responsibilities it is probable they will need to spend more and unsocial time in Westminster. Should they be eligible for taxpayer supported accommodation then perhaps it would be reasonable for them to have the cost of renting a two bedroom flat reimbursed. Again they would have the option to buy but the level of taxpayer support would not change. This would better enable them to maintain their family life despite the more intense pressures caused by their additional responsibilities.
- 4.15 Of course such specific additional responsibilities are inevitably temporary and as or when those change, then the level of taxpayer financial support will need to reflect that.
- 4.16 In giving MPs the option to rent or buy, these proposals would enable the MP to determine within the same cost to the taxpayer which option is best suited to his or her own circumstance. Those circumstances may well give the MP a perceived edge of one option rather than the other, thus providing best value beyond the simple equality of taxpayer financial support.
- 4.17 Having said that and to ensure there is no misunderstanding by MPs or others on the full implications of purchasing a property with taxpayer support, I suggest the following further general qualifications should apply to all MPs who receive a subsidy on their mortgage interest payments
- a) Establish a limit on the time mortgage interest can be subsidised by the taxpayer and I suggest that should be 20 years, after which no further subsidy could be claimed. Furthermore once a mortgage has been granted and the subsidy based on that approved, the subsidy should reduce to reflect any repayment. Furthermore any re-mortgaging of the property should have no effect on the subsidy, which should continue to reflect the progress of the original mortgage.
 - b) Should an MP choose to purchase a property that has attracted taxpayer support and then, for whatever reason, decides to move, the costs of moving including the costs of any subsequent purchase are to be met exclusively by the MP. At the same time it would be permissible to claim mortgage interest support on the new property but only at the same level as the original mortgage and up to the original 20 year time limit.

- c) Should the taxpayer have supported the financing of a property for the maximum period of 20 years and subsequently it is sold no further subsidy would be payable on any other property the MP might purchase at any time thereafter. Equally there could be no support for any future rental costs.
- 4.18 In terms of accommodation expenses there may be occasions when an MP is necessarily obliged to spend a night away from his/her main or, where eligible, second home. In such circumstances the cost of that accommodation, including any appropriate sustenance would be a reimbursable expense if reasonable in all the circumstances. As a guide perhaps use of a 4* hotel might be a reasonable indicator of that. This provision would, of course, apply to all MPs including those not entitled to a second home allowance.
- 4.19 One further point that perhaps should be made is that, especially for those MPs exercising specific additional responsibilities, they may be invited and, in effect, be required to attend functions because of the position they hold. Any additional costs incurred by Ministers and Chairs/Vice Chairs of Select Committees should be recoverable from their Departments or Parliament.
- 4.20 However, the position of Shadow Cabinet members or other Opposition spokespersons is less clear. Such events may result in either very late nights or very early starts and therefore outside normal practice. Indeed such allowance for these situations is often authorised for employees in both the public and private sectors. To my mind it is important in a democracy for such individuals to have the ability to provide information and views for a healthy debate and therefore any costs comparable to those incurred by Ministers for such activities should also be met from public funds.
- 4.21 Naturally this is subject to the individual not being remunerated for his/her presence or contribution to the event when the sponsoring body should meet all costs involved.
- 4.22 One issue that has been raised in the media recently is the situation where an MP for whatever reason has acquired property that s/he could use but is already in use by others. If eligible should the MP in such circumstances be entitled to claim taxpayer support for a second home? The common thread of such comment is that because of the MP's situation and his/her relative affluence taxpayer support is unacceptable.
- 4.23 However if that MP had chosen to invest the same monies on say the stock market or in some other investments including property elsewhere than in his constituency or central London there has been no suggestion that those investments should be liquidated to fund a second home. If one were to adopt such an approach then its logical consequence would be a means tested approach to the funding of second homes whether by rent or purchase. I've not seen anyone proposing that. Notwithstanding this the provisions of paragraphs 4.17 a) to c) above would still apply, thus preventing any potential profiting from any taxpayer funded subsidy.

5. Administrative and office support

Staff

- 5.1 Because an MP has, in normal circumstances, responsibilities in his/her constituency and in Westminster, there must be a cost in supporting the MP in those two locations. Whether that is by the same person fulfilling both roles, which may be a possibility in some constituencies, or by different people the essence is the same. These are roles of Personal Assistants who will have a high degree of skills in those areas and will need the same level of office support etc. as is found in similar situations elsewhere.
- 5.2 Whilst MPs may legitimately need to have someone with whom they can work constructively, the same is true in many other situations. Accordingly it is difficult to argue that only a member of the MP's family can fill such a role. To avoid discrimination of all kinds it would seem right for those positions to be open to anyone, including a member of the MP's family, and for all appointments to be made by an independent panel, approved by the Committee on Standards in Public Life. The panel would ensure appropriate job descriptions, statements of required competencies and contracts are used. Naturally the MP should be able to attend interviews of non-family candidates and express a view, but the appointment would be made by the panel and not the MP.
- 5.3 Where two people are necessarily employed the costs should reflect that. Inevitably there will be some duplication although that should be offset, at least to some extent, by making both positions part time and a differential in salary cost between central London and the constituency. The costs of such appointments including salary and on costs including any expenses incurred by such staff would then be met directly by Parliament provided these were exclusively and necessarily for Parliamentary and constituency business and not for any party political purposes. One method of achieving that distinction is discussed in Paragraph 5.6 below
- 5.4 For those MPs having specific additional responsibilities additional staff costs will be incurred. For some, these will be provided by the Civil Service or House of Commons staff but for others their provision will be from monies made available to Opposition political parties from Government funds. It would not be in the interests of those parties to employ anyone who was not wholly competent for that purpose nor would it be appropriate for anyone outside the party to become involved in what is essentially a party political matter. Accordingly the costs of such staff and their costs should be met from these specifically authorised funds.

Other Office Support

- 5.5 Office accommodation costs in Westminster are already met by Parliament and it would be appropriate for all other costs to be similarly met. In this context the opportunity to secure bulk discounts ought to reduce the cost of much equipment and other office expenditure. Should an MP wish to purchase such items independently then only the amount that would have been payable by the Parliamentary authorities could be paid. Having said that and in the light of recent publicity, the monitoring of 'need' will be a particularly sensitive issue in this context as will the continuing requirement for any such expenditure to be exclusively and necessarily for parliamentary and constituency business and not for any party political purposes.

- 5.6 It is, of course, easy to make the aforementioned provisos but far harder to ensure they are observed. May I suggest one method that I have used in allocating costs between different functions performed by the same individuals is to conduct an Activity Sampling analysis over a period of say 4 weeks. It is relatively easy to conduct and significant discrepancies easy to identify. As members of the Committee will know this is not a new technique but one that has been established and used for many years.
- 5.7 As well as enabling staff and office costs to be correctly allocated it could also be used to allocate building including utility costs between parliamentary/constituency costs and those that are party political.
- 5.8 Whilst not Office Support in the normally accepted sense of the word, it is necessary to ensure as is stated in Guiding principles and presumptions on page 3 that “arrangements should be flexible enough to take account of diverse working patterns and demands placed on individual MPs.” In this context, the provision of support for children of MPs, particularly those living outside commuting distance from London is open to some criticism. Given the variable working hours within Parliament and the need for much unsocial hours activity in the constituency it may be difficult to obtain, but still necessary to provide, support for child care on a flexible basis. In short any claim would need to show the MP had taken all reasonable steps to minimise the cost involved and to ensure the net cost fully recognised the number and length of Parliamentary recesses.

Travel

- 5.9 MPs should be reimbursed for travel both between their constituency and Westminster, within their constituency and on Parliamentary business. What is not clear is why those expenses cannot be properly recorded and reimbursed as is the case elsewhere in both the Public and Private sectors to the standards required by HMRC. Similar considerations would apply to authorised travel costs outside the UK.
- 5.10 Whilst it is difficult to see a justification for allowing a MP’s Partner or children a travel cost allowance in their own right, especially given the number and length of current Parliamentary recesses, there does not appear to be any practical objection to the transferability of the MP’s travel costs to his/her Partner being permitted provided, of course, the cost was not increased thereby. This would permit a Partner to travel to London occasionally instead of the MP travelling to his/her Constituency. The cost of children’s travel is I suggest a matter of discretion, rather than any specific regulation. The occasional trip to London with the MP’s Partner might be acceptable but a monthly visit would not.
- 5.11 In determining the actual costs incurred as well as specific receipts being provided, it would be sensible to prepare some guidelines based on each constituency, its distance from London and, of course, recognising the Parliamentary timetable, including the several recesses. Incidentally the claimed practical difficulty of excluding travel from home to the constituency office is surely no more difficult for MPs than for many other individuals, provided a detailed journey record is kept, as is commonplace elsewhere.

Communication expenditure

- 5.12 Whilst this issue could be interpreted as including office stationery and other office expenses I would prefer to restrict my comments here to the specific subject of what I believe is called the Communications Allowance. It is, I think, accepted that it is important for MPs to be able to inform their constituents about their activities and the Communications Allowance was designed to permit this to be done in a way which was separate from any party political publicity. However and as the Committee notes there has been widespread criticism that it actually serves to promote the incumbent MP against any contender and by selecting particular news items and publishing it at specific times in the year effectively promotes his /her party political views. I suggest there is a lot of truth in that as I have seen not only in my own, but also in neighbouring constituencies where different political parties hold sway.
- 5.13 My suggestion is that MPs should be reminded that local newspapers exist to publish local news and that includes the activities of their MP!! However I do think there is merit in ensuring each MP can report in a non party political way on his/her work in his/her own way and therefore should be permitted to claim as an expense one message each year. That could be either the cost of an outer cover on their local newspaper or a two-sided A3 newsletter circulated to their constituencies just before the summer recess at the end of June or beginning of July. In other words it would be well away from any likely election period. Of course there may be other situations where some additional communications work is necessary e.g. petitions but these would need to be justified on an individual basis.
- 5.14 In terms of the internet there is clearly a strong argument for each MP to have his or her own website and, provided the content is free from party political bias, the cost of setting up a website is a reasonable communication cost. However general updating, and this should include details of his/her claimed expenses, should fall within the role of the MP's PA. Consequently there should be no need for any further claim under this heading within the same Parliament. Part of the overall monitoring process would be to visit each MP's website on an irregular basis but always near to any election being conducted in the MP's constituency.

Leaving Parliament

- 5.15 The current arrangements reflect the position that MPs directly employ staff and pay the direct office costs associated with their work. Should those costs be met directly by Parliament the need for a Resettlement Grant would seem to disappear. Of course there may be other staff employed but these are likely to be by charities or low cost interns and, of course, those employed for party political purposes but none of these would justify the continuation of the Resettlement Grant.

Ministers

- 5.16 The particular position of Ministers is effectively no different from that of other MPs with specific additional responsibilities and/or those in other employment whose accommodation is provided by an employer. As such no further special arrangements should be necessary beyond those described in Paragraphs .3.1 A.1; 4.4/5 and 4.14/15.

Northern Ireland

- 5.17 The position of Northern Ireland MPs is not fundamentally different from those in other parts of the UK where devolution has created local Parliaments or Assemblies. Of course their travel costs will be higher but in all other respects I do not understand any logical reason why any further special provision is necessary. Perhaps the Prime Minister had in mind the situation of those MPs who have chosen not to take up their seats. That is a choice they have made and it would seem, as I suggested earlier, to be wholly inequitable if having made that decision they should be recompensed on a comparable basis with those MPs, also for Northern Ireland constituencies, who have recognised their responsibilities to serve ALL their constituents irrespective of their political affiliation.

6. Administration and enforcement

- 6.1 That many MPs have not only failed to draw up effective rules for their own allowances and expenses but many have also failed, in conjunction with the Department of Resources (Fees Office), to follow even the principles they themselves approved is now only too clear. Most strikingly the two provision in the Green Book quoted by the Committee

“Parliamentary allowances are designed to ensure that Members are reimbursed for costs properly incurred in the performance of their duties” and

“Claims must only be made for expenditure that it is necessary for a Member to incur to ensure that he or she could properly perform his or her parliamentary duties”

have been effectively ignored by many Members and the result is that they have forfeited the right as individuals to exercise any responsibility in this area of their responsibilities

It is in that context that the following comments are made:

Receipts

- 6.2 It is, in my experience, the universal practice that receipts are required to substantiate claims for the reimbursement of expenses in both the public and private sectors. Where, for whatever reason, that cannot be done, a written justification for the amount claimed is provided. An example of such a situation might be for gratuities that have been paid in cash.
- 6.3 Additionally an analysis of any total amount is often required, particularly where a single claim is made for a number of individual events. The most common example is for vehicle expenses where some usage is claimable and some is not. The justification would be a log of all claimable journeys with the date, journey and relevant mileage stated.
- 6.4 It is not at clear why such procedures cannot be followed by MPs and in my view they should be.

Interpretation of the rules

- 6.5 Recent events have shown the serious consequences of also allowing the House of Commons to interpret the rules it had drawn up and, self evidently, there have been serious errors of judgement, to say the least, about some of the resources either MPs or the Fees Office have considered necessary for MPs to perform their duties.. Recent statements by the Prime Minister and the Leaders of the principle Opposition parties would seem to have accepted both that a change is essential and that the Committee on Standards in Public Life should effectively take on the role of firstly drawing up new rules and secondly saying how they should be interpreted.
- 6.6 There is in my view a clear need for an additional and ongoing monitoring role to ensure both consistent and proper interpretation of any new rules and it would seem sensible for the Committee on Standards in Public Life to fulfil it. Should that view be accepted then it would be necessary to consider its composition or structure for in that situation the entirely correct decision of the party political members to withdraw would need to continue and the question then becomes should there be any other change in its composition?
- 6.7 May be it is too radical a suggestion but I think there would be substantial merit in inviting three members of the public who are neither connected with any political party nor have any current or recent responsibilities for parliamentary or public sector activities to join. In other words I think it important for the Committee to be able to show that it recognised the considerable public anger that has been widely expressed and that it had within it individuals from the public able to exercise real influence.
- 6.8 In practical or governance terms, given the Committee's wider responsibilities, it might be preferable for this ongoing monitoring role to be performed by a sub committee of perhaps seven members to whom all staff involved in processing any claims would report. If that were to be accepted it should be the sole responsibility of the Committee to identify the three members of the public, perhaps following a general invitation and appropriate interviews. Having said that might I suggest it would be helpful to select those individuals from three different generations, perhaps 25/35, 45/55 and 65/75.

Audit and assurance

- 6.9 The introduction of the National Audit Office to this process is a very necessary step and one that ought to command public support. Having said that it should report to the Committee for Standards in Public Life, which in turn, should publish its report annually with an interim report after six months. That, of course, does not preclude specific action if any transgression of the rules is discovered.

Enforcement

- 6.10 The current enforcement rules are largely a reflection of the internal processes that have been found wanting.. Accordingly I suggest that, if an apparent transgression of the rules is discovered by the Monitoring sub committee, the MP should be informed that the circumstances are being referred to the Committees who will investigate the circumstances and invite the MP to explain his or her action and note any proposal he or she may make.

- 6.11 Having investigated the situation the Committee will, unless it finds there is no substantive case, report its findings, which will include a statement of the facts, together with any action or consequence it proposes to the Parliamentary Commissioner for Standards. He will report the facts and either his support for or any qualification he makes to the Speaker.
- 6.12 The Speaker will initiate a debate on the situation and will provide all MPs with the relevant evidence. That will include any papers for any previous example of any transgression by that MP.
- 6.13 It will be for the House to agree or otherwise the recommendations of the Parliamentary Commissioner.
- 6.14 It will be seen this process tries to ensure an independent and continuing process through different stages at each of which the MP can express his or her views. Full transparency is ensured and by the final decision resting with the House its ultimate sovereignty is preserved.

Openness and Transparency

- 6.15 These two features are probably the most effective defence against misuse and perhaps the following processes will facilitate that.
- a) The rules governing MPs expenses and allowances, including any processes linked with them are to be published and available to any member of the public
 - b) All expense claims must be recorded by the MP on his/her website and part of the monitoring process is to check that this has been done. No claim will be processed without such a record and the MP's personal signature that he or she has confirmed that all the rules have been fully observed.
 - c) The outcome of all claims will also be recorded on the MP's website and again the monitoring process will ensure this is done.
 - d) All claims must be made within 3 months of the expense being incurred
 - d) Monitoring reports of an alleged transgression will NOT be published until the Committee on Standards in Public Life has produced its report. However that report will be published unless it finds there has been no transgression and decides no action is justified. This preserves confidentiality and potentially therefore the reputation of the MP until a *prima facie* case has been established.
 - e) All subsequent reports will be published and, of course, the Parliamentary proceedings will be recorded in Hansard

7. Other issues

Outside interests

- 7.1 There is a view that being an MP is a full time job and therefore other activities will cause the MP to be diverted from his or her constituency or Parliamentary responsibilities. That is certainly a genuine concern and is one that has to be recognised. However there is, as the Committee will be well aware, another view that MPs may become so absorbed in their lives in politics that they can become separated from the world that exists outside that environment. Indeed some people have argued that the recent publicity is, at least, an indicator that that is happening!
- 7.2 My view is that the key issue here is transparency rather than any specific bar or rules that determine how or what should or should not be done or be acceptable or otherwise. It should be for the MP's constituents to determine whether in their constituency their MP is doing a good job and whether his/her non parliamentary activities have had a positive or negative effect or perhaps both but which, overall, provide an acceptable balance. It is perfectly possible for different constituencies to reach different conclusions but the key issue is transparency.

Miscellaneous support

- 7.2 The only issue suggested here is that of the provision of other support staff and subsidised catering. I have tried to address that of other support staff in earlier comments and in the case of subsidised catering I also believe transparency in the nature of the catering supplied and its cost is important. Without that it is not possible to comment on its appropriateness or its value for money to the taxpayer.
- 7.3 There is one other related point and that concerns the provision of an Allowance for food that is reported to be £400 per month for those MPs who have a second home subsidy. I can see no justification for such an automatic allowance. If there are specific instances where a MP has to attend a late evening function then that may give rise to an allowable cost. However the option to claim would be available to all MPs but, as I have said, only where the particular circumstances can support such a claim.

8. Conclusion

- 8.1 The task the Committee has been given has always been considered important but the publication of MPs expenses over the last four years by the Telegraph newspapers and the broader media coverage has probably demonstrated to an unprecedented and perhaps unbelievable degree the extent to which it was urgently needed.
- 8.2 I hope what I have written may be of some value although I appreciate there will be many others whose contribution far exceeds anything I have been able to make. If there is anything which is unclear please accept my apologies but if there is anything on which you would like clarification I shall be happy to assist to the best of my ability.