

E549 - A. Fearnehough

Dear sirs

Enclosed is a letter I sent to Natasha Engel MP. She replied back with positive comments and suggest that I forward it to you. (below)

In essence the proposal is for a headcount based "working cost allowance / contribution" per MP to replace the current expenses system.

The important aspect is that this is given to the political party directly, to manage and be fully accountable for. This would cover all possible expenses such as travel/ housing/ out of pocket expenses. Any annual overspend would come from party funds, likewise any surplus could be retained / rolled over - in short the potential for personal gain, which is the basis behind the current outrage, is removed.

The difficult part is setting an appropriate level for the allowance!

Good Luck

NB. The figures in the letter are rough guides not suggestions, also I had not realised that MP's get an allowance for £100k for staff (this staffing allowance could perhaps be centrally managed/ funded as well)

A Fearnehough, Holmesfield

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Holmesfield

Phone:

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Dear Natascha Engel,

In relation to MP expenses

I think you would all agree that the issues arising from MP's expense claims has at best, angered and greatly annoyed the people of Britain, at worst created further damage and disillusionment to the credibility of British politics.

For some justification is simply working within existing rules but I hope the majority will now seek greater justice in the rules themselves

A future system must be fair and transparent but must also recognise the rather unique MP circumstances (we should all be able to claim out of pocket expenses). It should also not be a system that is so complex that it distracts from working time or with big brother untrusting "over justification" (even from big brother itself). We do want to trust MP's

Suggestion.

I would suggest a fixed head count "working costs allowance" per person, to put towards (or potentially totally cover) MP's, accommodation travel and constituency costs. MP's who live beyond an agreed travel time/ distance from Westminster should have a higher allowance.

These allowances should then be given to each parliamentary party to manage and be published themselves. Parties should publish detailed categorised accounts annually, but not necessarily drilled down to an individual MP cost / item basis. Accounts should be independently audited and individuals that have incurred any dubious non work related expenses should be given the opportunity to pay back the error or be named and shamed.

The acceptance of this allowance system would be conditional on the premise that no other expense claims need to be submitted. If a party goes into debit then they must balance the accounts from their own funds.

EG.

Local to Westminster allowance £15,000

Long distance allowance £25,000

Party with 20 local and 80 distance MP's gets $20 \times \pounds 15000 + 80 \times \pounds 25000$
= $\pounds 2,300,000$

If a party want buy a 50 inch TV and satellite subscription so their MP's can keep up with the news they can (explain that to the taxpayer), likewise if they want to spend more on leaflets in a marginal constituency they could do that too, they could even purchase property for use by their members if they felt this was cost effective. (Any property profits are collective not individual)

The advantages of this system are:

Any poor self regulation and over indulgent behaviour by a particular party would be very evident to the public.

A political party's funds could be flexibly allocated to constituencies, or to provide financial support for MP's with less personal financial backing.

It would force MP's to seek more justification/ be more selective before incurring costs paid for by the taxpayer.

Adjusting levels to inflation/ economic conditions / increased election year costs would be simpler.

If the system works it could be uplifted in the future to reduce the reliance on political fundraising and the questionable ethics this creates.

The disadvantages of this system are:

Requires good management by political parties

Political parties could use financial threats to curb rebellious / questioning MP's

Would be simpler and more fair but may well be more expensive

Would take time to establish a reasonable/ acceptable allowance level.

I hope you find this interesting
Yours sincerely,

A Fearnough