

4<sup>th</sup> November 2009

**COMMITTEE ON STANDARDS IN PUBLIC LIFE  
REPORT ON MPS' EXPENSES AND ALLOWANCES**

**'SUPPORTING PARLIAMENT, SAFEGUARDING THE TAXPAYER'**

The Committee on Standards in Public Life today published its report on the future system of MPs' expenses and called for its full implementation from the beginning of the next Parliament.

Launching the report, Sir Christopher Kelly said:

"The recommendations for change that we are publishing today aim to strike a balance – on the one hand ensuring that MPs are properly supported and fully reimbursed for necessary costs incurred in doing their important work and on the other providing strong safeguards for the taxpayer to prevent the abuses of the past.

"Our proposals are reasonable and fair and bring Westminster into line with other walks of life and other legislatures. They recognise the unique circumstances of an MP's life but are shorn of the special features which gave scope for exploitation.

"We realise that the new system will involve substantial change for MPs and where necessary we have recommended periods of transition."

The key recommendations are:

- The new independent regulatory body already being set up should determine the pay and pensions of MPs as well as their expenses and

should have the power to investigate and invoke non-parliamentary sanctions analogous to those operated by Her Majesty's Revenue and Customs (HMRC) and Department for Work and Pensions (DWP).

- Support for mortgage interest should be brought to an end, with appropriate transitional provisions of one more Parliament or for 5 years. From now on there will be no further capital gains at public expense. It also means that 'flipping' will no longer be possible. Any capital gains made during the transitional period attributable to public support will be surrendered to the taxpayer.
- Going forward MPs should be reimbursed only for rent or hotel costs. The Committee recommend that the independent regulator use a central agency to source, maintain and handle payments on suitable properties. This arrangement will make it easier to recognise the needs of those with families or other needs as it will be possible for the agency to provide larger accommodation where necessary. The arrangement should start for those MPs elected for the first time to the next Parliament.
- The expenses scheme should only cover additional accommodation costs wholly, exclusively and necessarily incurred in pursuit of MPs' parliamentary duties - council tax, utility bills, telephone line rental and calls, security, contents insurance and removals at the beginning and end of a tenancy. The costs of cleaning, gardening, furnishings and other items should not be reimbursed or otherwise covered.
- MPs with constituencies within reasonable commuting distance of Parliament should no longer be entitled to additional accommodation and the London cost allowance should be reduced for all London MPs to the level proposed by the (SSRB) independent pay review body in

2007. The Committee have proposed a higher rate for those who commute from outside the Greater London area to reflect their higher travel costs.

- The practice of employing family members should be brought to an end by the end of the next Parliament or five years. The Committee heard evidence of the dedication and hard work of many employed family members. But the arrangement is not in accord with modern employment practice on which Parliament should be giving a lead, particularly since public money is involved and would not be accepted in other organisations.
- The communication allowance should be abolished.
- The £25 overnight subsistence allowance should in future only be available to MPs staying in hotels and against receipts.
- Only MPs whose departure is involuntary should receive the resettlement grant from the general election after next. MPs who voluntarily step down will instead receive eight weeks' pay. Removal of the grant should also be considered as a sanction for those who are found to have abused the system.
- All expenses should be accompanied by receipts or documentary evidence and receipts or documentary evidence should continue to be published.
- MPs should not be prohibited from paid employment such as journalism outside the House, providing any such activity remains in reasonable limits. But it should be transparent and information about it should be drawn to voters' attention at election time.

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- The report also proposes that the practice of allowing a Westminster MP to sit simultaneously in a devolved legislature, known as ‘double jobbing’ should be brought to an end, ideally by 2011.

Sir Christopher Kelly continued:

“Revelations about the expenses system have caused considerable damage. I do not believe that trust in those who govern us will be restored unless those in authority show leadership and determination in putting the abuses of the past behind them, however uncomfortable that may be for some.

“We are clear that the three tests set for us by the leaders of the main parties – increased accountability, transparency and reduced cost - have been met. This report should now be handed over to the new regulatory body for implementation in full, with the changes introduced from the beginning of the next Parliament. My Committee will continue to take a close interest.”

### **Notes to Editors**

1. For all media enquiries and interview requests for the Committee chairman, Sir Christopher Kelly, media should contact Maggie O’Boyle on **07880 740627** or **0207 276 2594**
2. The report is available on the Committee’s website [www.public-standards.org.uk](http://www.public-standards.org.uk). Copies are also available from the Committee’s office at 35 Great Smith Street, London SW1A 2BQ.
3. The Committee on Standards in Public Life is an Advisory Non-Departmental Public Body (NDPB) sponsored by the Cabinet Office. The Chair and Members are appointed by the Prime Minister. The Committee was established in October 1994 with the following terms of reference: “To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life. Additional terms of reference were announced on 12 November 1997: “To review issues in

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relation to the funding of political parties, and to make recommendations as to any changes in present arrangements.”

4. The current members of the Committee are: Sir Christopher Kelly KCB, Chairman, Lloyd Clarke QPM, Oliver Heald MP, Baroness Maddock, Rt Hon Alun Michael JP MP, Sir Derek Morris MA DPhil, Dame Denise Platt DBE, David Prince CBE, Dr Elizabeth Vallance JP, Dr Brian Woods-Scawen DL CBE. In line with paragraph 14 of the Committee’s Code of Practice, Oliver Heald MP, the Rt Hon Alun Michael MP, and Baroness Maddock have voluntarily withdrawn themselves from the deliberations of this current inquiry to avoid any real or perceived conflict of interest. They remain full members of the Committee for all other purposes.
5. Additional information about the Committee and its work is available on its website at [www.public-standards.org.uk](http://www.public-standards.org.uk)

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