

Expenses and allowances

Q2. Every constituency is different and presents different challenges and potential costs in terms of travel, correspondence and staffing levels. Some MPs have a far greater caseload than others and it is appropriate that accommodation be made for this so they can employ a greater number of staff. In doing so, IPSA should be careful to avoid a situation where some MPs claim considerably greater sums than others for postage, constituency offices or staff as a consequence of running campaigns or otherwise attempting to engage with their constituents in a way which may be politically beneficial but separate from their core responsibilities.

Q3. I think that there should be limits on the amount spent from public funds but if proper control is exercised to ensure that MPs and their offices are not incurring disproportionate or inappropriate costs this should not be an issue.

Administering the system of expenses – our new approach

Q4. The proposed approach to the submission of claims seems sensible but the consultation's mention in paragraph 7 of the need for MPs to fund costs before claiming them back is concerning. As I understand it the current system of allowances and expenses allows an MP to pay a bill directly and claim the cost back or to have the bill directly paid by Parliament to a supplier. It is not clear if it is proposed to do away with this second option; it seems unreasonable to expect a Member to absorb the cost of running their constituency office which may be well over £1000 per month when they may have to wait for weeks to be reimbursed. Much of the over-claiming of expenses is probably as a consequence of extremely busy Members of Parliament having to comb through invoices weeks or months after they were received and making minor errors when submitting their claims. In the current political environment minor errors are not seen by the public as errors but as evidence of attempted fraud. Whatever system IPSA implements should not just try to ensure that public money is used properly and accounted for but should also be created in a way which prevents MPs making inadvertent errors which will cause them embarrassment and undermine public trust in the system.

Q5. I would agree that it is probably better to have a constant flow of expenses being published rather than quarterly or semi-annual reports which might be subject to greater negative press coverage.

Q6. I do not support the idea of requiring MPs to produce an annual report on their use of expenses. This would be time consuming, expensive and a distraction from their Parliamentary and constituency duties. If all of their expenses claims are to be published online it would also be redundant; anyone who wanted to hold their MP accountable for their claims would already have access to this information. I do not believe this proposal increases accountability – I believe it just offers the press another opportunity to report how much each MP has claimed on pencils.

Working from two locations – accommodation for MPs

Q7. I agree that MPs living with London zones 1-6 should not be able to claim accommodation expenses; this brings the system into disrepute.

Q8. Cost to the taxpayer is most important of the options given, though those options are too limited. The most important objective is obtaining public faith in the system and not allowing a relatively small number of MPs who have acted very badly to disadvantage a majority who have not, even if some have made mistakes.

One of the flaws in the proposal that MPs should be able to rent accommodation or stay in hotels but not receive mortgage interest payments is that this will likely cost significantly more. I think it would be a more effective system to ensure that mortgage interest payments, plus bills, are capped to a certain amount equivalent to the maximum permitted cost of renting a property or staying in a hotel. If approximately the same amount will be spent and IPSA can verify that the money being spent is being used appropriately it should not be a matter of public concern whether an MP chooses to use the available funds to stay in a hotel or arrange their living in London in another way. A person may be a Member of Parliament for 10, 20 or more years and it is not reasonable to expect someone to spend a large portion of their life living out of a suitcase in a hotel. The option of rented accommodation is little better and will lead to a situation where MPs who are independently wealthy will continue to live in London in their own homes while those who are not are at the whim of a landlord. While IPSA should remain vigilant as to the use of public money I do not think we engender respect for our MPs by treating them in a way which seems to anticipate an inclination toward dishonesty.

Q10. I agree that those MPs who are caring for others should be supported in the system but I think that the proposal to prevent mortgage interest payments overlaps with this. It could be that the person the MP was caring for might require adaptations to be made to their home to make it usable; this would be contingent on a landlord approving of those changes. These issues should be considered together taking account of the issues I raised in my response to Question 9.

MPs' travel and subsistence

Q13. I agree that MPs should ordinarily travel by standard class though I am not averse to MPs paying for a first class ticket and reclaiming the portion of its price that would have been the cost for a standard class ticket.

Staff for MPs

Q14. I agree that Members of Parliament should not be allowed to employ family members but those family members currently employed by relatives should not having their employment ended when they may be doing a perfectly good job. I note IPSA's proposal in respect of auditing the work of staff and in my view it would be appropriate for it to make checks that family members employed by MPs are completing the work they are paid for and their pay levels are commensurate with the work they are doing, relative to the Parliamentary pay scales and in particular, *relative to others employed by the same MP*. If these checks raise no problems the family member should remain employed, subject to the will of their employer, until that MP retires or loses their seat.

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I am disappointed that IPSA has only seen fit to ask one question relating to the staff of MPs. As the consultation paper itself says, "Total expenditure by MPs on staff in 2008-09 was just under £60million" and "Overall, this represents the largest element of expenditure by MPs, and therefore represents a sizeable proportion of the total cost of the whole system". The first point of contact that most constituents have with their MP will be through their MP's staff. Most of the correspondence sent to constituents and correspondence sent to Government and Local Authority departments on constituents' behalf will have been drafted by MPs' staff. Many speeches made by Members in the chamber will have been informed by research activities undertaken by their staff and it is quite likely that those speeches may have been prepared by their staff.

Staff have institutional knowledge which IPSA lacks combined with a degree of independence from the views of their employers when it comes to how they and the expenses and allowances system as a whole should be treated. I am glad that IPSA has met with representatives of Unite, the staff trade union, but this should go further; it is important that IPSA recognises that staff have a lot to contribute to this process. I am grateful to IPSA for arranging a meeting for staff to discuss these proposals but given the impact that many of the proposals will have on staff and the much larger number of staff than there are MPs it is unfortunate that more was not done to solicit our views. I am sure the views of staff in this matter will be reflected in the number of responses from staff that will be received.

Paragraph 8.20. In point b) I am concerned by the suggestion that the involvement of MPs' in recruitment might be limited. In my view this shows a lack of understanding of the relationship between MPs' and their staff. A member of staff will likely be the person who answers the phone when a journalist calls and asks for the MP's position on a matter of public interest; they will have to deal with often the very sensitive and emotionally difficult problems raised by constituents. These present situations where a misstep could easily result in a headline which damages the MP's reputation. It is vital that MPs' staff have the faith of their employer and in my view, while I support open and fair recruitment practices which bring in a range of candidates, it must always be the right of the MP to say yes or no to the person they think is best for the job.

Paragraph 8.23. The proposal that recruitment agencies be used to supply staff for new MPs after the election is unworkable. After an election there is likely to be a pool of staff looking for work as a consequence of their employer have losing their seat or standing down. They will have the kind of experience and institutional knowledge which is exactly what a new MP would need in their first months in office. Many of them will also have the security clearance required to work on the Parliamentary estate which may take weeks or months for a new employee to obtain. Political affiliation is also important; very few MPs would like the idea of someone working in their office who may support another political party. MPs' staff may not be campaigning for their employers during working hours but their role is by its nature political. The performance of an MPs' office in responding to casework may have a benefit (or detriment) to their reputation in their constituency and staff will overhear phone calls between their MP and their party whip, as well as with journalists. Members of staff may also have access to confidential and sensitive documents such as Select Committee papers and emails and letters from colleagues in their party. There is also the issue of cost; recruitment agencies would not only have to provide temporary staff but also to work in constituencies. As these are obviously as geographically diverse as the United Kingdom itself this is not a simple proposition.

I would suggest that IPSA keeps a record of staff of MPs whose employers retire or lose their seats so new candidates coming in can choose, if they wish, to select from those who are already experienced. New MPs should be able to employ whoever they like for a certain period – perhaps up to 6 months, while they settle into their new role – and ensure whoever is employed after that period has gone through an appropriate recruitment procedure, along with other candidates.

Running offices – Expenditure on communications

Q16. I agree with the proposal in respect of communications expenditure but I would encourage IPSA to take account of how money is distributed between the allowances at the moment in order to ensure that the relevant caps on expenditure are set at an appropriate level.

Payments on leaving Parliament

Q17. I understand that many MPs who lose their seats have a difficult time obtaining employment afterwards. It stands to reason that a professional who leaves their career in law, education or another field for 4 or more years may need to refresh their skills or obtain further training before they can return to that field. For that reason this is a significantly different situation from other professional occupations where there may be a risk of unexpected job losses. Account should be taken of this when deciding what package to offer MPs when they lose their seats.

Additional resources and contingency arrangements

Paragraph 12.7. Until 2001 the pensions of MPs' staff were administered by MPs. This meant that many members of staff were not informed that they were entitled to receive a 10% contribution to their pension. It was only after a lengthy campaign by what was then the Transport & General Workers' Union Parliamentary Staff Branch that this was changed. The

proposal that pensions for staff should be under the jurisdiction of MPs themselves is a retrograde step. As many as 10% of MPs' staff do not have contracts; there is little faith that MPs' would be more reliable at adhering their responsibility to make pension contributions.

I note the email of Sir Ian Kennedy sent to Members' staff today. I am not reassured by the statement that *"The other concern we have heard concerns [sic] our proposal not to administer a central pensions scheme along the lines of the existing Portcullis Pension Plan. However, that does not necessarily mean that the existing scheme will no longer be available to you. The House of Commons will also need to make its own decision whether to continue to operate a central pensions scheme for MPs' staff"*. This is an extremely important issue to staff who have not been consulted specifically on this matter – as MPs will be about their pensions. It would surely be simpler, and instil much greater confidence amongst staff in the new system, if staff of MPs were simply put onto the same system of pensions as staff of the House. This would eliminate the need for a second system of pensions and the accompanying administrative overhead as well as alleviating concerns amongst staff that any responsibility for this matter being handed to MPs would result in them not receiving their pensions.

I would also question the reasoning behind *"The reason for the proposal in our consultation paper, which we see as largely administrative, is that currently the costs of employer contributions to pensions are not met by the employer. This provides an unrealistic picture of what level of expenses are being paid to MPs by the taxpayer"*. In my view this misses the point and replicates a problem with what has been reported in the press; this money is not being paid to MPs, it is being paid to their staff. MPs have no access to this money. In effect what is proposed is to give MPs responsibility for the pension contributions paid to their staff. It is also inconsistent with what the consultation said, in paragraph 8.4 *"However, we believe it is unhelpful to treat the salaries of staff members in the same way as other funding received by MPs, as they should not be considered as part of an MP's personal expenses"*.

Next steps

Q18. I am concerned that the proposals in respect of accommodation may discourage those with caring responsibilities or children from entering Parliament for the reasons I stated in my response to Question 8.

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