

Sir

I write as a member of the public and also as a retired Captain in the Royal Navy having served for 36 years.

The problem of how to provide accommodation for MPs who do not have a home within reasonable commuting distance from the Palace of Westminster has many similarities with the problem of how to provide accommodation for members of the Armed forces, appointed to serve in the MoD who do not have a home within reasonable commuting distance of Whitehall. Some time ago, members of the Armed Forces needing this type of accommodation were able to claim a "per diem" allowance called "lodging allowance" and using this allowance, they were able to make their own arrangements. Unfortunately this system was open to abuse as people stayed in a wide variety of accommodation, including relatives' flats, small garrets, house boats etc, most of which cost considerably less than the allowance, permitting people to pocket the difference. They also used the money to fund mortgage payments on property they purchased, a practice whilst not strictly forbidden, was frowned upon as a misuse of public funds.

Officials in the MoD came up with a much better system which is in use today and which I strongly urge you to study in detail. In essence what happens now is that on appointment to the MoD, a member of the armed forces in need of accommodation near Whitehall, is contacted by an Estate Agent under contract to the MoD. This agent will offer the member of the Armed Forces a choice of three furnished flats available for rent. The size and type of flat is governed by the seniority of the member of the Armed Forces concerned (i.e. Senior Officers will be offered bigger and better flats than junior other ranks). The member of the Armed Forces chooses the flat they prefer from the three on offer and that flat is then rented by the Estate Agent on their behalf and the rent and Council Tax is paid centrally. The member of the Armed Forces then takes up residence and is paid a small allowance in order to recompense him or her for utilities. As the flats are furnished, there is no need to buy furniture.

The beauty of this system is that it is extremely flexible, very little money passes through the hands of the member of the Armed Forces concerned, there is little or no capital outlay of public funds and there is virtually no scope for the type of misappropriation of public money which we have seen recently in the case of the Additional Costs Allowance.

Full details of the scheme can be obtained from the Ministry of Defence and I commend it most strongly to your committee.

Yours sincerely

N Batho
Captain RN (Rtd)