

THE COMMITTEE ON STANDARDS IN PUBLIC LIFE

REVIEW OF MPs' EXPENSES AND ALLOWANCES

**Church House
Dean's Yard
Westminster, London SW1P 3NZ
16 July 2009
Morning/Afternoon Session**

Members Present: Sir Christopher Kelly KCB (Chairman)

David Prince CBE
Lloyd Clarke QPM
Dr Elizabeth Vallance JP
Dame Denise Platt OBE

Secretariat: Ruth Alaile

Witnesses: Benedict Brogan (Chief Political Commentator, Daily Telegraph)

Scottish Parliamentary Corporate Body
Stewart Gilfillan (Assistant Clerk/Chief Executive, the Scottish Parliament)
Huw Williams (Head of Officeholder Services and Allowances Policy, the Scottish Parliament)

The Rt Hon Jack Straw MP (Lord Chancellor and Secretary of State for Justice)

John Lyon CB (Parliamentary Commissioner for Standards)

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BENEDICT BROGAN, CHIEF POLITICAL COMMENTATOR, DAILY TELEGRAPH

1. SIR CHRISTOPHER KELLY (Chairman): Our first witness this morning is Ben Brogan, the assistant editor and chief political commentator of the Daily Telegraph, which is where it all started.
2. BENEDICT BROGAN (Chief Political Commentator, Daily Telegraph): Indeed.
3. SIR CHRISTOPHER KELLY: You are extremely welcome; thank you very much for coming. Is there anything you want to say by way of introduction?
4. BENEDICT BROGAN: Yes, to start with I am grateful for the opportunity to appear before this Committee on behalf of the Telegraph to answer your questions. I would like to make a few opening remarks, if I may. I do not have a long statement.
5. Since the Telegraph began its revelations on 8 May, we have followed closely the debate about future arrangements for MPs' expenses. We recently offered our own suggestions, after concluding that the proposals currently before Parliament were badly conceived and constitutionally dangerous.
6. We believe that the Parliamentary Standards Bill - or what is left of it - is not the way to restore trust, let alone produce a better system of expenses. The move from self-regulation to a statutory outside body raises a number of profound constitutional issues that have not been sufficiently considered by the party frontbenches. It is needlessly complicated and in some aspects nakedly partisan. It is potentially costly and overly bureaucratic. It is a constitutional problem when all that is needed is a number of straightforward alterations and perhaps the application of the Nolan standards with perhaps an additional element of outside auditing. The overarching concern, we believe, must be to have a system which does not amount to an exemption for MPs from the constraints and rules that apply to others.
7. It may be that when we look back on these events we will conclude that the most significant reform of all, notwithstanding what your Committee might recommend, will have been transparency. The publication in full of expenses claims is the best corrective to the behaviour of MPs who operated in secret. It is a matter of regret to us that the Commons has not yet caught up with this fundamental issue and we do hope your Committee will reinforce the points you have already made by urging MPs to remove all obstacles for the full publication of all their expense claims.
8. We certainly endorse the Committee's clear statement that it will neither be pressured into producing its conclusions before it is ready to do so, nor have the scope of its inquiry decided by others. The matters you are considering are of vital interest and deserve careful, deliberate attention. We think that while the public wishes to see MPs held to account and the system

reformed, they do not want it to be done in a rush for political reasons.

9. Finally, you said earlier in the inquiry, Sir Christopher, that if the Nolan Principles had been followed by more MPs we would perhaps not be in this position. We agree. Rather than casting about frenetically to produce ever more complicated processes for regulating Parliament, the parties, and in particular their leaders, should put more effort, we think, into ensuring that their MPs abide by already established principles, whether Nolan or those in the Green Book. Maybe the Oath of Office should be modified to make that clear.
10. I am happy to take any questions.
11. SIR CHRISTOPHER KELLY: Thank you very much, and thank you for that endorsement of the stance we have taken up on several issues. I know we will come on to both transparency and the regulatory arrangements shortly, but if I can begin with some general questions. Firstly, is there any more to come out or have we reached the end of what there is to learn from the material you have?
12. BENEDICT BROGAN: We get that question a lot you will not be surprised to hear. MPs frequently stop me to say, "Should I worry?" We have completed the first and major phase of our inquiries. I think it is worth reminding you that the amount of information that we are looking at is vast and it covers not just the Additional Costs Allowance but all the other tranches of expenses. And while we committed a huge amount of journalistic resources to studying this information, we cannot say - hand on heart - that we have looked at every single paper and every bit of information we have. Certainly, while we have scaled back our efforts, we are carrying on looking at other relevant bits of the information to discover more about how these expenses work. I think, for example, the office costs allowance and the communications allowance are areas which are still ripe for scrutiny, but certainly for the moment we have done the bulk of our work and it may be some time before we return to it in the same kind of vigorous way that we pursued it earlier.
13. SIR CHRISTOPHER KELLY: Thank you. Some people have said they knew this was going on. They may not have suspected the depth of it but they knew there was something fishy. Is that true? Did you and your colleagues in the parliamentary gallery actually understand that there was something dodgy going on or not?
14. BENEDICT BROGAN: Certainly it was understood at Westminster in the bars that there were occasions where perhaps MPs were doing things that they should not, but it was no more than gossip and surmising; nobody had any hard facts. I recall when I first started as a gallery reporter for the Glasgow Herald, the joke in those circles was that Scottish MPs would often share a car to go back to Scotland and then each individually charge the mileage. But that was just scuttlebutt; it was not anything that we had hard and fast.

15. I think what we have discovered in this is that of course the relationship between an MP and the Fees Office was a very sort of private, almost one-on-one relationship, and that while there may have been rumours about what people were up to, the only people who really knew were the Fees Office and the MP concerned. One of the things that has struck me in the wake of our revelations is the number of MPs who have said to me, "I had no idea my colleagues were up to this". So people may have speculated, but there was nothing to give us any indication of both the specifics, let alone the scale of the problem.
16. SIR CHRISTOPHER KELLY: So the implication I draw is that the key is information and, therefore, transparency?
17. BENEDICT BROGAN: Completely, and the point I would make is the information we have is the unredacted complete files. Certainly if you just look at the reaction to when the House of Commons did eventually publish the redacted format, it served to highlight the point that we have been making from the outset that all those redactions in themselves served to mask the truth about the kind of practices that some MPs - not all, obviously - were up to. Specifically the flipping, but also one of the things that the House did not publish was the correspondence between MPs and the Fees Office. Often the thing that tipped the game to us and told us where to look were the letters from the Fees Office to the MP saying, "Are you sure you should be claiming for this?" or, "What about that?" So as long as the information released by the Commons is limited, people will not, I think, have a full picture of what is going on with their money.
18. SIR CHRISTOPHER KELLY: As a result of the enormous amount of time and resource you have spent looking at receipts, are there any lessons to draw out for future auditors or an expenses regime? Are there any general points to bring out or are they just the obvious ones, that what you need is information and careful scrutiny?
19. BENEDICT BROGAN: I think that is it: you just need the information and time to look at it. It is fair to say that when we embarked on this we found ourselves faced with a huge mass of complex information, not in any particular order. There was no handy index telling us where to look, or pointers to tell us on a yellow post-it notes saying, "This is an interesting bit", so we had to work that out for ourselves. I think professional auditors would have an easier time and I suspect that if a system can be found to put all this information out there - whether online or whatever system is devised - then that in itself will make the task of whoever is chosen to audit it much simpler.
20. SIR CHRISTOPHER KELLY: Thank you. David.
21. DAVID PRINCE: Yes, can I follow on from that point and ask you about publication. Do you think, in light of what you have done, that all receipts should be published, or do you think going forward within an audited system it is preferable to copy the system that they use in Scotland where they publish the successful claim and then you can get the receipts available on request?

22. BENEDICT BROGAN: We do not have a hard-and-fast view as to what precise system is implemented. We are obviously conscious of the fact that there are cost implications and time implications for parliamentarians who may find themselves suddenly having to devote a considerable amount of each month to producing their expenses, ordering them and making them available. Certainly, if a system could be devised that allowed a recognised auditor to do spot-checks or to request the information and access it easily, that, I think, would be a step in the right direction.
23. I think the most important principle though, particularly for the constituent of the parliamentarian, let alone the general public, is to feel that if they want to know more about what the elected representative is doing with public funds, they should be allowed to access that information in some way. So if the default is on request, as long as that request is then met, I can see why there might be a case for going in that direction.
24. DAVID PRINCE: Following on from that, what do you think should be redacted? We have seen the House of Commons redactions; you have done some redaction yourself. What are the lessons from your work going forward on redactions?
25. BENEDICT BROGAN: We quite accept the need to redact sensitive information: bank account numbers, National Insurance numbers, I can see a case for home telephone numbers, that kind of information, and in particular any information that concerns the staff of MPs. There is no reason why their details should be made available. As far as the specific issue that we were preoccupied with at the outset, which is the question of addresses, we developed a system in our redacting of the information when we began to put it on line, which was to redact parts of the address out so that people could at least know the geographical location of their MP's house; the first half of the postcode, for example, and the second half of the city address. I cannot see a case for complete privacy.
26. Of course, the answer to MPs who say they want to keep their address private is that anybody who wants to find an MP's address, there are a number of publicly accessible ways for doing it. So I think redactions have to be kept to a minimum.
27. SIR CHRISTOPHER KELLY: Elizabeth.
28. DR ELIZABETH VALLANCE : Can I talk to you about enforcement. You have already shown that you are clearly not exactly a fan of IPSA and the new bill. But how would you think that the expenses regime ought to be organised and policed? Clearly what we had before was not satisfactory. The bill is an attempt to deal with that. What would be the principles on which you would want us to go forward?
29. BENEDICT BROGAN: I think I would start with almost a political point, that the first thing you need is political will on behalf of the party leaders. I

think one of the issues that has been striking about this saga, and particularly if you look at the events of last summer when an attempt at reform was stymied in the House of Commons and the Prime Minister did not turn up to vote for the Bill, is the extent to which the respective party machines in the two main parties themselves acted as an obstacle to reform. They were more aware than anyone as to what might be going on.

30. DR ELIZABETH VALLANCE: But that has rather changed now in the sense that there has been almost a bidding war among the leaders to show that they were whiter than the next guy.
31. BENEDICT BROGAN: Indeed. Therefore that is why I think the case for self-regulation actually is now stronger, because in a certain sense we finally have the attention of the political leaders and have them signed up to the idea that they need to take responsibility for cleaning up the system.
32. We have been concerned about the criticisms aimed at the Fees Office. There have been certainly issues perhaps about the capacity of the Fees Office to handle this level of auditing and this level of scrutiny, but equally, I think, as long as the political will is now there you can move away from the situation which was evident to us that the Fees Office found itself acting, as Anthony King said, as a bit of an ATM for MPs who wanted cash. We probably even had a situation where junior officers in the Fees Office effectively found themselves being brow-beaten by MPs who claimed that they were entitled to money.
33. So we are concerned that anything that involves the House of Commons handing to an outside body responsibility that it should have the wherewithal to do itself is a step in the wrong direction.
34. DR ELIZABETH VALLANCE: As far as the new body is concerned, you think that it was not necessary and this could have been dealt with by beefing up, as it were, existing bodies and existing arrangements?
35. BENEDICT BROGAN: Indeed, and accompanied with a range of fairly straightforward reforms that will address -- we accept that there is a need for reviewing the amount of money that MPs are paid. We suggested a figure of £80,000 but we are not prescriptive on that. And a restriction on what the allowance is: what expenses should be: that they should be expenses that are solely and exclusively, et cetera, related to MPs. We do not believe there should be an allowance to allow MPs to purchase a second home. We believe that it should be the standards that apply in the private sector and elsewhere in the public sector, that you should be entitled to claim reasonable expenses for carrying out your work, but no more, should be the basic principles that should be applied. From there the system could be kept fairly straightforward.
36. DR ELIZABETH VALLANCE: Is your view that this is a question of culture rather than a question of rules?

37. BENEDICT BROGAN: Certainly the situation the MPs found themselves in by the time these revelations came about was one where a culture had indeed developed, which was a culture that developed as a result of no transparency: fact that it was hidden from us and that therefore things could develop that should not have done. I am convinced that a large part of the problem is to do with the evolution of the culture. I know it has been rehearsed before this Committee largely to do with the reluctance of political leaders to grasp the nettle of MPs' pay. We would like to think that the revelations from the Telegraph have in many ways helped to change that culture, perhaps for good, by letting the light in and forcing MPs to change their ways.
38. DR ELIZABETH VALLANCE: How far would you go with agreeing with the argument that we need an IPSA or an IPSA equivalent because we actually need now, at this stage, to take MPs' expenses and the setting of these expenses and the policing of these expenses out of the ambit of MPs themselves? You need in that sense, whatever it is and however it is organised, an external body, an independent body?
39. BENEDICT BROGAN: The point I would make is it depends what function you are expecting that outside body to have. If it is a question of enforcement, then I think that is a step in the wrong direction, and we are slightly old-fashioned and believe in parliamentary sovereignty and therefore any outside body that would find itself reviewing what the House of Commons decides somehow does not feel to us a step in the right direction.
40. Whether or not you need to create a body, whether it sits in the Commons or outside the Commons, which is an auditing body which would have sole responsibility for reviewing the actual expenses themselves, we could perhaps accept that there is a case for that. But the idea that you create some sort of new, outside body that would in some way have the say over the Commons does not appear to be quite the issue at hand.
41. DR ELIZABETH VALLANCE: So it is the privilege aspects that you are concerned about. Can I turn to the role of an MP, briefly? We have heard a lot in these hearings from MPs themselves, but also from other people, that MPs are special; they are different in various ways and that therefore their jobs cannot be compared with other people's jobs. In your experience - you see them working up close and personal - do you think that is a reasonable argument or is it just special pleading?
42. BENEDICT BROGAN: It is special pleading; it is certainly not a reasonable argument. There is certainly a case for saying that an MP and the job of an MP is unlike any other job, and that is why we are in slightly dangerous areas when we say an MP is like a teacher or a senior civil servant or a consultant surgeon, because it is unique. It is not really a job; it is a vocation. It is something that bears no resemblance to anything else we do, and so in a funny way I can see why they come to think of themselves as different from others. But what is vital, and what this case has highlighted, is the idea that in some way, as a result of that, they should create a system

which exempts them in some way for the rules that exist in the rest of society and apply to you and me in the private sector and the public sector.

43. Certainly, we have been struck by the tenor of the vast amounts of letters we have received. At one point we were receiving 1,500 letters a day, which is vast for a newspaper. While our readers were very angry, one of the things that particularly got them was the idea of them and us: that there was one rule for them and one rule for us. That was something that we felt needed to be addressed when we come to reforming the system.
44. DR ELIZABETH VALLANCE: Thank you.
45. SIR CHRISTOPHER KELLY: Lloyd.
46. LLOYD CLARKE QPM: Could I ask you specifically a question about communication, the area of your own business. I was interested to hear you say as well that whilst you have all this huge amount of documentation, office costs and communication, you still have maybe work to do on that. Mine is a much more general question. We have heard evidence to this inquiry that the Communications Allowance should stay, we have heard it has been abused, we have heard that the rules have been tightened and it is getting better. The one thing that we have not had is any evidence to suggest that the communications allowance has improved engagement with constituents. We have also been told that one of the reasons why they need the Communications Allowance is because of the death of local newspapers and that avenue for MPs to communicate with them. Do you think they need the Communications Allowance, and could it be used better? Could it be used more productively to engage with constituents?
47. BENEDICT BROGAN: Personally, I do not. I think it is ultimately a politically motivated wheeze dreamed up by the governing party with the tacit acceptance of the Conservatives, to begin with, although they backed away from it, to channel an extra chunk of cash to MPs to allow them to promote themselves and increase the advantage of incumbency in their constituencies.
48. If I may address your point about local newspapers, it is an excellent point. One of the things that MPs benefit from in the House of Commons is the presence of lobby journalists. I do not mean by that lobby journalists for the Telegraph, but the significant core of local newspaper lobby journalists who represent the Wolverhampton Express and Star and the Birmingham Post and a range of newspapers across the country. These are the reporters who have very close relationships with the MPs on their patch. Certainly MPs do not need to spend £10,000 on getting in the papers, because they have to hand a core of professional reporters who spend all their time reporting what they are up to.
49. I think also there has certainly been enough evidence to show that the Communications Allowance has been used to introduce large, billboard-sized posters of MPs to put up in football grounds, and I am not convinced. Although I cannot produce any evidence that it has done any good to increase

engagement, I have great doubts as to whether or not it has. Whereas I think you will find, certainly from speaking to candidates who are standing against incumbent MPs, and I speak to quite a few of them from different parties, they will tell you that one of the things that really gets them is how the incumbent MP has this pot of money from the taxpayer which can be deployed to do mass mailings, which are ostensibly to tell constituents about what the MP has been up to in Parliament but in fact are ways of providing publicity.

50. LLOYD CLARKE: That is very helpful. Again, from the information that you have and recognising - as you say - there may be a little bit more to do with that, do you have any outstanding issues in respect of the communications allowance from the information that you have about the claims that have been made?

51. BENEDICT BROGAN: Not that I have to hand or that I am aware of. Certainly it is something that we need to look at more closely. As a newspaper, the Telegraph has said publicly in our editorials that we think the communications allowance is something that should not exist and should be abolished, and we have accumulated anecdotal evidence about how it might be abused, but I cannot tell you that we have yet produced any kind of evidence that would reinforce that.

52. LLOYD CLARKE: I suppose there is an overarching question that that specifically goes to address, and that is, from the information that you have, we need everything to be out in the open before we can actually start mending the system, as it were. We have this inquiry, each of the parties has their star chambers, Parliament itself is auditing and reviewing the ACA expenses and there may be police investigations. Is there anything else that you are going to reveal that will need another inquiry or investigation? Because if that is the case, we really cannot start to address the key issues.

53. BENEDICT BROGAN: I completely understand your question. I can tell you candidly that we are not sitting on anything. I do not have some plan up my sleeve; there is no hidden project that we are planning to spring.

54. LLOYD CLARKE: I think the MPs will be more pleased to hear that maybe than we are.

55. BENEDICT BROGAN: So, no. We have this evidence and we are looking at it but there is no big secret bombshell. That is not to say that at some point we might not discover something. I was taken aside by a member of the Shadow Cabinet yesterday. He said, "You really need to spend time looking at the office costs allowance because if you do you will find that a significant amount of it effectively goes to channelling partisan political work in the constituencies because MPs are using it to fund so-called researchers working in their constituency. If you were to spend time looking at what those researchers actually do, you will find it is more political than constituency based. Now that was just one allegation, but we hear that quite a lot. I think one of the things that concerns us globally is that over time the different sets of allowances, whether it is the staffing allowance, the office costs allowance

or the communications allowance, has amounted to rather crafty ways devised by the parties, but specifically the current party in power, to find ways of channelling taxpayer cash towards party political activities. It remains a huge issue which we need to look at and which I think the Committee should look at.

56. LLOYD CLARKE: That is helpful. One final question if I might, and I am going to ask you to do a little bit of crystal ball gazing, I suppose, in reality. The Nolan principles, the Seven Principles of Public Life, this Committee itself, we are the legacy of good investigative journalism, cash for questions. I know, because he has told me so himself. Peter Prescott is particularly proud of that legacy. I wonder if you and your colleagues at the Daily Telegraph have thought about it and in three years', five years', ten years' time, what would you like to be the legacy of your work in your investigative journalism?
57. BENEDICT BROGAN: One always has to be careful about sounding too complacent. We are conscious of the fact that we took a decision to put in the public domain information that made very uncomfortable reading and caused a lot of turbulence in British politics, and those consequences have not yet fed through largely because, among other things, we await to see your conclusions. We certainly at the Telegraph would endorse your view that the Nolan Committee is a legacy of investigative journalism and we are certainly very supportive of the efforts you are currently engaged in and hope that that will be the next big step change in addressing probity for parliamentarians.
58. If I were to think of where we would be in three years from now, what we would hope to be the legacy, we would hope first and foremost that the principle of complete transparency has been bedded in, accepted and internalised by our political parties, our political set-up. I think also we would hope that it would raise a number of questions about not just how MPs may have been benefiting personally from the expenses regime but I think there is also a separate issue which I touched on earlier which is the extent to which parties have allowed themselves to benefit politically from the expenses system by using it as a secondary source of funding. I think that remains, as I said earlier, a pressing problem that needs a greater examination.
59. Finally I think the thing that makes me an optimist - and has actually encouraged us hugely at the Telegraph - as I mentioned earlier that we have been deluged with letters, and certainly, from the minute we launched, readers of the Telegraph have engaged with this story with a great passion and really just came on to us with anger and suggestions. When we sat back and studied it, the thing that was striking is once we got beyond the sort of fizzing rage of what they had discovered, there was this incredible intelligence in their response, a sort of engagement with the issue, and we discovered that not just Telegraph readers but the wider public actually still cares passionately about parliamentary democracy and is not apathetic and is not switched off completely and actually does believe in not just the principles as crystallised by Nolan but the wider idea that it is important to have representative MPs who go to Westminster and act on their behalf. They completely understand that MPs need to have their expenses paid; they completely understand the

need to reflect the fact that MPs have to be in two places. All those arguments they completely understand. What they do not want is to be taken for mugs by MPs who, in secret, use that money for things they should not. That is straightforward and I hope that we have helped encourage and stimulate that public engagement in politics and that it will last three years from now, ten years from now.

60. LLOYD CLARKE: Thank you very much; that is helpful.
61. SIR CHRISTOPHER KELLY: Thank you. That last comment, in particular, was extremely helpful. Just one final question, which is the effects of what has happened, starting with Derek Conway and leading through the publication by the Telegraph of the full receipts, there has been a very substantial diminution of trust in public office holders. Certainly we have been given all sorts of stories about MPs' children being bullied in schools and one Northern Ireland MP told me they had to sit in the back of the plane, rather than in the front of the plane, so people did not walk past them.
62. Some of that may be temporary, but the effect of it is undoubtedly damaging to trust in democracy itself. This is not a question as to whether you regret what you did, because it would be foolish to say that you did regret it. The question is, really, what can be done now to get trust back to a healthier level? A degree of scepticism is clearly a valuable part of democracy, but one cannot help feeling that the degree of mistrust that now exists is extremely unhealthy and I wondered if you had ideas about steps necessary to restore it.
63. BENEDICT BROGAN: We have been very conscious throughout that one of the consequences of the revelation has been to undermine public trust in our elected representatives. We are very conscious of that, and certainly throughout I and my colleagues regularly received telephone calls from MPs who said, "Are you sure you should be doing this? Are you aware of the damage you are causing? Might you like to think again?" Of course, you listen to that carefully, because you do not want to be causing damage.
64. However, I think that in a funny way, while the short-term impact has been terrible, the long-term impact will be positive, because if it results in a system of transparency and if the public can finally see that it has some kind of right to see where its money goes, what happens and what parliamentarians do, then over time that, I think, will build trust. I think the other thing that will build trust is the election of honest people who behave honestly in the House of Commons. I think it will be interesting to see whether in nine months time or whenever the country goes to the polls, whether the next general election will turn into an expenses election or a trust election that will be seen as a way of clearing out a parliament that is discredited to replace it with a parliament of honest MPs.
65. In the end, it is up to the politicians themselves, and their leaders, to set an example in their individual behaviour and their collective behaviour. We as the public can demand it, but we have to wait for them to do it. I would like to think that certainly the parties seem to understand that and certainly the

candidates out there on the stump clearly understand it. It would be nice to think that perhaps the next Parliament would, just of itself, take a big step in restoring that trust.

66. SIR CHRISTOPHER KELLY: Thank you very much. Is there anything else you would like to say to us? Thank you very much, that was extremely helpful and interesting.
67. BENEDICT BROGAN: Thank you for inviting me to address you this morning.

STEWART GILFILLAN, ASSISTANT CLERK/CHIEF EXECUTIVE, THE SCOTTISH PARLIAMENT AND HUW WILLIAMS, HEAD OF OFFICEHOLDER SERVICES AND ALLOWANCES POLICY, THE SCOTTISH PARLIAMENT

68. SIR CHRISTOPHER KELLY: Our next witnesses this morning are Stewart Gilfillan and Huw Williams from the Scottish Parliament Corporate Body. You are very welcome, and thank you for coming down to talk to us. Is there anything you would like to say by way of introduction?
69. STEWART GILFILLAN: Chairman, we provided a statement to you yesterday. I am happy to read it if you wish.¹
70. SIR CHRISTOPHER KELLY: No, I would rather that you did not read out your statement. It is kind of you to provide this and you can take it that we have read it, unless there are particular points that you wanted to bring out.
71. STEWART GILFILLAN: Not really. I think listening to the previous evidence I wanted to stress that since the Scottish Parliament started we have had an open system. From day one we have made it subject to receipts, so we were already well ahead, and then later on we took the decision to publish everything. As I said in my opening statement, we have stepped back from that. We no longer publish receipts, but we do, on request, make receipts available. I think our starting point is completely different. I think that is all I really wanted to say, and we are happy to help you in any way we can.
72. SIR CHRISTOPHER KELLY: Thank you, I am sure we will come on to receipts. As you say, the Scottish Parliament is a young parliament, so you started off afresh and then you had the Langlands review quite quickly and now you are going to review again in the light of anything we might say. Why was it necessary to look at the system again so quickly?
73. STEWART GILFILLAN: I think in a sense Langlands was not all that quick. Langlands was a good eight years into our existence, so it was time for a review. The latest review is not a review, in fact. We have asked Sir Neil McIntosh to examine our scheme, really in the light of what you are doing and the light of what is coming out of Wales, just to see if there are any lessons emanating from your review that we ought to take account of. As I say, it is

¹ The statement is appended to this transcript.

not a full review.

74. SIR CHRISTOPHER KELLY: Thank you. There are some things where you are already different from the regime now recommended for Wales, and we might want to explore some of those. But another general question, which is in the light of your experience in implementing the Langlands' recommendations, or most of them, what do you think are the steps that it is necessary to take to embody a different culture in an organisation like a parliament?
75. HUW WILLIAMS: In terms of culture, I do not think there has been much change from the Langlands report. Obviously one of the biggest recommendations from Sir Alan Langlands was regarding the abolition of mortgage interest payments. What we have done there in transition is that that will come into effect at the date of the next election. In the Scottish Parliament we have fixed term parliaments so we know when the next election is going to be so we have been able to look forward to that.
76. Other changes were a bit more technical. There used to be a Member support allowance which was made up of accommodation and staffing. We have now separated those allowances out so it is more transparent what staff costs are, what accommodation costs are. Sorry, it is the office costs and the staff costs. So in terms of culture, I do not think that Sir Alan Langlands has made any considerable change.
77. SIR CHRISTOPHER KELLY: It has been said to us that Donald Dewar - being a hair shirt sort of man - established a more hair-shirt regime in Edinburgh to start with. Would that also be your impression?
78. HUW WILLIAMS: The Scotland Act specifically says that the Scottish Parliament must publish information on expenses, so we have done this since 1999 as a matter of course. But previously it was always on an annual basis. That changed in 2005 where we made it more detailed. In 2006 we started the online publication. We started off with receipts. We have moved away from receipts now partly because there is a cost element, obviously. Some of the receipts are not legible; they fade, so they are not easy to scan. Sometimes we have contractual arrangements such as office leases where we have an arrangement that the allowances office pays the landlord directly on a regular basis, so again that is based on a contractual agreement rather than on invoices, so we now do it line by line, we replicate what is in the receipts so there is nothing hidden. There are certain things that we do not publish: things like staff salary costs; we take into account data protection. But other than that, that is how we base the scheme.
79. SIR CHRISTOPHER KELLY: I think one of my colleagues will want to explore that a bit further, but before he does you mentioned mortgage interest as being one of the significant changes. Am I right in thinking that the transitional arrangements for that have been controversial or has it been straightforward?

80. STEWART GILFILLAN: I think it is true to say we are in the transition phase now. Members have until March 2011 to dispose of houses they have purchased with mortgage interest paid by the Parliament. We will be issuing guidance to Members to assist them in doing that but we have not really started that process yet. We are two years away from the end date.
81. SIR CHRISTOPHER KELLY: And there is no attempt to recapture any of the capital value that might have accumulated as a result of the support from the Parliament?
82. HUW WILLIAMS: No, that was not a recommendation of Sir Alan Langlands. I should say there is nothing to prevent a Member who wishes to maintain that interest payment himself or herself in future, it is just that they could not claim for that mortgage interest.
83. SIR CHRISTOPHER KELLY: Thank you. David.
84. DAVID PRINCE: Yes, can I come back to the point about receipts and transparency. I want to start with a very basic question. Who actually signs off and approves a claim by a Member?
85. HUW WILLIAMS: A Member certifies a claim and submits it. We therefore check it for whether it is a legitimate claim within the terms of the scheme. We ensure that there are receipts or some sort of supporting document to ensure eligibility. It is then processed through the system, somebody inputs it and then it comes through the system and somebody else makes the final check to ensure that we can make the payment.
86. DAVID PRINCE: If I have understood that properly, you are replicating what would happen in a local authority or a private sector organisation where you have a "line manager" or some responsible official who actually signs and authorises the claim that is being made to authorise it for payment? Is that what you are saying?
87. HUW WILLIAMS: No, the Member authorises the claim. It is the Member that makes the claim. It is just the technical processing within the system we would do. Somebody will look to check it first, before we make the actual payment. Somebody will double-check to make sure it is properly coded and things like that. It is the Member who certifies it.
88. DAVID PRINCE: I will come back to that in a moment, if I may, but the Member certificate, what is the form of that certificate? Is it the wholly exclusive, necessary, in accordance with the scheme, those sorts of things?
89. HUW WILLIAMS: What I would be happy to provide the Committee with is copies of some of the claims and everything so you can see examples of them. I am more than happy to send those to you when we get back.
90. DAVID PRINCE: That would very helpful, thank you. Then just sticking with the person who is checking the claims, if they had a concern about it or

they did not think it was like or it looked an item that was outside the system, what would happen then and how would the challenge work?

91. HUW WILLIAMS: They would contact the Member and discuss it with the Member or the Member's office. We speak to Members on a daily basis. We are happy to provide advice to Members or if there is something that does appear remiss, we would speak to the Member and discuss that with them. Since publication, that is far, far less now. Members do know what the scheme is, and particularly their staff. They do know what they can claim, they do know it is transparent, it will be made public, and so those instances are quite rare.
92. DAVID PRINCE: That was going to be my next question. You are not finding many where you have cause to go back, in fact, because you think it is being got right at the start?
93. HUW WILLIAMS: Members really do know what the scheme is, and we get the impression that they are well supported by their staff as well who know the scheme. If there is anything that they are not sure of, they would pick up to phone to us and ask.
94. DAVID PRINCE: Do they get induction training and guidance and support at the beginning of their tenure?
95. HUW WILLIAMS: They do. We do discuss the allowance scheme with them when they are elected. I think in the first week we do go around and discuss. Somebody from the allowances team will go and sit with them and discuss the allowances.
96. DAVID PRINCE: Have you evidence that that is effective and do you follow it up at all?
97. HUW WILLIAMS: I would not say that we would follow it up. We think it is helpful to Members but we are always on hand as well to provide support. Similarly we have the HR team who are also on hand to support them in staff-related matters, as far as they can do.
98. DAVID PRINCE: Can I now follow up the point you made about the decision that you do not publish all the receipts now. It sounded from the description in your opening statement that that was driven, really, on grounds of practicality rather than principle, is that a fair assessment?
99. HUW WILLIAMS: Yes, it is. I think we also felt that there was a confidence in the system that when we do publish this it is clearer, it is easier to search for information. I think when people do make an FOI request on something and they see the receipts, they do see that what we do publish is replication of line-by-line where it is appropriate to do so.
100. DAVID PRINCE: You were here, I think, when Benedict Brogan was saying that from the journalist's perception they do not want to encounter

barriers, they do actually want to get to the information if they are interested in it, as do constituents. So if I were a Scottish constituent, how quickly and easily could I get at a receipt for a Member if I had reason to do so?

101. HUW WILLIAMS: For a receipt you would put in an FOI request and we would deal with it in that way, subject to what the FOI legislation was. I think if you were asking for details of staff salary costs we would obviously need to consider that, but probably under data protection we would probably not release that.
102. DAVID PRINCE: That would be the constraint.
103. HUW WILLIAMS: But if somebody wanted a receipt of an office lease or something, then ...
104. DAVID PRINCE: Is there any information that you do not publish beyond the precise require of the data protection legislation? Is there anything you do not publish as a matter of policy or principle?
105. HUW WILLIAMS: No, I think there are security considerations, but very, very few. I cannot actually think of an example of that, to be quite honest, but I think we would consider security aspects.
106. DAVID PRINCE: And that would be the only case where one would encounter redaction if you were going to the receipt?
107. HUW WILLIAMS: Yes, I think it is fair to say we try to follow the FOI legislation, the data legislation; that is really our guiding principles on that.
108. DAVID PRINCE: Just one final question, then. In terms of your experience as you have moved into not publishing receipts, are there any aspects of your system as it is now operated that, looking forward, you think you might want to improve or that would have practical read across for us in our deliberations going beyond your system?
109. HUW WILLIAMS: I cannot really think of anything. No, I cannot really think of anything. We try to publish as much as we can.
110. DAVID PRINCE: I should have asked you this earlier: is there a high take-up from the public or journalists around freedom of information requests, or maybe you could supply that information if you do not have it to hand.
111. HUW WILLIAMS: We can probably supply that information. Certainly before we publish details on the web, I think it is fair to say we were inundated with FOI requests. By far the majority was in relation to Members' expenses. But we have certainly seen a decline in the number of requests recently.
112. DAVID PRINCE: If you have statistics on that, that would be very helpful if you could let us have that.

113. SIR CHRISTOPHER KELLY: Just two very quick questions. Setting up this IT-based system, do you have a figure for how much it cost, roughly speaking?
114. STEWART GILFILLAN: The initial scanning of receipts when we did it cost about £40,000.
115. SIR CHRISTOPHER KELLY: The scanning cost £40,000?
116. STEWART GILFILLAN: Which is part of the reason why we have abandoned wholesale scanning of receipts.
117. HUW WILLIAMS: The way we do it now is that the data is input on to the system for payments and from that we are able to run reports and we are able to transfer those reports into a spreadsheet to submit that online. So really now there are no capital costs in it; it is more just the staff costs following input, but there are certainly no scanning costs now or staff time relating to scanning costs.
118. SIR CHRISTOPHER KELLY: And the data is input by the MSPs themselves?
119. HUW WILLIAMS: No, the Allowances Office.
120. SIR CHRISTOPHER KELLY: They send in the receipts?
121. HUW WILLIAMS: Yes.
122. SIR CHRISTOPHER KELLY: This may be an impossible question, but when you looked at what was published on past receipts for Westminster, did it strike you that there were things that were redacted which would not have been redacted or not concealed in your operation?
123. STEWART GILFILLAN: It is a difficult question to answer because we do not know what was redacted. My impression would be that if we were asked on an FOI request to publish a receipt, it would contain less redactions. We do really try to keep the redactions to a minimum to comply with data protection and for security reasons. That is an impression but I do not know if it can be backed up.
124. DR ELIZABETH VALLANCE: Just following up on that one very quickly, MSPs do not have a credit card, do they? They do not buy things on a credit card?
125. STEWART GILFILLAN: No.
126. DR ELIZABETH VALLANCE: It is just one way of short-circuiting the system, because you have an audited trail there. Thank you. You mentioned, in talking about the Langlands' decision to stop mortgage interest payments that here are transitional arrangements. It is one of the things we are

obviously looking at, but we would like to know a little more about how that has worked in practice. As you have said, you do have the advantage of knowing when your next election is, so you are able to put an end on the claiming of receipts in March 2011. Are there any exceptions you have made to that?

127. STEWART GILFILLAN: No. The Members know that they have until 2011.
128. DR ELIZABETH VALLANCE: And you have not had lots of hardship cases or people trying to make special cases for themselves, or whatever?
129. STEWART GILFILLAN: As I say, it is still the best part of two years away. They have two years to decide what they are going to do.
130. DR ELIZABETH VALLANCE: So from the acceptance of Langlands and the publication of the fact that there would be no further mortgage payments after 2011, that was a run-in period of four years, is that right? Three and a half years, and people seemed to think that was reasonable?
131. HUW WILLIAMS: I think generally. I think Sir Alan Langlands and the independent review panel felt that was a sufficient amount of time to enable Members to make their own arrangements as to what they wished to do.
132. DR ELIZABETH VALLANCE: Thank you. One of the options, obviously, we are exploring is the notion of direct provision of accommodation by an outside agency, a rental agency or whatever. Do you know if Langlands looked at that possibility, and clearly if they did and they rejected it, do you know why they rejected it?
133. HUW WILLIAMS: They rejected it quite quickly, I think, on a number of grounds. The main one was the initial capital outlay from the Parliament to purchase accommodation.
134. DR ELIZABETH VALLANCE: Not necessarily purchasing, but renting through an agency.
135. HUW WILLIAMS: To be honest, the submission that was put to Langlands was for the Parliament to purchase, so it never actually looked a leasing. I think there was also the issue of what Parliament is for. It is a legislative body. It is to hold executive to account, it is not a property-running company. I can appreciate you can outsource that but you still have to understand it in some way. There were also security grounds that were put to it, so they dismissed it quite quickly, to be perfectly honest.
136. DR ELIZABETH VALLANCE: Thank you. Can I ask a little bit about office costs and how that works out? We have been considering whether Parliament could make provision centrally, if you like, for office supplies and equipment and so on so that there would be central procurement. We understand that the Scottish Parliament uses this in some cases in

constituency offices, I think it is. How does that work? Is your experience of this system a good one?

137. STEWART GILFILLAN: I do not know whether you want to talk about office supplies or office equipment; probably both. We have a number of contracts, for example, for IT equipment which we use to rollout both within the parliamentary complex in Edinburgh and in local offices. We supply them; the corporate body retains ownership of them. If the Member retires at an election, we go and retrieve the equipment, so that has worked very well.
138. DR ELIZABETH VALLANCE: Are there any weaknesses in this system?
139. STEWART GILFILLAN: The weakness is that inevitably because we are using central contracts to get the best price for the taxpayer, there is limited flexibility and Members ask if they can get things which are outside what might be the norm. Where possible we try to be as flexible as possible but if, at the end of the day, we cannot provide it centrally, then we will say to them, "You can have that piece of equipment and we will source it for you if we can but the cost will be charged to your office costs allowance". So they can supplement what we do in a non-standard way by paying for it from their office costs allowance.
140. DR ELIZABETH VALLANCE: So if it was X plus Y, they would have to supply the Y themselves. But in general you have found that you get the costs benefits of central procurement and that there are not really great downsides?
141. STEWART GILFILLAN: No, I think it is mostly upsides.
142. DR ELIZABETH VALLANCE: Just one other thing. We have taken a lot of evidence that there are worries in relation to office costs and the provision of office space and so on. You heard, perhaps, Ben Brogan talking about the cross subsidisation of parties, if you like, by central costs. Do you have any evidence that this has happened in Scotland and, if so, are there any steps you have taken to deal with it?
143. HUW WILLIAMS: Where Members lease from an association constituency party, we obviously require a copy of the lease arrangements. We also seek an independent valuation to ensure it is a fair market rent. There is one other significant difference in the Scottish Parliament in that we have constituency and regional members, so you could have a city, say Dundee, for example, that could have two constituency members there. You could also have two regional offices there. There is a danger, therefore, that you could have on a high street a number of political offices, parliamentary and political offices. Sometimes it makes sense, where the arrangements are suitable to the Member, for them to share.
144. DR ELIZABETH VALLANCE: There does not seem to be any real problem in policing that and making sure that there is not seepage from the

party to the general constituency money, as it were?

145. HUW WILLIAMS: We have not really encountered that because of the independent valuations. If the independent valuer says this is the fair market rent, we do accept that.
146. STEWART GILFILLAN: And our rules do say that when it does happen the parliamentary office must be completely separate from the political office and we do make sure that happens.
147. DR ELIZABETH VALLANCE: Thank you.
148. LLOYD CLARKE: Could I follow up with some questions similarly about specific allowances, because we would like to hear from you and learn from the Scottish examples. Staffing, communications and then resettlement grants; those are the three areas. Can I start with staffing? Of course MSPs are still allowed to employ spouses and family members. I suppose really I should know the answer to this. Why did Langlands feel that that was still appropriate and, having moved on, is it still appropriate? For example, the European Parliament has now banned it. Do you have a view in terms of where to go in the future?
149. Forgive me, I have asked a lot of questions there. Langlands said it is still okay to do it and you are still doing it, difficult as it might be, and where do we go for the future?
150. HUW WILLIAMS: The Langlands review did look at it and they came to the conclusion that it should still be allowable. Members should take extreme care and consider the options when they do do it. He also recommended that we become more transparent and we now do publish a register which shows the relationship between the Member and the family member.
151. That is the scheme as it stands. I think it is difficult for us at an official level to say if there are going to be any changes regarding that. Sir Neil McIntosh is re-examining it. It may be something - it may not - that he is going to look at.
152. LLOYD CLARKE: I suppose one of the things is to add a little bit of context as well to that in that, yes, there has been one notable case which has raised the profile of the issue of employing family members, but we have heard evidence that family members are extremely hardworking and there is nothing to suggest that there is abuse of the system. Has there been any abuse of the system and has there been any cause for inquiry or investigation in Scotland at all?
153. HUW WILLIAMS: Certainly not to my knowledge.
154. LLOYD CLARKE: Okay. The EU example is that those specialists would say that in a modern system, a modern society, that this should not be permissible. But to build on that, I thought it was interesting you said - when

you were talking about expenses and transparency - that there was an HR department or a human resource department within the administration. Could you just tell me a little bit about that and, for example, who employs all MPs' staff, and including spouses and family members. Who is the employer?

155. STEWART GILFILLAN: The employer is the Member themselves, but we provide an increasing HR service to Members. Initially we were just providing a payroll service but it became clear over the last eight years or so that Members were looking for more support, so we are actually in the middle of a major review of our HR office and we have reorganised it into three teams of HR advisors and they are providing a very much more advisory role to Members. Now, because the Member is the employer, we have to be careful in providing services, since doing too much might inadvertently transgress that line, resulting in the SPCB being deemed to be the employer.
156. LLOYD CLARKE: Are there disadvantages that you can highlight of this institution being the employer and being a corporate employer for not only spouses but office staff as well?
157. STEWART GILFILLAN: Langlands looked at this and rejected it. Since we are an equal opportunities employer we recruit on a purely open and fair basis. To my knowledge, most Members - not all Members but most Members - would want to employ someone who was at least sympathetic to their political views, if not a member of their party. We could not do that, and the idea that we would just recruit a rolling programme of people and say, "Look, you are off to Inverness to be so-and-so's PA for the next four years", I just do not think in practical terms it would work.
158. LLOYD CLARKE: But the organisation could be the corporate employer but the selection could still be left to the individual MP, providing that the process was transparent, was appropriate with modern processes and systems, et cetera. That still would not inhibit a Scottish MP from appointing the individuals that they wanted, but the employer being the corporate body.
159. HUW WILLIAMS: Yes, I think you are quite right there. I think the other aspect, of course, is come an election with the Member who is not re-elected, what happens to that member of staff. Do they then go into the central pool? It is all these sort of technical things that would need to be looked at.
160. LLOYD CLARKE: Can you tell me what the size of your HR department is? Can you give me either numbers or in terms of costs, just to give me some feel for the size?
161. STEWART GILFILLAN: It is not just the HR department for Members and the staff. It is all the corporate body staff as well. I think it is around about 20; I might have right but we will write to you and let you know.
162. HUW WILLIAMS: We will confirm that.

163. LLOYD CLARKE: It is not a large department, then, is it?
164. STEWART GILFILLAN: It is not a large department, no.
165. LLOYD CLARKE: Do you have documented - and I am just thinking of a document you might be able to let us have - in terms of the HR services that are available to MPs? Do you have something, a menu or whatever that you can let us have?
166. STEWART GILFILLAN: I can look into that and I am sure we could make that available to the Committee.
167. HUW WILLIAMS: We prepared a guidance note for Members and I think we will share that with you.
168. LLOYD CLARKE: Yes, it would be helpful if we could see that. Thank you very much.
169. SIR CHRISTOPHER KELLY: It would be helpful if you can add to that what you know about the uptake of that advice by Members.
170. HUW WILLIAMS: Yes.
171. LLOYD CLARKE: Could I just turn to the Communications Allowance. I know that when Langlands was set up, there was not a communications allowance. I think I am right in saying that you reviewed that and there is still not a communications allowance, but that Scottish MPs can spend from other costs on communications. I guess the questions are: why is there not a specific communications allowance? Why has it been seen that it is not appropriate? And then I have one or two follow-up questions in terms of the administration and the policing of communications.
172. STEWART GILFILLAN: I think the short answer to why there is not a specific communications allowance is that Langlands did not recommend it and so Parliament did not pass a resolution which made one. In a sense that may anticipate your next question. Previously what we had was a quite complicated and difficult to understand system whereby, if we are talking about things like consumption of stationery and postage and things which you would use to communicate, some of it came out of what was previously the Member's support allowance, as in the reimbursement of expenses, and some of it was provided from central resources. The rules were quite difficult to follow and it depended on whether the Members were triggering correspondence or responding. It was difficult for the Members to understand it and it was difficult for our staff to administer.
173. So, following Langlands, although it was not a specific recommendation of Langlands, what we did was rationalise the provision. The SPCB decided to, put it all into one pot and allow Members to spend essential resources up to £5,500. We still have the rules which say it specifically must be for parliamentary purposes and what communications can say, but up to that,

everything just comes out of that central pot. Once Members reach to that limit of £5,500, anything additional will have to be paid from out of the capped office costs allowance.

174. LLOYD CLARKE: Have there been complaints about different kinds of communication, different styles, different resources that are being used, and how difficult, therefore, has it been to police your communications system rather than the budget, therefore?
175. STEWART GILFILLAN: I think Huw may be able to say more, but certainly the previous rules which we have actually withdrawn from a bit were that if Members wanted to put out things like newsletters, they had to get the content cleared by allowances office, and a culture grew up where Members were quite happy to get them cleared. In fact, they welcomed the protection of having the endorsement of the Allowances Office. So we have culture of Members being very careful of what they say; there is absolutely no party political material in the communications sent. We have actually withdrawn the requirement for them to get approval. We are saying, applying the principles, it is for Members to police and make sure they follow the rules. But what we have said is if they would like still to get approval from the Allowances Office, they can.
176. LLOYD CLARKE: It seems as though there has been in the Scottish Parliament a policy of being tough to start with, take the issue of scanning receipts, be exceptionally tough, the culture becomes embedded and then you can take off some of the restraints and rely on people to follow the principles and understand the rules better. Is that fair comment?
177. STEWART GILFILLAN: I think that is a very fair comment. That is exactly what we did in the scenario I just described. The constant scanning of newsletters was a burden to everybody and we have withdrawn from that.
178. LLOYD CLARKE: But every time there is a general election, or the election in Scotland, do you not have to start again when new incumbents come along? Because it is about starting again, is it not, and educating people, which picks up on David's point of training and making people aware of what they can and cannot do.
179. STEWART GILFILLAN: We put quite a lot of effort into Members' induction. In the first days of a new election we have a whole series of meetings and road shows where Members go around the various offices and are given information.
180. LLOYD CLARKE: One of the key concerns about the Communication Allowance here is that it favours the incumbent more than any opposition candidate in particular, and that is the feeling that, that is where the abuse is, and the abuse is for party political gain. How do you prevent that within your system? Is it just good Scottish MSPs who behave well and follow the rules?

181. STEWART GILFILLAN: I think we have to be careful about what we are saying, but we do have rules and it is part of our overall strategy to make sure that Parliament is promoted to the people of Scotland, and our Members are our biggest asset in doing that, so it is a dual interest. It is not for me to say that it is self-promotion of Members, but the scheme is designed so that the Members are telling their constituents about what they are doing in the Parliament and what the Parliament is doing for them.
182. LLOYD CLARKE: Okay, that is helpful. Can I turn to the last area that I mentioned, which is the resettlement grant. Again, MSPs who voluntarily retire or stand down still get a resettlement grant in Scotland.
183. HUW WILLIAMS: Could we possibly write to you on this? The Resettlement Grant formed part of a recent Pensions Act that we have. It does not really form part of the allowances any more. So to be more accurate, if it was okay to you, we would prefer to write to you on that.
184. SIR CHRISTOPHER KELLY: That would be very helpful. The issue is: why should it go to people who stand down voluntarily? Thank you very much. Thank you, Lloyd.
185. A couple of final questions. Firstly, how intrusive are the audit arrangements? I mean, do you, for example, visit MSPs' offices in their constituencies to check whether or not the allowances are being used solely for constituency purposes and not for party political purposes?
186. HUW WILLIAMS: We do not. The Allowances Office is obviously externally audited by Audit Scotland as part of the normal annual accounting arrangements. We also have our in-house internal auditors who will come in and do a sample check of claims.
187. SIR CHRISTOPHER KELLY: But that sample check will not extend to actually going into the constituencies?
188. HUW WILLIAMS: They do not at the moment. Whether there are any plans in the future I really could not say, but at the moment, no.
189. SIR CHRISTOPHER KELLY: And, in principle, it is a full scope audit that is done by audit Scotland?
190. STEWART GILFILLAN: They do two types of audit. They look at the control environment to see that all the controls and processes are right, and then they test the substantive reasonableness of some claims. For example, they will actually ask to see a copy of the lease to see if they think it is reasonable. It is a judgement call for the auditors. We have certainly never had an account disqualified because there have been any concerns. They really just check the allowances expenditure just like any other head of expenditure.

191. SIR CHRISTOPHER KELLY: But the point of the question is until recently in Westminster the auditor could not do a full scope audit because they were not allowed to go beyond the Member's signature. In Scotland, the auditor can go beyond the Member's signature.
192. STEWART GILFILLAN: It has not gone as far yet as going out to constituency offices.
193. SIR CHRISTOPHER KELLY: But they feel able to assure people that the control arrangements are adequate, even without going into constituencies?
194. STEWART GILFILLAN: Yes.
195. SIR CHRISTOPHER KELLY: Interesting, thank you. The second question is there seems to be a general view about Westminster that Members of Parliament have lost the right to set their own expenses regime and that, therefore, it needs to be set by someone external, and many MPs welcome that. There also seems to be general acceptance that one of the things that went wrong in the past was the role of what used to be called the Fees Office, which was too easily bullied by Members of Parliament into not acting in the way a normal finance department would in scrutinising expenses. That is part of the genesis for the independent regulatory body, the legislation for which is going through the House at the moment. There is nothing equivalent in Scotland. The expenses regime, in principle, is set still by the Scottish Parliament itself?
196. STEWART GILFILLAN: Yes, it is voted on and it is a resolution of Parliament. There has been no pressure in Scotland to do otherwise. I think we come back to one of your very early questions. I think it probably is to do with the culture created by Donald Dewar, which is the hair shirt and perhaps it is more in the nation's psyche to be more hair shirt. There has certainly been no pressure otherwise.
197. It is a culture where staff still, of course, treat all Members with courtesy but there is perhaps more of a willingness to constructively challenge Members than elsewhere. That is something which has grown up over the years and does not cause a great deal of friction. So certainly to my knowledge, there is no pressure to change in the way it has been suggested here.
198. SIR CHRISTOPHER KELLY: Who actually makes recommendations that form the basis of Parliament's resolutions about expenses?
199. STEWART GILFILLAN: The last one was on the basis of the Langlands report.
200. SIR CHRISTOPHER KELLY: And then after Langlands?

201. HUW WILLIAMS: The initial one was done by the SSRB and then I think there was another independent review.
202. SIR CHRISTOPHER KELLY: But how do you decide on the up-rating of the current expenses?
203. HUW WILLIAMS: The corporate body has the power within the expenses scheme to up-rate using indices. So for staff costs it will be the average earnings index and for office costs I think it is RPI. But I can give you a note of the exact indices, but it is index-based. They do not pluck a figure from the air; they have to come up with an index. And they have been consistent in their approach as to the indices that we use.
204. SIR CHRISTOPHER KELLY: It would be helpful to have a note, but in 2001 there was an SSRB report, is that what you say?
205. HUW WILLIAMS: I think that was earlier than 2001.
206. SIR CHRISTOPHER KELLY: Whenever it was, there was an SSRB report?
207. HUW WILLIAMS: Yes.
208. SIR CHRISTOPHER KELLY: And there has not been a subsequent SSRB report?
209. HUW WILLIAMS: No.
210. SIR CHRISTOPHER KELLY: So there was up-rating and then Langlands came along and then further up-rating. So there is nothing equivalent to SSRB reports about Westminster then being overturned by the House of Commons itself. Clearly not everything that Langlands suggested was implemented, but there have been no instances in Scotland of people inventing for themselves an allowance like the Communications Allowance?
211. Thank you very much. Is there anything else you would like to say to us? Are there any other lessons that you do not think our questions have drawn out about the way in which Westminster could reflect best practice as established in Scotland?
212. STEWART GILFILLAN: I do not think so. If any further questions occur to you, please do write to us or pick up a phone and we will give you what we can. We have undertaken to provide quite a lot.
213. SIR CHRISTOPHER KELLY: You have and I am grateful for that. I will not attempt to summarise what you have agreed to provide, but no doubt the secretary will follow that up. Thank you very much to both of you.
214. HUW WILLIAMS: Thank you.

215. SIR CHRISTOPHER KELLY: We will resume at 11.30am.

(Break)

RT HON JACK STRAW MP, LORD CHANCELLOR AND SECRETARY OF STATE FOR JUSTICE

216. Our next witness is the Right Honourable Jack Straw, MP, Lord Chancellor and Secretary of State for Justice. Secretary of State, you are very welcome. Are there some things you would like to say to us by way of introduction?

217. JACK STRAW MP: Thank you very much, Sir Christopher and colleagues, for this opportunity to give evidence this morning. Harriet Harman, Leader of the House, has already given evidence on the Government's behalf. I have also read most of the transcript of that evidence, so I have no need to repeat the overall Government position. I wanted, if I may, just to make two sets of observations, separate ones: one is about the phenomenal increase in the constituency workload on Members of Parliament. I have been in the House now for just over 30 years. There was a change taking place as I came into the House. But even so, I employed a half-time member of staff in London, a woman who was paid £6 a week - I increased her money by 50 percent - for working two mornings a week from the Labour Party office. We had no money to provide a separate office. I saw eight constituents by appointment each month, a pattern which I picked up from my predecessor, Barbara Castle, and we got the odd letter, caller coming in, some people phoning. So that was it. I went to the constituency twice a month. My predecessor, Barbara Castle, who had a good reputation as a good constituency member, went once a month. She never had a house in the constituency. She did not need to have a house in the constituency in the 33 years she was a Member of Parliament. She made day trips once a month.

218. Moving forward, I now employ two full-time and two part-time staff in my constituency. I do not have any staff in London or the constituency. The office keeps good data. They tell me that we have had 927 new cases in the first six months of this year. We had 1,200 all together in 2002. It is just going up and will hit 1,700 by the end of this year. I do not think our constituents have fully - certainly in my area - worked out the benefits to them of email, so we still get a lot of callers and a lot of letters; as that changes it will rise up. That has changed the nature of the job. It has put much more pressure on Members of Parliament than was there before. It has had a consequence on attendance in the Chamber. Instant 24 hour news services put huge pressure on Members of Parliament and we forget that, although it is a limited number of Members of Parliament who at a national level get coverage, local MPs who are not national figures are much more vulnerable and susceptible to what is said locally, so they really feel under very considerable pressure. I think that has been - both directly and indirectly - one of the factors behind the pressure on allowances as people have tried to build up, essentially, good offices at a local level.

219. The matter which I assumed you would wish to talk about was the Parliamentary Standards Bill.
220. SIR CHRISTOPHER KELLY: I think you are right in that assumption.
221. JACK STRAW: I can take you through the changes that are being made, almost as we speak, in respect of the Bill. Of course, one of the questions that has been put to me in the Second Reading, and subsequently, was how this Bill fitted in with the work of your Committee? It is as follows. You said both in the principles that you issued at the opening of this set of hearings but also in the remarks you made - I know when the oral sessions opened, Sir Christopher - that a key principle was pay and allowances - you brought both together - should be set outside Parliament without MPs having control over that. We in the Government, and indeed the main party leaders, agree on that. If you are to have the arrangements for that process set up and working, even a few months before the General Election, you have got to get the legislation through before the summer.
222. If we get the legislation through, which will be next week if we can do it, we have got then to appoint an Acting Chief Executive. I say "we" - I mean the House of Commons has got to make these decisions. The House of Commons will have to set in hand the process for appointing the five members of the Authority and as you and your colleagues know, when it comes to public appointments we will be lucky to get those done and dusted by the end of October - we have got two working months. We will be lucky to get the whole Authority established by 1 January.
223. I was struck by one or other of the statements that you had made that you thought that it was important that these arrangements should be established before the next election.
224. What we sought to do in the structure of the Independent Parliamentary Standards Authority is to ensure that it is without prejudice, as it were, to your recommendations. So the Authority is there for the future to set allowances, and pay is currently dealt with by separate independent arrangements. We understand that you are intending to have your recommendations ready for October. If that is the case - and all three party leaders have indicated that unless they are, as it were, Wednesbury unreasonable - subject to that caveat they intend to accept them. They would have to be approved by the House of Commons and then they would be the platform for the Authority to work on for the future. I can take you through other changes - which are very significant ones - that have been made.
225. My last point is on that. I have dealt with a lot of emergency legislation over the years. This has actually been the most difficult piece of emergency legislation because it is from a blank sheet of paper. Most emergency legislation is to fill some gap which has arisen, for example, as a result of a court decision, as last year with anonymised evidence but we knew what we were seeking to draft

226. I have sought to do it in a very collaborative way, both within an all party group that has met where I have exchanged drafts in real time and also upstairs in the House, and this is now happening in the Lords. The result of it is I think the Bill is a lot better and avoids some of the problems, for example, over Article 9 of the Bill of Rights and other issues which were there before. But I think we will end up with a robust Authority which crucially has independent power, not just to administer the allowances system, but also to set the allowances. Thank you.
227. SIR CHRISTOPHER KELLY: Thank you very much for that and for your explanation of the speed with which the legislation has been proceeding. Just for the avoidance of doubt, as it were, one of the things that we have been assured throughout by various Members of the Government is that transitional steps that were taken before our report appeared were transitional steps and if we did not like any of them we were at liberty to say so.
228. JACK STRAW: Of course. Yes.
229. SIR CHRISTOPHER KELLY: As I say, for the avoidance of doubt, in my view, that will also apply to the arrangements for establishing the Authority. So, if we were to come to the conclusion that there were aspects of the way it had been set up in legislation that we thought were wrong, then we will not hesitate to say so.
230. JACK STRAW: No, I know that to be the case, Sir Christopher. I mean I hope that when you are able to examine the Bill as an Act, some of the anxieties which you and your colleagues may have had - and the anxieties which others have had - will have been allayed. My own belief is that, essentially, had we not come forward with this it would be the House of Commons making the decisions on your recommendations and then ensuring that they were enforced. What this Bill does is substitute for the House of Commons a separate independent Authority. What they are then administering, first off, will be what you propose.
231. SIR CHRISTOPHER KELLY: I understand that. Maybe the point I was making will come out more clearly in our questioning. I think that what I was trying to say is that what matters for us going forward is that, as you said, one of your objectives is that there should be an arrangement which takes away from the House of Commons the right to set its own expenses regime, and that the arrangements for enforcement of that regime should also get away from what has been described by some people as being "the culture of bullying" of the Fees Office or the Department of Resources, which made it difficult for them to exercise the sort of control over what was happening, and what one would expect of a finance department in a normal organisation. So those are the objectives in which we are most interested. Exclusive cognisance is a very interesting question, but those are the immediate objectives.
232. Bearing in mind the number of changes that have been made to the Bill to which you referred, which you said in your view improved it and bearing in

mind there have been so many changes to what you originally intended, including, as I understand it, taking away from IPSA the ability to impose sanctions of their own at a first level, it would be really helpful if you could explain how you think the Bill as it currently stands achieves those objectives of total independence and allowing for policing of the system, in a way which does not allow the bullying that took place in the past.

233. JACK STRAW: Thank you. Could I just say there has been general reference to principles to govern the review of MPs' allowances. It is dated April 2008. I do not know whether that is an error. It should have been April 2009. But, in any case, paragraph 22 of this says, "While a transitional period may be necessary for any major changes these should not extend beyond the next general election". I simply say, in my defence, what I have been trying to do is to ensure - for the reasons I have explained - that they can take place, but they have to take place before the next election.
234. Sir Christopher, to accept your invitation. The Bill in clause 1 is basically unamended and that establishes the Independent Parliamentary Standards Authority. Schedule one sets out in the usual form how that is to be appointed, including having one member who is a senior member of the judiciary; another person who has to be a former or current senior auditor recognised as such by the NAO and three others of whom one should have had - but no longer - a connection basically with Parliament.
235. You then have the Commissioner for Parliamentary Investigations, and schedule two sets out how he or she should be appointed. Then there is the Speaker's Committee for the body which will act, effectively, to make and recommend the appointments but they will be done to Nolan principles. So that is set.
236. The next three clauses say that they have to pay salaries. At the moment there is no provision in here for --
237. SIR CHRISTOPHER KELLY: Sorry for interrupting you. It is difficult to keep abreast of the Bill. I think the question I am really trying to get at is: here is a body which will be set up where the appointment will be subject to the strictures on what sort of person can be appointed, but the people appointed will be in the hands of the House of Commons; the budget will be in the hands of the House of Commons. What I am really seeking is reassurance that such an organisation can be viewed as truly independent of the House of Commons.
238. JACK STRAW: Yes, is the answer to that and I am absolutely confident that will be the case. I give two parallel examples, one of which I know less and one of which I know a great deal, which are the position of the Comptroller General. The second is the position of the Electoral Commission. The Comptroller General is technically appointed by the Prime Minister with the consent of the Chairman of the Public Accounts Committee, who in practice is always a senior member of the Opposition.

239. We have just made a new appointment and there is no suggestion that that appointment has not been made in accordance with Nolan principles and to the highest standards. Moreover, the Constitution Renewal and Governance Bill, which will be published on Monday - I am perfectly happy to lift the veil on this bit - there will be further measures to better establish the independence of the NAO on recommendations from the PAC.
240. As far as the Electoral Commission is concerned, that is established by the 2000 Act and there is a parallel Speaker's Committee. But there are requirements in the Act at the moment that nobody appointed to the body should have had any recent connection with Parliament. I mean that has to be changed, not least on recommendations from your Committee that three of the members should have a connection with Parliament. But the Speaker's Committee process has worked well and I defy anybody to suggest that either the previous Chair and members of the Electoral Commission, or the current one, lacks any independence, impartiality or skill. In practice what happened is - and I am a member of that Speaker's Committee - what we did was to establish an appointing committee which drew on the best principles of Nolan and of OCPA and had independent members on it - former civil servants and so on - and it came forward with a recommendation which was then endorsed by the Speaker's Committee and by the Speaker and then by the House.
241. When you are dealing with a sovereign parliament there are always difficulties to square here. We did look at whether the appointment should, as it were, be made entirely by the civil service, but that would end up with Ministers in any case. There is no constitutional base for having appointments made solely by civil servants, none whatever, because someone has to be responsible for appointments and, by definition, that cannot be civil servants, however distinguished, because they are only responsible to Ministers. It would be absurd to ask the judiciary to undertake this job. So we discussed this, albeit briefly because there were no takers for that model - there was a draft clause on this - and decided that this was an area where the House of Commons had to show responsibility. It would have to prove that it is capable of running an appointment system which produces people who are independent minded and will be independent minded.
242. Can I say, Sir Christopher, you when you were a Permanent Secretary would have been involved in appointments - just as Permanent Secretaries and I have been - of people who are appointed to jobs such that they are independent of the Secretary of State whose job it is to blow whistles. So I appointed the current Inspector of Prisons, Dame Anne Owers. I reappointed her. I appointed her on the basis that she would be independent and ready to complain where she thought there were things to complain about. I reappointed her because the five years had shown that was exactly what she was doing and no one doubts what she does. And plenty of equivalent positions exist, in the Health Department and so on. So I am confident this will work. Do not forget that two of the five members have to be drawn from the senior judiciary and from approved senior auditors and there is no way the appointing committee would go for patsies. So we are clear about that.

243. On the setting of allowances, the Authority sets the allowances. It does not go anywhere near the Commons. That is an astonishing profound change. The Code of Financial Conduct has to go to the House of Commons for good reasons, which I can explain. This will be entirely independent and nobody is going to come forward to be a member of the Authority - still less the Chair is going to take the job - unless they are clear they are not going to be subject to interference. And they will not be. And of course this body will be responsible for the administration of the scheme and for taking over, effectively, the Fees Office.
244. SIR CHRISTOPHER KELLY: Since you mention the Electoral Commission. If that model was followed you would set up a separate panel to make a recommendation to the Speaker's Committee and, as you say, that panel was made up of all non MPs. Were there MPs on it?
245. JACK STRAW: No, Sir Peter Viggers was the Chair of the Electoral Commission Panel. I am not quite sure what has happened in respect of other members.
246. SIR CHRISTOPHER KELLY: But it was chaired by a non --
247. JACK STRAW: It was chaired by Sir Peter Viggers a Member of Parliament. I know that one of the people on it was Mr David Norgrove who used to work in Downing Street and then was a Director of --
248. SIR CHRISTOPHER KELLY: My question was going to be: if that panel had reached a conclusion which was then overturned by the Speaker's Committee, would that be public knowledge?
249. JACK STRAW: I assume so. I will happily put a note into you, but as far as I know the minutes of the Speaker's Committee are published.
250. SIR CHRISTOPHER KELLY: Thank you.
251. DR ELIZABETH VALLANCE: Good morning. It has been, as you said, quite difficult to track the difficult birth of this Bill - soon to be Act - and I wondered if you could give us just very briefly the principles and the objectives you had in mind in taking the Bill through. And rather than go through the whole Bill bit-by-bit if you could just identify the main arrangements that have been made and the rationale behind them?
252. JACK STRAW: The purpose of the Bill is to give effect to the broad agreement between the three party leaders, which the Prime Minister announced on 10 June, where all three party leaders signed up for there being an independent Parliamentary Standards Authority to run and to set the allowances scheme.
253. DR ELIZABETH VALLANCE: So what was the thinking behind that, that you all agreed on?

254. JACK STRAW: Well if I may say so, the thinking behind the Chairman's comments here is that you have to have an independent body to set allowances. The other part of the thinking was that if you are going to do that - and to repeat what I said, Dr Vallance, at the beginning of my remarks - and you want it done by the election to which your Committee has also said needs to be done, and it does need to be done, there is no way in the world you could do that unless you have got the enabling Act through by next week. That is the world we live in. If we had gone for introducing legislation in October --
255. DR ELIZABETH VALLANCE: But an enabling Act could have been brought in, surely, that was much more of an outline bill, much less detailed. That you have got bogged down in the detail that has been the real problem, has it not?
256. JACK STRAW: I am sorry, I do not accept that at all, with respect, because if you are asking an outside body to take power and authority over anything or anybody, but not least Members of Parliament, you have got to set out clearly in the legislation how it is to be established --
257. DR ELIZABETH VALLANCE: Can I rephrase that then and say: not an outline bill so much as a much more limited bill, a bill that was about payment; a bill that did not get you into all the trouble you have got into on parliamentary privilege and so on.
258. JACK STRAW: The so-called trouble we have got into on parliamentary privilege is inherent in pursuing what your Committee wants as well as what the public want and the parliamentary leaders want and Parliament now wants, which is to have decisions which previously have always been made within Parliament made outside Parliament and having an effect on Members of the House of Commons.
259. On the issue of privilege, we looked at handling this in two ways: one was by including the Authority within the ambit of privilege; the other was by excluding it. We got into difficulty in respect of article 9 because of what was the offence of basically cash for questions, paid advocacy, in clause 8(3). We resolved that by dropping that clause because it is covered by the draft --
260. DR ELIZABETH VALLANCE: I do not want to get into privilege by the way. My Chairman will kill me if I do.
261. JACK STRAW: No, but we did this from a standing start. I will accept criticism for a lot. I am not going to accept criticism having changed the Bill by listening very carefully to the debate because, although we have done it with great speed, it is Parliament at its best if this will emerge as a better Bill because everybody has piled in. And I say, in my own defence, I have listened to what people have been saying. I want a consensual Bill.
262. DR ELIZABETH VALLANCE: Absolutely. Can I go back then to the question I asked about amendments and perhaps you can take us through the

major amendments. That would be really helpful.

263. JACK STRAW: Of course. Picking up also on something the Chairman said. Under the earlier scheme the Authority would have had a role to adjudicate on complaints, on advice and recommendations from the Commissioner, and they could have come to a view, let me say, to require repayment - which is pretty straightforward - and/or to refer the matter to the Committee on Standards and Privileges in the House of Commons for the Committee to make decisions themselves about what to do, including expulsion or suspension or something else serious.

264. In the event, we decided - this was the sentiment of the Commons - to remove the Authority from having that interim role so that you have the Commissioner, which is a statutory post, who has clearly defined roles which are independent of the Authority and, crucially, of the Chief Executive - because it is the Chief Executive who is the accounting officer responsible for the proper administration of the scheme - and, bluntly, for avoiding bullying.

265. The Commissioner will receive complaints and can act, and that is clearly set out. He can act on his own initiative; he can act at the request of a Member or he can act in response to a complaint by an individual. He or she will then hear the complaint. If he finds that an amount was paid under the scheme which should not have been allowed, he has to refer the findings to the Standards and Privileges, unless the Member accepts the findings, accepts such other conditions as could be specified by the Authority in its overall conditions for allowances, and the Member repays the Authority what he has been told he has got to pay. So that is how it will work. I think it is a better and cleaner scheme. There are other changes too I could take you through.

266. DR ELIZABETH VALLANCE: There are indeed, but that is obviously an important amendment. Of course, it has been suggested to us, on a number of occasions, that the fact that you have got to this position is because, actually, you did not need another body here; that what you could have had was using existing bodies to do the same job, and if you look at that amendment of course you are going back to the Standards and Privileges Committee and back to the Commissioner of the Parliamentary Standards Committee. So why does one need an IPSA, as it were, on top of that?

267. JACK STRAW: You need an IPSA to meet the Committee's desire that somebody outside Parliament sets allowances. I thought there was general agreement about that. I mean, call it something else but you end up with an independent body. If you have an independent body you have got to have methods of appointing it and so on. You have got to lay down its authority very clearly.

268. It was always part of the Bill that the final decision on the expulsion or suspension of a Member of Parliament - and other serious discipline - had to be in the hands of the House of Commons, I mean this is a democracy. It may be that there are some democracies around the world where a decision to

overturn a decision of an electorate is made other than by that elected body, but I do not happen to think it is a sensible way to proceed and this is not, I think, a decision of power that the courts would want - I am sure they would not - nor anybody else.

269. So there is a circle to be squared here between having an independent authority on the one hand and having the final decisions about a breach of the independent authority's rules being subject to decision by the House of Commons. Why do you need a Commissioner attached to the Authority? Well, bluntly, for the very reason that if you have an Authority it has got to have authority not only to administer the scheme but to deal with breaches of the scheme. The John Lyons' figure in the House of Commons has authority over what happens in the House of Commons, is standing outside the House of Commons. So you have to have somebody who is appointed under this Act to have authority over the scheme which this Authority is operating.

270. We have made provision in the Bill. The so-called "double hatting" of the IPSA Commissioner could also end up as the same person who is doing the House of Commons work generally. There may be good advantage in that and that is certainly an idea that has been endorsed by Sir George Young, I think it will work.

271. DR ELIZABETH VALLANCE: Thank you. I think you intended to begin with what the Leader of the House talked to us about as wide consultation. You have not been able to do that for the reason that you would have us understand as being the requirement to get this through rather quickly, and so on. We can understand that. But is there a problem that, because the wide consultation has not taken place, not only has the Bill itself come in for a lot of criticism but that Parliament itself has not really been properly consulted and that if you need in this case to change the culture of Parliament and to have people very much signed up to this Bill and to what it is about, that it may in the end be simply counter-productive?

272. JACK STRAW: With apologies, I completely resist the second limb of your claim that Parliament has not been consulted. I mean, palpably, Parliament has not only been consulted - that is an insulting word to use - they have been a very active part of the process, and people cannot have it both ways.

273. DR ELIZABETH VALLANCE: The party leaders have, with great respect.

274. JACK STRAW: No, with great respect, Parliament and the House of Commons has not just been actively consulted -- although Harriet Harman and I have worked fantastically hard to ensure that there has been the absolute maximum of consultation on this Bill consistent with the timescale, and I have already explained why we have had to proceed quickly on this. But the fact that the Bill has gone through a series of iterations is proof positive of the fact that not only has Parliament been "consulted" but Parliament has been very

actively involved in the decisions.

275. Just to give a bit of flesh to that. I set up an all party group, which includes cross-bench peers from the House of Lords by the way - even though it does not now anyway affect the House of Lords - as well as all the other parties and they could bring staff members as well. We have had five meetings - long meetings - of this committee. It has been under Chatham House rules because that is the only way you could build up a consensus without people feeling that there was some Hansard writer in the corner that was going to quote it back at them. So, we have had to do it on that basis. But it is that process which has led to changes being made. I have been completely open with the committee. They have had drafts and redrafts of clauses as soon as I have had them, often before I have taken a view on them, and so it has gone forward.

276. The other point I may say, Dr Vallance, the Commons has hardly proved a patsy on this issue. After all, on clause 6 - which is the one about general code of conduct - seeing the weight of opinion on that, I withdrew the clause before a vote was necessary, to much approbation. And on clause -- I did not withdraw it. I was irritated - as everybody was - that we had run out of time to discuss it and if there had been time I could have explained that what we were proposing was no different from what the House has already accepted as a carve out from article 9 in the Bribery Bill but, notwithstanding that, the vote was 250 to 247. Well, I rest my case. Parliament has been extremely active on this and independent.

277. DR ELIZABETH VALLANCE: As active as it can be in three days or whatever it was that it took the Bill to go through. I mean, the Constitution Committee in the Lords was pretty damning of it, but I do not want to --

278. JACK STRAW: But hold on, of course there is a trade off here between the intensity of scrutiny and time, and I wish there were more time. It certainly would have saved me a huge amount of labour. But the party leaders have been clear, and the parties have been clear, that we have got to act swiftly to deal with this matter. I have already explained - and all of you with experience in public life understand the time that bodies like this take to get going - why there was an imperative of producing this Bill as an Act as quickly as possible. We have been working night and day to get it into shape.

279. DR ELIZABETH VALLANCE: Thank you. Can I just ask about some of the detail of the Bill? You have alluded to the appointment process. Obviously, appointment, funding and accountability are going to be absolutely critical for the independence - not just the independence, but the perceived independence - of IPSA.

280. JACK STRAW: Yes.

281. DR ELIZABETH VALLANCE: The appointments process leads back, if you like, to the Speaker's Committee; the funding seems to be via the Speaker's Committee and the accountability is through a report to the

Speaker's Committee. Do you think that that is going to be perceived as independent? I mean, as you say, there is always the conundrum in a parliamentary context, where Parliament is sovereign, of squaring that circle, but do you believe that this is the best way to do it?

282. JACK STRAW: Yes, I do. In democracies the democratic chamber - subject to the opinion of the electorate - has to have the final say. That is how we do things. May I say that, when an effort has been made to set up bodies which have been entirely independent of Parliament, they have also been accused of being patsy or in the hands of Ministers or unaccountable quangos. There is just as much criticism of unaccountable quangos as there is of parliamentary bodies, so there is no perfect way of doing this. We, happily in this country, have a very independent judiciary. You could say the judiciary should do this, but it would be - I would recommend against it - to embroil the judiciary in a function which they do not want and could compromise their independence and integrity. It could also be said if you take the senior appointments made to the judiciary, the ones which really set the tone to what will be the Supreme Court and also to the very senior appointments. I mean, I have power to block those appointments, slightly less power than the Lord Chancellor used to have, but strong powers, but it does not mean that those who are appointed are not well suited.

283. I think, Dr Vallance, the truth is that only time will tell whether this body is able to establish independence. That was also true with the Electoral Commission. Nobody argues about the independence of the Electoral Commission. Indeed, political parties get irritated about the fact it is independently run and authoritative.

284. DR ELIZABETH VALLANCE: We did do a report on the Electoral Commission, if you will recall.

285. JACK STRAW: I do. We followed your recommendations.

286. DR ELIZABETH VALLANCE: We did not feel that the arrangements made had been entirely satisfactory.

287. JACK STRAW: I know, and we have accepted your recommendations and those proposals are, with luck, going to go through on Tuesday, if not in October. They would have gone through on Tuesday, but for this Bill. There you go.

288. I also say the whole of the House of Commons, particularly, is on notice that it has got to prove that this body will be independent. So the idea of there being any jiggery pokery by the senior members who sit on this Committee, and the Speaker, I think is fanciful. All those people making the appointments, the appointing panel beneath it, will be leaning over backwards to get the most authoritative and independent people possible.

289. DR ELIZABETH VALLANCE: A cheeky question but just one last little query: if on the reporting back, the report back is through the Speaker's

Committee to the House would you then write in or make sure that there is a debate on that?

290. JACK STRAW: Well, I will just have to give you not a cheeky answer but a pat answer which is that whether a debate is granted depends on the --
291. DR ELIZABETH VALLANCE: You know why I am asking it, in order to get things out into the public arena.
292. JACK STRAW: Yes, there would almost certainly be a debate. I think it depends on what the report said if you see what I mean. Parliamentary time is a very scarce commodity, which is what we were talking about. I was Leader of the House for a year. You try and allocate parliamentary time to meet demands. If they sent a report in one year and said, "Everything is fine and dandy. No changes needed. Nobody has been fiddling their expenses", the report would be noted on the floor of the House. I hope we do get to that stage.
293. DR ELIZABETH VALLANCE: I am grateful. Thank you.
294. DAVID PRINCE: Secretary of State, can I step back from the mechanics of the IPSA and ask you about how you see its accountability to the ordinary public working? We have had a lot of evidence that, behind the anger that people have expressed around MPs' expenses, there is actually a strong desire to see a democratic Parliament be effective and connect with it. So, as we look at the IPSA, how do you see the other two appointments out of the five you mention representing the interests of ordinary people? You told us who three of the people were going to be on the IPSA. Do you think when it works it should, as a matter of routine, carry out general consultation and polling to assess public reaction to the changes that it makes in future to MPs' expenses?
295. JACK STRAW: I certainly think the latter. May I say, in terms of accountability to the public, I think the thing that is already changing the accountability to the public, and which is the most profound change, is transparency. That is in fact what has changed the landscape. It is a fact of transparency that every Member of Parliament's expenses are being published, albeit with some redactions. That is the greatest control and the greatest level of accountability. I hope it also leads to a greater understanding by the public.
296. Certainly, in my own case, what my office is able to do in Blackburn is astonishingly cost effective compared with other advice giving bodies, given the caseload and also - I say modestly - what I am able to do as well. So you get that engagement. There should certainly be public consultation about allowance schemes, and I assume what they would do - it is a matter for them - would be to publish an allowance scheme. I mean, their template to start with will be what your Committee, Sir Christopher, recommends, subject to agreement by the Commons. But, thereafter, they would publish a scheme in draft; seek comments on it; maybe do some polling. I mean I think it is a

matter for them. Of course polling in this kind of area depends very much on the question, also the degree to which the public is thinking about these things as well. So, in some cases if this issue drops away from the public it may not be necessary but that is a matter for them. Then it comes to conclusions.

297. On the membership, one of the members has to have been - but is no longer - a Member of the House of Commons. If that is a former senior parliamentarian, well, many people mock parliamentarians and senior parliamentarians. You can only survive in politics if you have got your ear to the ground and you have some sense of public opinion. That said --
298. SIR CHRISTOPHER KELLY: The skill which failed them in dealing with their expenses in the past.
299. JACK STRAW: It absolutely failed but I accept that. I think you know the story but, in other respects, people like to think that it was a collective failure.
300. You are not going to get one or two or even five individuals who represent the public but they know what their responsibilities are.
301. DAVID PRINCE: Yes. I suppose what is behind the question is we have a strong thread of evidence about concern about "them and us". And these bodies always being filled with vaguely establishment figures, is a point that was made, and I was really wondering if you would take the opportunity to try in those other two posts to identify somebody from other walks of life.
302. JACK STRAW: One does all the time. I mean, the only way really to establish complete democratic legitimacy of this body would be to have it elected, but no one has suggested that that would be a sensible answer. So, Mr Prince, it is inevitable that some people will criticise the body, especially when it is first started. I think the criticism is -- provided we get the right people on it. And frankly, what one is looking for is whether they come with the label "establishment" or they will acquire it anyway wherever they come from in the country by virtue of being on the Authority, I am afraid. The proof of the pudding will be in the eating. If they do a proper job then public confidence in them will rise.
303. DAVID PRINCE: Thank you.
304. LLOYD CLARKE: Could I ask you a question away from IPSA.
305. JACK STRAW: I would be delighted.
306. LLOYD CLARKE: Specifically to one issue and to one allowance because almost, as it were, to give you the right of reply I suppose is why I am posing the question. It is about the Communication Allowance and it is because you were the Leader of the House of course at the time.

307. JACK STRAW: I am to blame for it, yes.
308. LLOYD CLARKE: I did not say that. You may say that. But we know the reasons that you gave at that time. That is a matter of record and we have read into that. We have heard a lot of evidence to this inquiry - and can I say not just from Conservative MPs, let me be quite clear about that - that the Communication Allowance should be scrapped but not the rules that are in place and the guidance that has been put in place, particularly as a result of investigations by the Parliamentary Commissioner on Standards. I wonder, now, do you still see it as being essential? What are the reasons for retaining it? In particular, we have had no evidence whatsoever which would lead us to believe that the communication allowance has helped engage constituents in communication with MPs, so I wonder if you could give us some evidence. So, really, three questions. I am not asking you to defend it, the Communication Allowance, per se, but why should it be retained now and evidence to suggest that it is engaged in that communication?
309. JACK STRAW: Mr Clarke, if I may, it is worth reminding the Committee why I decided to recommend a Communications Allowance. Although it subsequently became the subject of some controversy, as I recall there was no dissent in the House of Commons when we discussed it. It is actually a means of controlling expenditure. And what was going on was that there was an extraordinary unregulated expenditure of MPs' paid envelopes. Most MPs I think had postage of £3,000 or £4,000 - I speak from my memory. But there were some Members of Parliament whose expenditure on envelopes was running at £25,000, £30,000, £35,000, which I regarded as wholly unacceptable and an accident waiting to happen, if I could put it that way, although all the MPs concerned said that they were using these envelopes entirely for parliamentary purposes. Well, that is what they said. So one has to control that and also to be more explicit about how the IEP - the Incidental Expenses Provisions - is construed. Because almost all, as I recall, of the expenditure on the Communications Allowance was expenditure that was being covered by the IEP
310. So the Communications Allowance - there is great irony about this - was introduced to control spending. We also then set a ceiling on envelopes and particularly to control it for some individuals. There was an overall increase in costs.
311. On the Conservatives, well, I merely say I rest my case on the fact that almost all of them are using the Communications Allowance. I have got no evidence one way or the other about its effect on communications. I rather suspect that one of the reasons - although only one - for the increase in my personal caseload is because of the result of the Communications Allowance, as people get a piece of paper through their door saying how they can get hold of me. I mean, obviously, I am extremely well known in any event.
312. However, I give you just one example of how the public are better engaging? I do a series of residents meetings on a rota basis around the town - I have got the data here somewhere - about 10/15 a year. I have done 51

since February 2003. They are with the police chief, the chief executive, the leader of the council - who is currently a Conservative, let me say, because these are non partisan meetings - and now the chairman of the PCT as well. I started them six years ago because we had a big problem in one area with two murders in one street. We then stumbled into the fact that the formula for that was meeting a demand.

313. Attendance at these residents' meetings, which take place on a Friday between 6.30pm and 8.00pm, remains astonishingly high. We have small wards in Blackburn, but at the meeting I did in the Corporation Park area last Friday we had 75 residents.
314. SIR CHRISTOPHER KELLY: Are these a consequence of the Communications Allowance?
315. JACK STRAW: What I am saying, Sir Christopher - I was not expecting this question - the major part of my Communications Allowance, which I do not think I spend it all anyway, goes on a four page supplement which in the middle of it tells people about residents' meetings. It tells people how to get in touch with me if they want my help and it tells people about the residents' meetings and then people are sent a note if there is one. Now, I do not know what difference it makes, how can I tell?
316. On the future of the Communications Allowance I had not anticipated it would become this controversial. That was not its intention. Its future is a matter - if I may say with respect - for you and not for me. I look forward to your recommendations on this.
317. SIR CHRISTOPHER KELLY: But the question is: do you think there is a role in an expenses regime, going forward, for an allowance which has become a matter of party controversy?
318. JACK STRAW: I think the prior question was: is there a need for an allowance? And clearly what becomes controversial varies according to the political cycle. Now that the rules have been tightened, and they are very tight these days, I think there is a good case for - it does not matter what the allowance is called - part of the allowance to be available to tell constituents how to get in touch with their Member of Parliament, and how to communicate. You will have to do your own analysis as to whether this material is used for propaganda. It is not used as propaganda by me.
319. LLOYD CLARKE: Could I ask one other question, a different question. I am going to ask it in a similar way that I asked it of Ben Brogan this morning because his reply was very interesting. Can I also put it in the context of a quotation attributed to you from 'This is Lancashire' which says, "I think this situation has damaged democratic politics as a whole and it is the fault of all the main parties". What I actually put to Ben Brogan this morning was this: that the legacy of investigative journalism in 1995, cash for questions, the legacy for that was this Committee, the Seven Principles of Public Life, et

cetera.

320. Can I ask you in three years, five years, maybe ten years time, what would you like to see as the legacy of this scandal that we have had, the febrile atmosphere that has developed from it, but what legacy would you like to see whether it be for individual MPs, whether it be for the institution of Parliament and I guess for the Executive, without touching IPSA, if we could leave IPSA.
321. JACK STRAW: No, I will not say a word. I would like the legacy of what has happened including your Committee's recommendations, to be that Members of Parliament can hold their heads high again as a result of being able to earn the respect of their constituents and of the wider public. That quotation was entirely accurate, by the way, because it has been very damaging, without any question, profoundly damaging. It has made the whole of politics feel unclean. It happens that our politics in this country compared to many, many countries is very clean and transparent. Some of our continental colleagues are astonished that we should be getting ourselves into this kind of paddy over a few thousand pounds.
322. Those of you who know France will know that it was only under Jospin, in the year 2000, that the envelope arrangement was ended by which every month a man used to turn up in a Minister's office and give an envelope to the Minister, in cash, which was about a quarter of their emoluments for them to do whatever they wanted and it came out in a secret vote. My Italian colleagues are incredulous that we should have got ourselves into this situation.
323. LLOYD CLARKE: But it is the nature of principles, is it not, in this country.
324. JACK STRAW: Of course, no I am not defending --
325. LLOYD CLARKE: It is those principles that have been breached.
326. JACK STRAW: Yes, and it is awful. It has been terrible. I say it has been terrible not least because we have prided ourselves on high standards in British politics. And on the whole they are high and they are much, much higher, let me say, then they used to be. Again, it is another irony but it was the Chairman of the Public Accounts Committee who brought out the other day in one of these debates that Winston Churchill would have been drummed out of the House of Commons if his financial arrangements and his dealings with businesses had ever been made public, a matter which both Martin Gilbert and Roy Jenkins bring out in their biographies. The sort of things that were going on even 30 years' ago would be eye watering today. There was not a golden age, far from it, but the public are much less deferential; they want transparency. In the past people took high standards for granted that actually were not there. Things have changed and people want not only to be reassured by authoritative bodies like yourselves that high standards are being exercised, they want to reassure themselves, not least by going to the

raw information.

327. LLOYD CLARKE: By way of comment, can I say I was not trying to extract a confession from you.
328. JACK STRAW: I confess we are all responsible for this.
329. LLOYD CLARKE: It was about how we build trust for the future.
330. JACK STRAW: Yes, sure.
331. LLOYD CLARKE: You may not be surprised but your ambitions and aspirations are exactly the same, probably, as Ben Brogan's, and in the busy reading time that you have got may I commend to you the transcript from this of what he said.
332. JACK STRAW: Look, I have got a lot of respect for Ben Brogan. I happen to know him and the Daily Telegraph did the job that would be expected of them in those circumstances. I mean, what were they supposed to do, ignore the information they were given?
333. SIR CHRISTOPHER KELLY: I was interested in your response on the Communications Allowance because when people turn back to us "it is for you to decide", I rather take that as being an indication that they would not be surprised or necessarily pained if we were to recommend that it should be abolished.
334. JACK STRAW: One thing that is clear, Sir Christopher, which is that the intention gleaned by me is that it should be seen as a means of controlling some expenditure where individuals were out of control. It has worked but that is not the perception of it at all.
335. SIR CHRISTOPHER KELLY: The other thing I would say, in the light of your last set of remarks, it was a convenient assumption I think - a comfortable assumption that we all shared - that politics in this country were cleaner than most other places. I think that is not universally true. I suspect that we can learn a few things from the Scots and I suspect that one of the things at the start of the Telegraph's revelations was a journalist who discovered that the level of routine transparency in the United States was a lot higher than here, and one of the interesting things about what has happened is the way in which it has been fought against that sort of routine transparency. Which brings me to the final point which is a lot of this is about culture. We were very interested in the remarks made by one of your colleagues in the first evidence session we had to the effect that she did not think there was a question of culture. It was just a question of setting the rules.
336. JACK STRAW: That was Harriet.
337. SIR CHRISTOPHER KELLY: It was indeed the Leader of the House. But culture is clearly a very important part of this. Do you think that, even

now, Members of Parliament have understood what it is they need to do and what it is about their behaviour which so outraged so many of their constituents when it became apparent what had been happening?

338. JACK STRAW: Yes, I think people get it. You would have to be deaf and blind not to understand the concern of constituents. For the majority of Members who have not fiddled their expenses but whose expenses are within the rules - I mean genuinely within the rules - it has nonetheless been a surprise to their constituents.
339. SIR CHRISTOPHER KELLY: But the "genuinely within the rules" part does not really deal with the fact that what they were doing then in the light of day they are now ashamed of.
340. JACK STRAW: Yes, or regret. The background to this is well known now, which is that the system of allowances started, as you know, in the 1970s as a backdoor pay increase when MPs were paid paltry sums. When I went into the House pay was dreadful and there was this extra, I think, it was £3,000 or £4,000. It is now famous that if you asked how anyone was expected to claim for this you were told to divide it into 12 and claim for it. Then in 1983 it was taken out of tax all together by a deal between the parties.
341. SIR CHRISTOPHER KELLY: We know about the history.
342. JACK STRAW: Okay. That was the background to this and it was never clear whether it was an allowance or expenses. That is the fundamental problem. So far as the expenses for offices are concerned, Members of Parliament have I think justifiably been irritated by the use of the word "expenses" attached to that, because the Fees Office has always done its job in my experience on those and you claim exactly what you are paying out. The idea that I am trousering - whatever money it is - £80,000 of salaries for my staff is ridiculous. So, we need to find a better nomenclature for that; indeed, system for that.
343. It has been the only way to say, in response to Mr Clarke, one of the things I hope we can bring out is the fact that the money for staff goes on providing an infinitely greater and more extensive service for constituents than was there 20 to 30 years ago..
344. SIR CHRISTOPHER KELLY: Terminology is important and I notice the Bill refers throughout to allowances rather than expenses which is, presumably, deliberate, but in many ways perhaps unfortunate.
345. JACK STRAW: I have seen the SSRB evidence to you and I was struck there in respect of that reiteration that a whole series of recommendations they have made over the years had not been accepted by the Government of the day which I have been a part of for the last 12 years. I understand that reiteration, which is why the House have taken one measure to get pay separated from decision making by the House. It may be the Authority would need to take that over completely and that may be one of your

recommendations. We are not going to resolve this problem and get good people going into the House unless you end up with a situation where Members of Parliament are paid properly and I am paid properly but I am paid more than twice what an ordinary Member of Parliament is paid.

346. SIR CHRISTOPHER KELLY: Going back to the question about whether you thought your colleagues in the House now “getting it”; getting it is not just a matter of getting it that if you fiddle your expenses now, you will be caught; you should not do it. ‘Getting it’ is actually understanding what outrages constituents. As much as anything, it is the thought that MPs are in some sense different from them and need to be treated differently and have different regimes applied to them which is illustrated very much by the sudden realisation that the Freedom of Information Act really did apply to them.

347. From your answer that you think your colleagues now ‘get it’, does it follow that as far as in the Government’s power, there would be no attempt to row back from the position which has now been reached on transparency and the expenses regime?

348. JACK STRAW: Yes, absolutely. I am quite clear about that. The irony in freedom of information is there was quite a long period when I was regarded as being to blame for the fact that freedom of information applied to the House of Commons and, at one level, I guess I was. The brief history which I am always happy to repeat is that the original White Paper on the freedom of information did not include coverage of the House of Commons or the House of Lords. In the House of Commons, two select Committees then said they wished Parliament to be included and I remember having a meeting in the Home Office about --

349. SIR CHRISTOPHER KELLY: You do not need to defend your position to this Committee.

350. JACK STRAW: I said if the House of Commons were to be included, Parliament had better be included; who am I to argue, so that is why it was included. To be honest, it was a surprise and this was the issue with the Information Commissioner about the extent to which the Commissioner in one of his draft judgments was going to require the publication of what people had previously regarded as personal information. So there was this genuine clash between data protection and freedom of information. That is inherent in the regime but I believed the final recommendation of the Information Commissioner, which took account of representations made by all three parties collectively to him, which said complete detail on the offices and on transport but headings on the allowances should have been accepted by the House.

351. SIR CHRISTOPHER KELLY: In a sense, this illustrates my point which was, even well into last year, there were still large numbers of Members of Parliament who seemed to think they could not apply the regime of freedom of information to themselves that was applied to everybody else. At that stage, it

suggests there was still some understanding needed.

352. JACK STRAW: The thing that needs to be weighed in the balance on that is that the level of transparency which is now being required of Members of Parliament is higher than that which affects most other people. It is now changing but the salaries of senior civil servants which used to be more or less the same as that of cabinet ministers have now increased considerably; the bonuses being paid to senior civil servants have not been disclosed publicly. The accommodation payments to senior civil servants and to others in the public service or, for example, the ludicrous salaries, not just the salaries paid but the allowances paid and the bonuses paid in the BBC, those have not been made public in the way Members of Parliament now are. I think they ought to be and it was a culpable issue. One of the reasons why people are defensive about this is because it was being felt there was a higher level of transparency being expected of Members of Parliament than others. I think that was wrong and let us say the culture was wrong but that is the background. The big, big problem, was that the purpose of the accommodation allowance was never clear and was it paid to you with the idea of obtaining a capital asset, paying capital gains tax and all the rest of it at the end of your period; that was inherent in it. Those ground rules were not clear.
353. SIR CHRISTOPHER KELLY: The point has been made many times. I think a lot of people might think it was right that Members of Parliament should be in the lead in terms of transparency rather than bringing up the rear. I am very glad to hear your assurance there will be no more of it.
354. JACK STRAW: If you are asking me, I voted for the -- proposal last July and my colleagues who did not - and sadly won the day - made a grave error, but there we are. It would not have solved everything but it would have solved quite a bit.
355. SIR CHRISTOPHER KELLY: Thank you very much. Is there anything else you would like to say to us? We have taken up a lot of your time.
356. JACK STRAW: I think that is fine, thank you very much. It is not a Dangerous MPs Act. It has had much more scrutiny than a Dangerous Dogs Act although, as I have pointed out, people deride the Dangerous Dogs Act but it has still not been amended and it is used quite a lot.
357. DR ELIZABETH VALLANCE: It is too complicated to be amended.
358. JACK STRAW: Sometimes you have to have emergency legislation to respond to public concerns. It is called democracy.
359. SIR CHRISTOPHER KELLY: That seems an appropriate place to end. Thank you very much.

JOHN LYON CB, PARLIAMENTARY COMMISSIONER FOR STANDARDS

360. Our final witness for this morning, and in this series of hearings, is John Lyon, CB the Parliamentary Commissioner for Standards. You are very welcome. Is there anything you wanted to say by way of introduction?

361. JOHN LYON: No, thank you, other than to say that I am conscious of the time, so let us get on.

362. SIR CHRISTOPHER KELLY: I apologise for keeping you waiting. I am sure you understand why. Thank you for coming to see us. There are two “have you stopped beating your wife” questions from me to begin with. One is: is your role sufficiently strong to do the task demanded of it? I am not talking about you personally. I am talking about the way your role is set up and constructed.

363. JOHN LYON: The short answer is yes. I think there are two important parts of my job. One is to make sure the independence is there. I noted that your last witness has spent a lot of time on that and I am happy to go further into it, but the independence of the Commissioner is absolutely fundamental. I said in my evidence that one needs to be clear who that independence is from and I think it has to be independence from those who are being investigated. In other words, in my case, Members of Parliament. It is really important that independence is preserved.

364. The second really important thing is resources. It is really important in achieving a strong role for the Commissioner for him to feel and to know that if he needs resources, he can get them. I am confident on both those counts, I believe I have achieved independence and I do have the resources I need.

365. SIR CHRISTOPHER KELLY: Obviously one asks that question in the context of publicly known facts about one occupant of your post who felt both their independence was not supported and, it is a matter of public record, she thought the resources she was given were not sufficient. Just for the record, are you able to assure us there has been no interference with you and your resources are adequate for the task?

366. JOHN LYON: Yes. There has been no interference with me and I would not allow it. Secondly, I have the resources I need. To be fair, a lot has happened in seven years which is when I think Mrs Filkin left and, of course, we have had the benefit of the Committee’s eighth report which has made a difference.

367. SIR CHRISTOPHER KELLY: Thank you. The other “beating your wife” question is about sanctions. It is not part of your role to recommend sanctions but what the public has told the Committee in various successive surveys we have undertaken is that there is a view that those in public office, when they do commit misdemeanours, are not punished sufficiently severely. For example, it is noticeable the Member of Parliament who started all this was simply suspended from the House for two weeks. Is it a weakness of your role

that you are not able to recommend sanctions and do you have a view about the severity of the sanctions that have been applied?

368. JOHN LYON: On the first, no; I do not think it is a weakness of the role. I think it is a strength of the role. I think the authority, the power and the responsibility of this Commissioner is quite extensive and I think it would be wrong for the Commissioner also to have a role in arguing for the sanction.

369. In terms of the sanction, as you rightly say, I do not have any responsibility and I think it is right I should not be responsible for recommending a penalty. I do have some responsibility, however, and that is that I produce the memorandum on which the Committee bases its judgment unless it wants further information. What I would say about those memoranda, both from me and my predecessors, is that the evidence is really, really important. It is easy to have a view. What is important is to have a view based solely on the evidence. To those who question the sanction, all I would say is go back to the evidence, read the report and then, entirely fairly, come to your own view about whether the Committee got it right or wrong on the basis of the evidence the Commissioner has produced.

370. You mentioned the Member of Parliament; I will not go over the history of that, other than to say, as Sir George Young said in evidence to you previously, to characterise the penalty he had as having two weeks' suspension is to underestimate the enormous impact that has had on his career. I am not saying it is a wrong impact; I am saying it is an enormous impact.

371. SIR CHRISTOPHER KELLY: You are quite right; this point has been made to us before that the importance of the reputation of a Member of Parliament is so great. One is tempted to say that may be seen as another example of Members of Parliament thinking that they are different in some way. In most organisations and most private companies, if someone had been discovered fiddling their expenses, there would also be a loss of reputation but I suspect they would be sacked instantly.

372. JOHN LYON: I fear I have not been clear enough then because I am not arguing there is something unique about Members' reputations and that loss of reputation is a sort of grail that only they have not at all. What I was arguing or suggesting was that the penalty that the Member incurred went way beyond the two weeks' suspension and way beyond the amount of money he was required to pay back. It went to the fact, in effect, that he has lost his opportunity to further his career in politics and in Parliament.

373. SIR CHRISTOPHER KELLY: Thank you. The other characteristic of your role is you can only investigate something once a complaint has been made rather than proactively. Is that a restriction under which you champ or is it something you accept as being a sensible arrangement?

374. JOHN LYON: First of all, I note you have spent a lot of time on the Bill earlier on, but the Bill does allow the financial investigator to have that power.

Superficially, it makes some sense. As far as I know, it has not been debated in either House as the Bill has gone through. I have some concerns about it which really turn on what I was saying earlier about the authority, responsibility and powers of the Commissioner. One of the most important powers of the Commissioner, and one of the heaviest responsibilities I have, is keeping the gate, that is deciding whether I should institute an inquiry or not. I think it needs thinking about quite a bit. I am quite concerned if you have a commissioner that is both keeping the gate and deciding whether, as it were, the sheep should be brought up to the gate as well. The role of instigating an issue is helpfully a matter for others. I prefer that, rather than to leave it to the Commissioner to decide whether he should start it off and what the charge should be – in effect what the complaint is; then decide to investigate it; then decide on the facts; then decide on the conclusion. I think that is too wide a span for one post and I am not convinced it is necessary.

375. SIR CHRISTOPHER KELLY: That is an interesting response. One other question it raises, though, is here we have a situation in which significant numbers of MPs were doing things with their expenses which they subsequently regret; I put it no stronger than that, in which there was no proper external audit of the expenses regime but where there was a parliamentary commissioner for standards embedded within the House with his ear to the ground. Are you sure that if you had a more active remit, it would not have been impossible that you might have found reasons to start proactively investigating an error of expenses?

376. JOHN LYON: I do not want to get into “might have beens” but let me just pick up --

377. SIR CHRISTOPHER KELLY: I want to get into “might have beens” because there seems to be a fundamental question about how you turn up wrongdoing.

378. JOHN LYON: Then I will get into “might have beens”, Sir Christopher. The important point for me is whether the Commissioner is an investigator in effect triggered by people who are concerned. These include constituents and other Members of Parliament. The question is whether the inquiry is to be triggered in this way or whether the Commissioner has, in addition, an audit function. In effect, what you are describing is an audit function and I think that is a different function. So I think the answer to your question is, yes, there should clearly be and there are said to now have been put in place much more rigorous processes for auditing these claims, 100 percent audit. And we have Sir Thomas Legg’s audit group who are doing the auditing going back over the previous years. I think auditing is a different function from complaints handling.

379. DAVID PRINCE: We have heard, right through the inquiry, a lot of evidence about transparency and how that is going to be fundamental for cleaning up the system in the future. Do you think the lack of transparency up until now has hindered you in doing your job effectively?

380. JOHN LYON: Yes, because my job is to deal with complaints. Complainants need not just to be making allegations but to have some evidence to back those allegations so there is something I can bite on. That depends crucially on there being sufficient transparency for people to know what is going on. As I think I described in my evidence, transparency is the life blood of the complaints system. What the lack of transparency did is shut off that life blood and I regret that.
381. DAVID PRINCE: Does it follow from that then; the absence of that transparency is the reason why you received so few complaints around expenses?
382. JOHN LYON: Yes, absolutely.
383. DAVID PRINCE: Looking back, are there any other factors we should be building into the future?
384. JOHN LYON: I think transparency is fundamental. As the Commissioner, my point of view in terms of what you need to build into an allowance system is, yes; clear understanding of the rules, which is one of the issues I see quite frequently, and clear management of the system and clear audit. I think those are the things that would make a big change. But, from my point of view and from the point of the view of the people who want to know what their MP is spending, then transparency is all.
385. DAVID PRINCE: Is there more work to be done in the future around the induction of training and general support of MPs in understanding rules?
386. JOHN LYON: Yes; I think there is. There is always more work to do on that but I think the history of the last year has shown that, for some time, Members really have not either understood or taken these things or taken them seriously enough. In my view, they must. I think there is a responsibility on all of us, including the Commissioner, to do their very best to bring home to members the crucial importance of understanding the rules and abiding by them; both to Members and their staff.
387. LLOYD CLARKE: In your written evidence, you have said the independence of those operating a complaint system is fundamental but independence should not be absolute. What did you mean by that, please?
388. JOHN LYON: I think the role of somebody in a role like mine, like a commissioner, as in fact, almost any group or individual in society who is independent, has also to be accountable. What I was saying was, yes, you do need to have independence. I need independence in the decision making I have briefly described earlier on. But I also need to know I am going to be accountable for what I am doing. I think that is important for the Commissioner in the new structure. In looking ahead, the key question for me is accountable to whom?

389. LLOYD CLARKE: Yes. Presumably what you are actually saying about the present process is because you are accountable, that accountability does not get in the way, as it stands at the minute, of your independence. Is that a fair assumption?
390. JOHN LYON: That is a fair assumption. I am held to account in various ways but the principal structural way is to the Committee on Standards and Privileges. I have to say those who are holding me to account well understand the distinction between understanding the process and holding me to account for that process and not seeking to influence me in my individual decisions or in how I conduct individual investigations.
391. LLOYD CLARKE: You have clarified what was going to be my next question which was independent from whom?
392. JOHN LYON: Exactly that.
393. LLOYD CLARKE: I think you mean there that the Parliamentary Committee is who you need to be accountable to but independent of.
394. JOHN LYON: I need to be accountable but independent. I need to ensure neither they nor any other of the number of Committees in the House misunderstand their relationship with me and try to put me under pressure on individual cases, which I have to say they do not.
395. LLOYD CLARKE: Thank you very much. For clarity and without getting right into IPSA, are you likely to get more complaints if the public or whoever knows the facts about the expenses? Of course, it is a complaints' system at the moment, so you have to have the complaints. Am I right in thinking the complainant almost has to provide to you *prima facie* evidence before you will take up the investigation? Is that a fair comment and do you see changes that might come in respect of that under IPSA, whereby you have a more proactive opportunity for investigation? Do you see a change in that balance and that need for *prima facie* evidence in the first instance?
396. JOHN LYON: Because I am not a lawyer and because I think it is important that it is not seen as a legal system, I do not operate a *prima facie* rule and indeed, in the House's new rules, that phrase has gone. As I recall, even the courts have been used to not using Latin. I look for sufficient evidence to justify me making an inquiry into whether the Member has breached the rules of the House. Clearly that is a matter of judgment. I do not expect the complainant to hand me the case on a plate; absolutely not, but they have to give me enough information for me to conclude there is something I need to look into here because it could be and it looks as if the Member may have breached the rules of the House.
397. In answer to your second question; it will increase the avenues through which investigative work will come. The Commissioner will be receiving complaints as now. It will be possible for the Authority to make a reference. And Members will be able to refer themselves whenever they wish, whereas

now, under the rules it is exceptional for Members to refer themselves. Those three avenues already increase the potential volume coming in.

398. The fourth avenue, the Commissioner's own initiative, raises difficulties in terms of identifying what the starting gun is. I think it is quite hard for a commissioner to wake up one morning and say, "Is there sufficient evidence?" without going off to make those inquiries. I think that test, which is really important in having some constraint on the authority of the role of the Commissioner, will go and the Commissioner will be able to say, "Well, this sounds a bit odd to me. I want to go off and make inquiries before I decide whether I need to have a formal investigation". Under the structure, I am not sure what there is to restrain a commissioner who might be thought by some to be acting with an agenda which is not wholly impartial and wholly neutral. I do not know the answer to that.

399. LLOYD CLARKE: I know you were present when we had the discussion about the Communications Allowance. We do not have the benefit of your annual report but I know that is about to be published. Are there any lessons you want to point us to or anything you want to draw our attention to from the last 12 months of inquiries or complaints you have made and investigated? What I have in mind is the Communications Allowance you have heard that we are considering; should it stay or go or whatever else. What we are clear about is we have had good evidence that the rules put around the Communications Allowance have benefited everyone. Therefore, those kinds of rules should stay. Is there anything we can learn from your annual report that we need to take account of?

400. JOHN LYON: I talked just now about the importance of the Commissioner's neutrality and impartiality. I do hold those, really, as my fundamental tenets, so I hope you will forgive me if I do not discuss the matters about individual cases or lessons from those. It may be helpful to make a slightly wider point. You can decide how relevant it is. I think with any expenses or allowances system, it is the structure which is important. You are responsible now for building this structure. One does have to watch the tensions being placed on it because however good the structure, as we know from the Millennium Bridge, if the tensions are wrong, it will buckle. I think the two areas where there can be tensions are ones you are already well aware of. One is MPs' salaries. If that is not resolved - however elegant the structure - there will still be that tension there. The other is party funding. Unless that is resolved in a satisfactory way, I think you are going to find there will still be, whatever your solution on these matters, that potential to stress the structure and cause it to buckle.

401. DR ELIZABETH VALLANCE: You said you thought the gatekeeper role of the Commissioner would be helpful. This suggests you have carved out quite a limited kind of view of your own role. Would you think it might be valuable for you to be able to instigate an inquiry if you thought there was a generic problem and not just an individual one?

402. JOHN LYON: In the carving out of the role; I do not have all authority and then decide what I am going to do. I was describing the role that is actually in the standing orders of the House.
403. DR ELIZABETH VALLANCE: Presumably you have some discretion in how you operate.
404. JOHN LYON: Yes, I have. The interesting question you have asked is, whether there is a role for the Commissioner if he sees either through analysis of recent complaints or any other way that there is a generic issue, I think that is an attractive idea and it is one I would like to think about more. I think it is one that would have benefit. What one needs to avoid is using an investigation against one or two Members as an excuse for having that generic review. I see attractions in saying it is not about individual Members; it is much more generic and I as the Commissioner will look into it. I think it is a good idea; thank you.
405. DR ELIZABETH VALLANCE: Indeed, thank you. I return to the IPSA, to the Independent Parliamentary Standards Authority. In your written evidence to us, you said you had some reservations, some concerns about the role of IPSA and you would make these clear to the Government in the consultation process they were going to have. In spite of the Secretary of State's protestations to the contrary, I think it would be agreed there has not been an awful lot of consultation but perhaps you were the exception that proved the rule. Were you consulted and if so, what was your recommendation to the Government?
406. JOHN LYON: The answer to the first question is no and, therefore, the answer to the second question does not arise.
407. DR ELIZABETH VALLANCE: The next question is what would your recommendations have been had you been consulted?
408. JOHN LYON: I am quite happy to give you a view based on where the Bill is now. I think it is in its second day in the Lords. I think it is in Committee at the moment, so maybe it has changed again. I sent the Secretary of State and the Lord Chancellor a copy of my evidence and drew attention to that final paragraph. My concerns went to the independence of the Commissioner for Parliamentary Investigations and, in particular, to the way in which the Commissioner seemed to be answerable and brought within IPSA. From my own experience of investigating these things, I know that quite often one is investigating not just what the Member has done; one is investigating the clarity of the rule and one is investigating the way people within the organisation have administered that rule and interpreted that rule. There have been occasions where I have felt it right to criticise the way that has been done. I feel I could only do that if I was independent. I would not want to feel IPSA was able to say, "Well, we are not going to take any action on that. We are going to strike that out". Therefore, I think it was really, really important that the Commissioner should be independent and I would say wholly independent of IPSA. On that particular point, I do not think I agree with your

previous witness who said it was attached to the Authority. The nature of that attachment would be of some continuing concern to me.

409. DR ELIZABETH VALLANCE: In effect, you would have not one body, but two: IPSA which reported to the Speaker's Committee and then a separate commissioner with a Commission attached?

410. JOHN LYON: If the House feels it needs a statutory parliamentary commissioner for financial investigations, then it would need to be separate. My understanding is the Bill is getting closer to that; certainly much closer than it was on its initial introduction. There are two areas I am concerned about. The first is IPSA having statutory responsibility for setting out the procedures for the Commissioner's investigations. I think that gives IPSA a huge opportunity, if they so wish, I am not suggesting they would take it but, in principle, it gives them an opportunity to clip the wings of the Commissioner in a way I would not have thought appropriate. For example, it would be possible for them to say the Commissioner should not look into any matter which has been undertaken by staff in IPSA. I am worried about whether those procedures should be established by IPSA and, in terms of the policy, I cannot quite understand why IPSA, as it is now being reformulated, is being given and needs to be given that responsibility.

411. The other area is resources. I can see it is efficient to say, "Yes, from the point of view of pay and rations you do not want a very small office having to do all the HR, all the management of the estate, all those things for a very small number of people". That is silly. I can see the advantages of that but I think there needs to be some assurance that the Commissioner will get the resources from IPSA that are needed.

412. DR ELIZABETH VALLANCE: And the independence.

413. JOHN LYON: And the independence which I am particularly concerned can be clipped through the procedures which, in the Bill, are left at large.

414. DR ELIZABETH VALLANCE: Thank you. Can I put to you something like the question I put to the Secretary of State which is, in effect, I can take from your written evidence a sense, a hint, that since you have a view of your job and of the job of the Committee on Standards and Privileges, somehow you wonder why there was a new body, why there was the need for this new body that perhaps - had the Government decided to go down that route - you and the Committee could have overseen a new system where the level of allowances were set perhaps by the SSRB. So one would have been building on and using existing bodies rather than creating a new body at a time when ironically the Government is trying to get rid of quangos.

415. JOHN LYON: If there is such a hint in my evidence, it was not intended to be either a hint or a statement. There are other ways of achieving the objectives and they could be discussed. But I have no doubt about the imperative of taking some action and taking some urgent action. You talked about people getting it earlier on. I can well understand why the Government,

the opposition parties and the House felt they frankly would not get through the summer unless they did take action to outsource this particular responsibility and that is what the Bill does. So I am not saying that IPSA should not be established.

416. DR ELIZABETH VALLANCE: What you seem to be saying there is that this is largely a matter of window dressing; it is largely a matter of presenting a new body as a clean sweep, a clean slate and, in fact, you do not demur from the idea it could have been done in a way internal to Parliament with these already existing but objective bodies.

417. JOHN LYON: No, I do not agree with that. I am not a politician but I can understand the climate and in the climate that was there, there was not going to be time for a long considered process. I think the speed was necessary and that judgement made by the whole House is the right judgment. I have no difficulty in the House deciding this responsibility should be given to an independent body this responsibility being the establishment and management of an allowances expenses system.

418. DR ELIZABETH VALLANCE: You seem to be saying this is a political judgment; it is a political bill, in that sense and you are still not or you perhaps would not defend it in terms of its constitutional implications. After all, you are a constitutional watchdog. You are there with the certain role which is not a political role in the direct sense. IPSA is supposed to be a body that is set up in precisely that way. You have already given us your reservations about the way in which the Commissioner might not be independent within the ambit of the Bill. You clearly seem to have some worries about this. There are other bodies which are established and which are independent and which might have been developed including your own office.

419. JOHN LYON: First of all, have I just given you a political judgment? No. What I would say is that this is a bill about politicians, so it is about politics. That is all I am really saying there. In terms of a constitutional role - and I deal with the code of standards there - I am not a constitutional expert, so will not stray into parliamentary privilege and those things you did not want to get into earlier. What I have seen as the Bill has gone through both Houses is the constitutional experts putting the structure under some pressure to make sure that in establishing a body away from Parliament, it did not in some way breach those constitutional principles. My personal view is that, that is really important. Is it going to be possible to produce an offshore body that does preserve those constitutional principles? Yes, I think it will be. The principle which I support is taking away responsibility for the rules on expenses and for the administration of those expenses from being in-house to being out-house. That seems to be right.

420. DR ELIZABETH VALLANCE: Thank you. Do you think there should have been a sunset clause on the Bill?

421. JOHN LYON: I think it is very difficult to bring the sun down on an institution. It is extremely difficult to appoint, to motivate and to manage an

institution or organisation that says, “We would really like you to join us. It is terrifically important. Oh, by the way, in two years’ time, we may all be finished”. It is not just worrying about one’s job. It is about motivating people to understand this is something that is so important that they really want to commit to it. In my experience, it is really hard to motivate people if they have that hanging over them for that period.

422. Does that mean no part of the Bill can be sunsetted? No, I do not think it does. I think the House of Lords is already considering the possibility of sunsetting the offences in the Bill, and that would be entirely consistent with the sorts of principles that are usually operated with emergency legislation which I note is how the Secretary of State described this legislation. I can see the advantage and importance of having that part of the Bill sunsetted. I can also see the importance of having an assurance for people that this Bill will be reviewed and will be seriously, properly and independently reviewed in two or three years’ time, or whatever the timescale is. That is not a sunset; it is a review as to whether legislation introduced in an inevitable hurry has actually achieved its purposes.

423. Earlier, the Secretary of State was saying the Communications Allowance may or may not have achieved its purposes. You can only find that out if you review it. I think for this body, a review, an assurance, that there will be a proper, in-depth, independent review is really important.

424. DR ELIZABETH VALLANCE: I am not entirely clear how that differs from the sunset clause.

425. JOHN LYON: A sunset clause says unless this is renewed in primary legislation, it will come to an end in two years’ time. This is wholly different from saying we will be reviewing your effectiveness. In terms of managing an organisation, you would expect the leaders of that organisation to be reviewing the effect of that organisation well before the period I have talked about. Reviewing the effectiveness of an organisation should not be alien to anybody. What is important here is there should be a visible, transparent, independent and thorough process for that after a period of time which allows the body to get itself up and running.

426. DR ELIZABETH VALLANCE: Thank you very much. If IPSA comes into existence, what are the implications for your own role? Are you legislated in effect out of existence?

427. JOHN LYON: I am not legislated out of existence. The immediate position is there will be two commissioners. Earlier in the week, this caused some confusion in the House of Lords. There will be two commissioners with similar names, the Commissioner for Parliamentary Investigations who is a statutory commissioner, and the Commissioner for Parliamentary Standards who is non-statutory dealing with the matters that have not been taken out of that remit by the legislation.

428. DR ELIZABETH VALLANCE: The issues coming back from the Commissioner will not come back to you but to the Committee on Standards and Privileges.
429. JOHN LYON: The issues coming back from the financial investigator will go direct to the Committee.
430. SIR CHRISTOPHER KELLY: In paragraph 19 of your evidence, you say your memoranda to the Standards and Privileges Committee are invariably published. That implies there are occasions when they are not published. What are the circumstances in which they would not be published?
431. JOHN LYON: It was the wrong use of language. By “invariably”, I meant always.
432. SIR CHRISTOPHER KELLY: You answered a question about the Communications Allowance. One of the things said about it is the boundary is quite self evidently between things permitted and things that are not permitted; a difficult one. Are you now satisfied that what you have is boundaries that can be policed and that such difficulties as there have been are transitional ones, while it is getting established, or do you think there will always be difficulties in policing the boundaries of the Communications Allowance?
433. JOHN LYON: I think there is a difficulty which arises not only on that allowance but in the way MPs perform their functions and may necessarily perform their functions. It is relatively easy in any guidance or rules to say there will be a distinction between your political activities and your parliamentary activities. It is tempting to see that as a nice, clean line. In reality, it is not a clean line. This argument is not suggesting Members are deliberately mixing the two up but because Members feel that is not the way they live their lives and do their jobs.
434. I think Frank Field made some interesting points in one of the debates in the House about the distinction between personal life and public life. In what we expect from our Members, the two do align. Setting aside the CA, I think there is going to be a continuing challenge to make sure Members are able to do the job - are able to live the job - which is what they need to do, and are able to assure their constituents and the public that in doing that, they are not misusing expenses for political purposes. The policing and drawing of that line is difficult and it is bound to be wavy.
435. SIR CHRISTOPHER KELLY: That also applies to potential leakage between parliamentary business and party political business and the employment of staff and the use of offices.
436. JOHN LYON: Absolutely correct; which is why I was making the comments earlier on about the importance of getting party funding right because there is always going to be that tension but it hugely increases the tension on there.

437. SIR CHRISTOPHER KELLY: I noticed that. One of the difficulties is there is a lot of speculation about the extent to which the leakage occurs out of funds given for parliamentary reasons and into party political purposes but evidence is very thin on the ground. Are you able to help us as to giving a view of the extent to which you think that is a problem in principle or a really significant problem in practice?
438. JOHN LYON: I think it is a problem in principle. I could not give you evidence of where or how extensive it may be more than a problem in principle. What I am trying to distinguish between is intentional misuse and actually use that simply reflects the way the Member and his or her staff do the business. Distinguishing this between those two is really difficult to do.
439. SIR CHRISTOPHER KELLY: Thank you very much. We have kept you beyond the time we said we would, for which I apologise. Is there anything else you would like to say to us that we have not asked you about?
440. JOHN LYON: No, thank you.
441. SIR CHRISTOPHER KELLY: Thank you very much; I am extremely grateful to you for coming and giving evidence.

CLOSING STATEMENT BY SIR CHRISTOPHER KELLY, CHAIRMAN OF THE COMMITTEE ON STANDARDS IN PUBLIC LIFE

442. That concludes this session of evidence for today and indeed, this series of public evidence hearings. The Committee has now heard evidence from 50 individuals or organisations. We also have written evidence from at least 600 people. We are extremely grateful to all those who have contributed. We are now entering a period in which we will reflect on what we have read and heard, and no doubt we will wish to follow up some lines of inquiry by seeking further factual information or by speaking to other people to further their particular points with a view to reporting in the autumn in October - as early as we can - against a background which has been constantly changing and will continue to change, not least as the Bill to establish IPSEA goes through the House. We hope and fervently expect that the coming of the parliamentary recess will bring an end to further changes before we have reported and had the opportunity to give our view about what needs to be done. Thank you very much. That concludes this stage of our evidence gathering.

Thursday 16 July 2009 Public Hearing

Opening Statements

Opening Statement by Stewart Gilfillan

I would first of all like to thank the Committee for inviting us to appear before you today. We do so with the consent of the Parliament's Corporate Body – the SPCB - which is chaired by the Presiding Officer.

By way of introduction, it might be helpful to explain who we are. I am one of the Assistant Chief Executives working in the Scottish Parliament with strategic responsibility for a number of areas including the reimbursement of Members' expenses and Human Resources. I am accompanied today by Huw Williams, who is Head of Allowances Policy and who, last year, also assisted the independent review panel which looked at the expenses scheme for the Scottish Parliament.

As the Committee will be aware, the SPCB commissioned a wide ranging review in June of 2007. This was to look at:

- What resources were required to enable those tasks expected of Members of the Scottish Parliament to be undertaken effectively and efficiently on behalf of constituents and the Parliament.
- What resources could be best provided centrally, or through other financial support mechanisms and what resources could be provided through a Reimbursement of Expenses Scheme.

The review panel chaired by Sir Alan Langlands reported back to the SPCB in March 2008. The panel was keen to emphasise that their proposals, which built on the arrangements already in place, involved the reimbursement of Members' expenses that are legitimately incurred. This was distinct from the notion of an allowance which could be claimed regardless of expenditure incurred.

Based on the vast majority of the recommendations of the independent panel, the new Reimbursement of Members' Expenses Scheme came into effect on 1 October last year.

If I may take a minute or two, I'd like to explain a few key elements of the new scheme. It is based on a set of principles which are consistent with the seven principles in public life, with which I know the Committee will be more than familiar.

We consider these principles to be essential as we recognise that rules, no matter how detailed they may be, cannot cover all situations. There will be occasions when a decision will have to be taken about whether a claim is legitimate or not and these principles can assist the Parliamentary Corporate Body in making such judgements.

The scheme we have in place to reimburse Members when undertaking their parliamentary duties is a receipt based system and so any reimbursement made has

to be supported by documentation. The exception is car travel, where it is obviously not possible to obtain receipts. This therefore only has to be certified by the Member as having been legitimately undertaken, with all the journey details recorded on the claim.

All of this has been supported since late 2005 by publication of expenses information so that members of the public (and the media) can see at a glance what expenditure Members have incurred. It is encouraging to see other parliaments and assemblies now going down the same road.

I appreciate the time you have allowed me. I am conscious that the Committee will have a number of questions for us and we will try to answer them as fully as we can.