

Kent

3<sup>rd</sup> June 2009

Dear Chairman,

Review of MPs' Expenses etc

I am writing in response to your press notice dated 23<sup>rd</sup> April 2009 inviting observations and suggestions for dealing with the vexatious subject of MPs' expenses and facilities.

If public faith in the democratic process and the integrity of its politicians is to be restored, Parliament needs to take three steps towards reconciliation as follows:

1. Members who are judged by their peers to have seriously transgressed should be expelled forthwith.

Action on these lines suggested at (1) above is supported by precedents in the thirties and forties. In both cases the hapless Member was dismissed for misusing a parliamentary travel warrant, a relatively minor offence when compared with what is happening today.

Public anger is mounting by the day at the apparent lack of action in relation to those Members who have cheated the system, and have elected to stand down at the next election. If Parliament is unwilling to apply the ultimate expulsion sanction, then at the very least those members named and shamed should forego subsequent rights to an enhanced pension and resettlement grants.

2. The current bewildering array of allowances should be scrapped and replaced by a single allowance, added to pay, and dealt with through the tax system.

Since members have no contract of service I assume that they are still treated as self employed for tax purposes. Prior to the introduction of the allowances system in the late 1960s, Members could only claim tax relief against their salaries in respect of expenses under the "wholly, exclusively and necessarily incurred" rule. HMRC is, therefore, the obvious authority for policing Members expense claims, backed by statutory powers and armed with case precedents built up over the years.

Section 292 of the Income Tax (Pensions and Earnings) Act 2003 which embodies a sub-section specifically exempting overnight expenses allowance of MPs from income tax would need to be repealed, thus ensuring that Members tax affairs are dealt with on an equal footing with the public at large.

3. Future recommendations from Independent Review Bodies on any aspect relating to Members remuneration should, as a general rule, be implemented in full.

I gather from recent media reports that the main political parties have signed up to acceptance and implementation in full of recommendations contained in all future reports.

If, however, in the unlikely event that any future recommendation is subsequently found to be fatally flawed, in the interests of even handedness an arbitration mechanism needs to be put in place.

Recent media publicity has concentrated almost exclusively on overnight expenses incurred by Members in maintaining a second home, but I believe this is only the tip of the iceberg.

Car Mileage claims in the past have been shown to be excessive, so there is plenty of scope here to claim for "phantom" travel.

Production of MOT test certificates and/or car servicing invoices would provide a useful check and serve as a deterrent.

Moving on to the Secretarial and Office costs/expenses, I have an open mind regarding the employment by a Member of his/her spouse or partner. During my watch I can recall many wives who put in very long hours in support of their husbands, which would have been unacceptable to some secretaries recruited from outside sources. However, I am also aware that the practice of employing family members is banned by a number of legislatures.

On balance, therefore, and subject to random checks being carried out by an independent authority to ensure value for money, I believe that the present arrangement should continue. However, employment of other family members should be banned.

Whilst your Committee is working towards comprehensive proposals to reform the present discredited expenses system, it may be useful to consider the direction in which we might go in, say, 5-6 years time. This leads me to suggest that the practising of purchasing/renting property in the London area and subsequent "flipping", should be phased out gradually and replaced by the provision of Parliamentary accommodation blocks. How could this be achieved? One solution which springs to mind would be to take over the Olympic Village campus from Autumn of 2012. Another suggestion might involve the re-introduction of the Civil Service dispersal policy of the 1960s. This would have a two fold effect; it would free up government offices for conversion into flats and provide much needed employment in deprived areas. The MOD building opposite Horseguards would be a useful starting point, for example.

Sadly, Parliament missed a trick when the GLC Building became surplus to requirements. I believe it was subsequently taken over by a hotel chain.

Coming back to the accommodation situation short term, I believe that it might be useful to establish a small Parliamentary Procurement unit, charged with the task of negotiating favourable discounts on supplies and services such as:

- Block hotel bookings thus providing immediate accommodation for newly elected members in the next Parliament as an alternative to the present wasteful use of taxpayers money on bricks and mortar, fixtures and fittings etc.
- Bulk purchase of IT etc equipment i.e. computers, laptops, mobile telephones etc, sourced either from the manufacturers direct or from retailers. Again, this would achieve greater transparency and value for money.

Consideration might also be given to making more effective use of existing administrative resources. I have in mind here the House of Commons Library Service which offers excellent research facilities, and may be seen as a viable alternative to the recruitment of an army of individual researchers.

The design and construction of Members individual websites is a costly and expensive drain on public funds. Would not money be better spent on setting up a House of Commons public information site through which Members could channel information relevant to their parliamentary and Constituency activities?

One final suggestion. Goods and chattels paid for out of taxpayers funds which still have a pecuniary value should be surrendered by outgoing Members and either auctioned off as government property surplus to requirements or recycled within the local constituencies.

I wish you well with your deliberations.

Yours faithfully,

MR J.L.G. Dobson  
Ex Fees Office  
1966-1991