

SUBMISSION TO THE COMMITTEE ON STANDARDS IN PUBLIC LIFE

Scottish National Party Westminster Group

Introduction

The Scottish National Party (SNP) parliamentary group welcomes the decision to bring forward the review of Members allowances.

The ongoing allegations of abuse of the parliamentary allowance system, in particular the Additional Costs Allowance (ACA), have shaken public confidence in the UK parliament and there is an overdue and urgent need for reform.

At the meeting with the House of Commons Speaker and party leaders on 19th May the SNP made the case for Westminster adopting Scottish Parliament standards of transparency on expenses. Indeed, Westminster would do well to look to the model of the Scottish Parliament, which has just marked its 10th anniversary.

Most of the ideas being suggested for Westminster are already up and running in Scotland, and the SNP believes that this working example can provide the blueprint for Westminster to move towards a transparent and trustworthy system.

When the Scottish Parliament moved to total transparency, two things happened - the scandals and the embarrassments stopped because information was volunteered and, secondly, Members of Parliament behaved accordingly because they knew it was going to be published every three months.

In its discussion paper the Committee sets out the main questions that it will be considering, and we are pleased to respond to each of these in turn.

1. What are the necessary elements of a system which both supports MPs properly in the performance of their important and demanding role and commands public confidence.

In order to meet responsibilities to constituents and commitments to parliament Members need to employ staff, run an office in their constituency, travel on parliamentary business and communicate effectively with their constituents. Given the travel times and distances from Scotland, Members also need the facility of accommodation in London when Parliament is sitting.

The SNP believes that 'allowances' really means 'reimbursement of expenses'. Indeed claims are not money which augments Members' salaries, but is expenditure necessarily incurred to do the job that their constituents expect of them.

It is also clear that it is in Members' and parliaments' interest to maintain a transparent system to underpin and uphold the highest standards of probity and accountability.

We agree with the conclusions of Scottish Parliament Independent Review of Parliamentary Allowances published in March 2008 that any new allowances scheme should serve three purposes:

1.1 provide adequate resources to enable members to undertake their parliamentary duties including engagement within their constituencies;

1.2 promote accountability and transparency with respect to the expenditure of public funds; and

1.3 ensure greater public understanding of the use of public funds by Members undertaking their duties.

To fulfil these purposes, any new scheme should:

- be based on principles rather than expediency;
- be clear and understandable;
- be administered in a manner that will limit the risk of abuse;
- provide a means whereby only reasonable and legitimate expenses will be reimbursed or paid for; and
- operate fairly for both Members and the public purse.

These principles are clearly all consistent with the ‘Seven Principles in Public Life’ established by the Committee on Standards in Public Life, and in the case of the Scottish Parliament system these are applied as follows:

Objectivity

- Expenses are to be reimbursed only for the purpose of Member carrying out his or her parliamentary duties.
- The requirement for efficiency, effectiveness and value for money should always be central in claiming accommodation, goods or services funded from public funds.

Accountability

- Individual Members must take personal responsibility for all expenses incurred and for making claims, even if he or she delegates the administration of claims to others.
- All claims for expenses incurred must be supported by receipts or other documentation confirming expenditure.

Openness

- Individual Members should open and transparent about expenditure incurred under the scheme.
- Information on individual Members’ expenses claimed should be published regularly to enable the public to see what expenses have been incurred, except where

there is personal or third party data or security considerations.

Integrity

- A Member must ensure that any claim is above reproach and that there can be no grounds to suggest misuse of public money.
- Any payments made must not relate to party political activity, nor should any arrangement entered into give the appearance of a benefit to a party political organisation.

Selflessness

- A Member must ensure that any claim does not give rise to, or give the appearance of, benefit or subsidy to a member, or someone close to a Member, for a purpose other than carrying out parliamentary duties.

Honesty

- All claims must be made honestly and a Member should take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

- A member should lead by example, strengthening the public's trust in the integrity of the scheme and setting high standards for the areas of public service.

2. Is it right that the House of Commons should be in a position to determine the nature and size of its own expenses scheme? If not, what are the alternatives? Who should be responsible for approving the content of the Green Book which sets out the basic rules?

Member of Parliament should not decide on their own pay and conditions. The level of Members pay and allowances, as well as administration and processing should be set independently of parliament.

3. Are the range of expenses which are currently reimbursable correct? Are the correct judgements being made about the resources MPs need to perform their jobs effectively?

Allowances in respect of administrative and office expenditure, staffing costs, travel expenditure, help for member with disabilities, winding up expenditure and house stationary and postage are all proper and necessary in supporting members to work in parliament and in their constituencies. The additional costs allowance requires immediate and total reform.

4. Are the arrangements for policing the expenses system adequate? If not, how should they be reinforced? Is there adequate independent involvement? Are the new arrangements for internal and external audit introduced at the beginning of this financial year adequate?

There is presently inadequate independent involvement in defining and auditing members claims. The interim arrangements introduced by Mr Speaker offer a way forward.

5. If it is the right principle that MPs should not expect any element of personal financial advantage through the claiming of personal expenses, what approach should be taken in situations such as the support of mortgage interest which does offer the possibility of such advantage but which may nevertheless provide better value for money to the tax payer?

Our view is that the UK parliament should follow the example of the Scottish Parliament which is moving towards a scheme where Members entitled to overnight accommodation costs will no longer be able to claim interest on a mortgage for a second home. Members may maintain their current accommodation until then – no further property purchases will be approved.

6. However logical the approach to reimbursement of expenses, is it possible that its implementation throws up so many difficulties, including difficulties of explanation to the wider public, that there is a case for considering a radical simplification which costs the same or less than the current arrangements? Would it be acceptable for some increase in the level of basic pay to form part of that?

We are not convinced that increasing Members pay would promote public confidence in parliament.

7. Where reimbursement is made in respect of expenses such as the cost of running an office, should this payment continue to be made as an additional personal expense allowance to MPs? Or could the payment be made directly by the House authorities or in some other way? Is there a case for more centralised procurement through the House of Commons authorities? If so in which areas might such procurement take place?

In line with the Scottish Parliament system Members should continue to be entitled to reimbursement of office costs reasonably incurred in the performance of the member's parliamentary duties, in so far as those services, materials are not available by way of central provision.

Where a member does not establish and run a local parliamentary office within the constituency from which that member was returned, or where a member uses an office in the Parliament as a local parliamentary office, that member should only be entitled

to reimbursement of office costs up to a maximum amount of 50% of the limit on entitlement to reimbursement which would otherwise be applicable to that member.

8. What is the best way of providing recompense to those MPs who inevitably have to spend time away from their main home on parliamentary business?

Our view is that the UK parliament should follow the example of the Scottish Parliament which is moving towards a scheme where Members entitled to overnight accommodation costs will no longer be able to claim interest on a mortgage for an Edinburgh property – this comes into force at the next election, members may maintain their current accommodation until then – no further property purchases will be approved.

Overnight accommodation costs are restricted to hotel costs – capped at £133.87 in Edinburgh for those within a reasonable distance of Edinburgh (Central belt, Dundee, Borders); Or the rental of a property costing no more than £12,000 a year (Highlands, North East, Ayrshire – this includes council tax, factors, bills – but not furnishings)

9. How much discretion should the system allow about issues like the designation of second homes?

The ongoing expenses scandal has shown that claims made within the discretion of the existing rules have been amongst the most controversial. Any new system should be unambiguously defined.

10. Is it acceptable that MPs should be able to employ spouses or other family members? If so, what safeguards are necessary?

We have no objection to Members employing spouses or other family members as long as that employment is transparent. In the Scottish Parliament an MSP who submits a claim in respect of the cost of employing a close family member, whether individually or through a pool, must declare that relationship. All staff should be employed along agreed salary scales with defined roles.

11. Should receipts be required to support all claims for reimbursable expenditure?

All claims for expenses incurred, irrespective of amount, should be supported by receipts or other documentation confirming expenditure.

12. What level of detail of expenses claims should be routinely available to the public without the need to make FOI Act requests for it?

Members claims which are granted for reimbursement, along with receipts, should be published on a quarterly basis on the parliamentary website.

13. Is it acceptable or desirable that MPs should be able to receive remuneration for activities outside parliament? If so, should that be reflected in any way in the treatment of their Parliamentary pay and expenses? Is there a need for further regulation or guidance on these activities?

Members should not place themselves under any financial or other obligation to any individual or organisation that might reasonably be thought to influence them in the performance of their duties as a Member of Parliament.

14. Should MPs be reimbursed for expenditure incurred on newsletters and other material designed to inform the public about their work?

Members should be reimbursed for proper and approved expenditure incurred in the course of communicating with constituents, including newsletters, websites and surgery advertising.