

I am writing in relation to your work examining the operation of the system of allowances and expenses for Members of Parliament. I would like to propose a number of ideas that I hope you will consider in the course of your work in order to improve confidence in the system.

There is no doubt that public faith in MPs, and in the institution of the House of Commons, has been severely damaged by revelations in respect of MP's allowances and expenditure. Your review, which I welcome, is the last opportunity for the House to show that it is able to replace the present unsatisfactory arrangements with a system that the public believes is appropriate and in which they can have confidence.

The reforms should be based on the principle that as public money is being spent, there must be a presumption in favour of full transparency, with the regular publication of monies claimed. The only caveats that should apply are where the terms of the Data Protection Act 1998 would be compromised, as for example in the release of detailed salary information relating to individual members of staff, or where the security of MPs would be put at risk through disclosure.

I believe the following ideas would help to restore public confidence in the system:

### **Independent spot checks**

To build public confidence in a more robust system, I hope your review will propose that independent spot checks are undertaken each year of a proportion of claims made. This would increase public confidence that no fraud is occurring. Such spot checks should take place under all expense headings and should be carried out by an appropriate independent body.

### **The Additional Costs Allowance**

1. I support the continuation in principle of an ACA, to meet the necessary costs of an MP living away from home for a substantial part of the year, subject to considerable reform as set out below. I oppose any suggestion that the ACA should be rolled up into an MP's basic salary, as this would break the link between expenditure incurred and payments made.

2. The ability for MPs to claim mortgage interest in respect of a second property is controversial, not least for the consequent possibility that a capital gain can be made on the sale of the property. If a capital gain is made at sale, it should be fully taxed. The rules should make clear that a home on which the ACA is claimed cannot be designated as a principal private residence for tax purposes.
3. Public funds to support mortgage repayments or rent should only be available where this is actually required. In the case of two MPs who co-habit, only one claim for mortgage or rent should be admissible.
4. MPs who rent accommodation are likely to have furniture and other necessary items provided by a landlord. MPs who chose to own rather than rent a property are taking a conscious decision to do this for themselves. I therefore recommend that a review be undertaken of the “John Lewis list” with a view to eliminating unnecessary items and very substantially reducing the maximum allowable for the remaining essential items.
5. The reduction in the level at which claims have to be accounted for has already been reduced to £25. However, as taxpayers money is involved, I believe that every single penny of expenditure should be backed by receipts.

### **Incidental Expenses Provision**

1. Controls on this allowance are already tight and no further moves to prevent the misuse of funds are necessary beyond the tightening of controls on petty cash already recommended.
2. I support proposals to reform the system which sets the qualifying amounts for IEP taking into account office rental values in each constituency, in recognition of the fact that office rents cost considerably more in some parts of the country than in others.

### **Members' Travel**

1. A maximum constituency mileage claimable in any one month should be established based on the area of a member's constituency. This would thus allow greater claims for disparate rural constituencies than for concentrated urban

- ones. No claims above the maximum mileage would be payable.
2. All travel claims made, including for travel outside the UK and including travel on select committee work, be published in full on an annual basis.

### **Staffing Allowance**

1. I support the recently instituted requirement for MPs to declare when they are employing members of their family or partners.
2. I believe in general MPs' staff are entitled to protection and therefore do not support the publication of personal details of those employed by MPs. In order to provide confidence to the public, however, I recommend that a full up to date register of staff employed be retained by the House authorities, setting out details of persons employed, in what capacity they are employed, and how much they are earning, and that an independent check be undertaken each year in respect of a small number of MPs' offices. Information about the number of staff employed, and their salary bracket, should be made public.
3. There is a strong case for the House authorities to take responsibility for all financial and human resources elements of the employment of MPs staff.

I hope this submission is helpful to your work, and look forward very much to seeing your final recommendations. I hope that your report will be published and considered by the House before the summer recess, as I believe that additional delay would further damage public confidence in Parliament.

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