

Response to Annual Review of the MPs' Scheme of Expenses and Costs

January 2012

Committee on
Standards in
Public Life

1. The Committee on Standards in Public Life (“the Committee”) welcomes the opportunity to comment on the second annual review of the MPs’ Scheme of Expenses and Costs. The Committee’s politically appointed members¹ have not taken part in the preparation of this response to avoid any real or perceived conflict of interest.
2. The Committee continues to take the view that IPSA’s purpose must be to ensure that MPs are appropriately supported in their challenging roles while providing assurance to the taxpayer that this is being done with propriety and in a cost-effective way. There are a number of points in the consultation paper on which we wish to comment in the light of that.
3. First, we believe that it would be a major mistake to change to a system of allowances for travel and accommodation in place of the present arrangements based on the reimbursement of costs incurred. We take this view both because it would be wrong in principle and because we believe it would risk renewed damage to confidence in the integrity of the arrangements and therefore in that of Members of Parliament.
4. Second, it is a basic principle that expenses should only be reimbursable in respect of costs incurred wholly, exclusively, and necessarily in the performance of an MP’s parliamentary duties, whether the relevant activities are undertaken by MPs themselves or by their staff. But we recognise that making a clear distinction between an MP’s parliamentary, representative functions and their party political activities is not always easy. Some activities, such as writing or publishing campaign material for elections, are clearly of a purely party political nature and should not be funded through the Scheme. We doubt the same concern would arise in relation to a website maintained in order to communicate with constituents, even if it also happened to include the logo of the party to which the relevant MP belongs. In our view this is an area where a degree of common sense is required by both the regulator and MPs. We think the boundary would be easier to police if MPs’ staff had clear and specific job descriptions.
5. Third, in our November 2009 report (Cm 7724), we argued that MPs should be provided with binding guidance setting out the processes to be followed when recruiting staff and that they should receive appropriate training and HR support. We understand that IPSA might be reluctant to take on a central HR function in relation to MPs’ staff. But it is essential for the maintenance of standards that MPs are properly supported in relation to employment matters.
6. Fourthly, the Committee is pleased to note that IPSA’s view in relation to ending mortgage interest subsidy has not changed. It was clear from our inquiry that accommodation was the most controversial of all the issues related to expenses.

¹ Oliver Heald MP, the Rt Hon Margaret Becket MP and the Lord Alderdice

7. Finally, though not specifically covered in the annual review, the Committee is disappointed that two of the recommendations made in our 2009 report have not so far been incorporated in the Scheme. One of these was that a commercial agency should be employed with the task of finding and maintaining rented accommodation for new MPs. We believe this could both help simplify the arrangements and prove cost-effective.
8. The other recommendation was that new MPs should no longer be able to use their expenses to employ family members at public expense. IPSA have chosen not to implement this recommendation, and instead have limited MPs to the employment of only one connected party. We note that the number of family members funded through the expenses scheme has increased since this decision was taken. We continue to be concerned about the potential for abuse – perceived or otherwise – which this creates.

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The Committee on Standards in Public Life

1 Horse Guards Road

London

SW1A 2HQ

Tel: 020 7271 0853

Internet: www.public-standards.org.uk

Email: public@standards.gsi.gov.uk

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