



Members' allowances – reporting requirements

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At present, under its publication scheme under the *Freedom of Information Act 2000*, the House of Commons reports aggregate claims by Members of Parliament under nine headings. A ruling by the Information Tribunal required claims for travel to be further disaggregated.

During the debate on Members' pay and allowances on 24 January 2008, the House referred a number of questions about allowances to the Members Estimate Committee.

Following the report by the Committee on Standards and Privileges into Derek Conway's employment of his son, Frederick, on 4 February 2008, the Members Estimate Committee announced that it would conduct a "root and branch" review of allowances.

The Conservative Party, the Labour Party, the Liberal Democrats and the Committee on Standards and Privileges have suggested that further information relating to the use of Members' allowances should be reported to provide greater transparency. On 27 March 2008, the House agreed to a recommendation from the Committee on Standards and Privileges to require the recording of family members in an amended Register of Members' of Interests. Registration of family members is therefore required on a voluntary basis from 1 April 2008, and registration becomes compulsory from 1 August 2008.

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A. The House of Commons Members' expenses publication scheme

At present, under its publication scheme under the *Freedom of Information Act 2000*, the House of Commons reports aggregate claims by Members of Parliament for each financial year, under nine headings:

- 1: Cost of staying away from main home
- 2: London Supplement
- 3: Office running costs
- 4: Staffing costs
- 5: Members' travel
- 6: Members' staff travel
- 7: Centrally purchased stationery
- 7a: Postage associated with the use of centrally purchased stationery
- 8: Centrally provided computer equipment
- 9: Staff cover and other costs

A ruling by the Information Tribunal required claims for travel to be further disaggregated.¹ The House of Commons appealed against a decision from the Information Commissioner but the Information Tribunal upheld the Commissioner's decision and ordered that Members' travel expenses should be disaggregated as follows:

- 5a Car
- 5b Third party vehicle mileage and rental
- 5c Rail
- 5d Air
- 5e Other Travel
- 5f European travel

Further details of the information published are provided on the House of Commons website.²

B. Members Estimate Committee's review of allowances

During the debate on Members' pay and allowances on 24 January 2008, the House referred a number of questions about allowances to the Members Estimate Committee. The House asked the Members Estimate Committee to consider the recommendations made by the Review Body on Senior Salaries to make changes to the allowances regime.³

¹ The full text of the Information Tribunal decision may be found on the website: Information Tribunal, Appeal No EA/2006/0015 and 0016,

http://www.informationtribunal.gov.uk/Documents/decisions/corppofficer_house_of_commons_v_infocomm.pdf

² House of Commons, *House of Commons: Members' Allowance Expenditure*, http://www.parliament.uk/about_commons/hocallowances/hocallowances06.cfm

³ HC Deb 24 January 2008 cc1653-1720

Following the report by the Committee on Standards and Privileges into Derek Conway's employment of his son, Frederick,⁴ the Members Estimate Committee announced that it would conduct a "root and branch" review of allowances. The Speaker outlined the review in a letter to all Members:

Dear Colleague,

In my Statement to the House today I promised to tell Members of the deliberations of the Members' Estimate Committee, which met this evening, following referral by the House on 24 January, of the Review Body on Senior Salaries recommendations on Members allowances. The MEC also considered related matters following the findings of the Fourth Report from the Committee on Standards and Privileges, which was debated in the House last week.

The review must consider a wide range of complex issues. The MEC agreed that this will require a root and branch examination of the current system and that the review should build its options for reform on the existing regime governing allowances.

This will be a major exercise over the next few months and the Committee will be assisted by a team from the Department of Resources. The MEC aims to contribute to the Baker Review in time for a debate in July and to present its options on expenses and allowances to the House in the autumn.

The first task of the Committee will be to draw up a work programme, and this will take place later this week. I shall keep Members informed of progress.⁵

The Members Estimate Committee also issued a note on how it would undertake its work:

How will the Committee do its work?

The three backbench members of the MEC will take the work forward. They are Sir Stuart Bell, Mr David McLean and Mr Nick Harvey.

How will they proceed?

They will examine the current system and all options for review. They will be assisted by Department of Resources officials. The backbench members will consider their work plan later this week.

Will they be taking evidence?

The Committee will consider a very wide range of issues and experience. This will obviously include the views of Members. The work plan will cover how this is to be done.

Will they take evidence from non-Members?

That will be considered within the work plan.

Will any reforms be retrospective?

Significant change may require significant new procedures for Members and officials. For this reason, any changes are not likely to be retrospective.

⁴ Committee on Standards and Privileges, *Conduct of Mr Derek Conway*, 28 January 2008, HC 280 2007-08

⁵ Members Estimate Committee, *Letter from the Speaker*, 4 February 2008, <http://www.parliament.uk/documents/upload/speakerletter-080205.pdf>

Will the MEC make any interim report?

Mr Speaker has said that the House will be kept informed about the progress of the review. The Committee does not expect to present specific options for change until the autumn.⁶

C. Conservative Party announcement

On 5 February 2008, the Leader of the Conservative Party, David Cameron, announced that from the beginning of the next financial year all Conservative Front Bench members would be required to publish “full details of their office expenses”, in a ‘Right to Know’ form. A press release from the Conservative Party set out the information that the new form would contain:

The form will be used by all Front Bench members of the Conservatives to publish full details of their office expenses

It will include a comprehensive list of staff and their positions, an indication of any family members employed, and a break down of office running costs and expenditure incurred by 'staying away from main home'.⁷

It was reported that David Cameron would urge backbenchers to complete the forms as well. *The Times* reported that “although he has no power to force his backbenchers to do the same, Mr Cameron made plain that he expects them to follow suit”.⁸

The Conservative Party did not publish the “Right to Know” form with its press release. It was published on the *Red Box* (a blog written by Sam Coates of *The Times*) and is set out in Appendix 1 of this note.

D. Labour Party announcement

On 5 February 2008, Gordon Brown wrote to the Speaker about the Members Estimate Committee’s inquiry into Members’ allowances. During the afternoon press briefing, the Prime Minister’s Official Spokesman (PMS) indicated that the letter was a Party matter rather than a Government matter:

Asked if the Prime Minister's letter to the Speaker would be made public, the PMS advised journalists that anything further on that particular subject would stray into party political territory, as it would be about what the Prime Minister as the leader of the Labour Party would be saying in relation to Labour MP's. The PMS added that people should stay in touch with his colleague on these matters during the course of the afternoon.⁹

⁶ Members Estimate Committee, *Allowances Q&A*, 4 February 2008, http://www.parliament.uk/parliamentary_committees/mec/allowances.cfm

⁷ Conservative Party News, *The Right to Know*, 5 February 2008, http://www.conservatives.com/tile.do?def=news.story.page&obj_id=142147

⁸ Philip Webster, Greg Hurst and Sam Coates, “MPs ridicule the Speaker’s leisurely enquiry: Westminster expenses”, *Times*, 6 February 2008

⁹ 10 Downing Street, *Afternoon Press Briefing 5 February 2008*, <http://www.number-10.gov.uk/output/Page14489.asp>

The letter was published on Sam Coates' blog, *Red Box*, and it included a statement that Gordon Brown had told Labour Members that they would have to declare the employment of family members:

... I have made clear to all Labour MPs that they must be fully transparent in their declarations and must abide, not by April but as soon as possible, with the Committee on Standards and Privileges' opinion that the employment of family members should be declared.¹⁰

The question of the Prime Minister's views on the enquiry led by the Members Estimate Committee into Members' allowances was also raised during the morning press briefing.¹¹

E. Liberal Democrats

On 2 February 2008, after the suspension of Derek Conway, the *Financial Times* reported that Nick Clegg, the Leader of the Liberal Democrats, had supported the SSRB's recommendation that Members' claims should be audited and that receipts should be provided for claims of over £50:

The Liberal Democrats backed calls for spot checks on MPs' expenses and a requirement for receipts for claims over £50. Nick Clegg, Lib Dem leader, said he was "urging" all his MPs to publish details of the staff they employ "as a first step" towards meeting higher standards of transparency.

"Unless all parties take action, the public perception of politicians will continue to worsen," Mr Clegg said. "It is time for Westminster to accept that it needs to move out of the 19th century and into the 21st."¹²

F. Committee on Standards and Privileges

1. Initial announcement

On 5 February 2008, the Committee on Standards and Privileges announced in a press release that it would bring forward proposals that all Members of Parliament should register details of any members of their family they employed:

The Committee on Standards and Privileges believes that, by 1 April 2008, the House should have in place, within the framework of the existing Registers, a system for compulsory registration of Members who employ family members in connection with their duties as Members and remunerate them through the Staffing Allowance.

The Committee will be bringing forward proposals as soon as possible for consideration by the House.

¹⁰ Gordon Brown's letter to the Speaker, 5 February 2008 [Source: Sam Coates, *Expenses: Gordon equalises, but have the goal posts changed?*, <http://timesonline.typepad.com/politics/2008/02/expenses-gordon.html#more>]

¹¹ 10 Downing Street, *Morning Press Briefing 5 February 2008*, <http://www.number-10.gov.uk/output/Page14488.asp>

¹² Jean Eaglesham, "MPs could face spot checks on expenses", *Financial Times*, 2 February 2008

NOTES TO EDITORS

1. The Committee on Standards and Privileges will be bringing forward these proposals in pursuance of its responsibilities under Standing Order No. 149 (1) (c), to consider any matter relating to the conduct of Members, and under Standing Order No 149 (1) (b) to review from time to time the form and content of the Register of Members' Interests.¹³

The Press Association reported the announcement in the following way:

MPs should be required to register any family members employed out of their Parliamentary expenses within two months, the Commons Standards and Privileges Committee urged today. Its call for a speedy response to concerns arising from the Derek Conway affair came after Commons Speaker Michael Martin said proposals would not be brought forward until the autumn. The standards committee issued a statement today saying it would be issuing proposals "as soon as possible" for the Commons to consider. "The Committee on Standards and Privileges believes that, by April 1 2008, the House should have in place, within the framework of the existing registers, a system for compulsory registration of members who employ family members in connection with their duties as Members and remunerate them through the staffing allowance," it said. "The committee will be bringing forward proposals as soon as possible for consideration by the House."

The move threatens to pit the standards committee against the Members' Estimate Committee, which is chaired by Mr Martin and resolved last night to conduct a root-and-branch review. The estimate committee will not report back to the Commons until after MPs return from their summer recess in October, however. In a letter to MPs last night, Mr Martin said the review would consider "a wide range of complex issues". As well as MPs' employment of relatives, it will also look at calls for spot check audits of expenses and the case for submitting many more receipts in support of claims. But a source close to the committee said no aspect of the allowances system would be off-bounds, adding the review would be "very far-reaching, no holds barred". The developments follow the 10-day expulsion of Tory MP Mr Conway from the Commons after he was censured by the Standards and Privileges Committee last week for employing his student son Freddie as a researcher. The MP was also stripped of the Tory whip by party leader David Cameron and announced soon afterwards that he would not seek re-election. The Standards and Privileges Committee today hit back at criticism of its chairman, Sir George Young, after reports that he wanted to be more lenient towards Mr Conway. In a statement, the committee said it was concerned that reports had implied a "lack of impartiality" on the part of Sir George and stressed that its report was unanimous. It added: "It is the long-standing practice of the House that its select committees deliberate in private. The committee nonetheless wishes to make clear that these press reports are without foundation."¹⁴

¹³ Committee on Standards and Privileges Press Notice, *Press Notice from the Committee on Standards and Privileges*, 5 February 2008,

http://www.parliament.uk/parliamentary_committees/standards_and_privileges/s_ppn6.cfm

¹⁴ Daniel Bentley, "MPs should register family workers 'by April'", *Press Association Newsfile*, 5 February 2008

2. Proposals and consultation

On 28 February 2008, the Committee published a consultation on registering the employment of family members. The Committee asked for comments on its proposals by Friday 7 March.¹⁵

On 19 March 2008, the Committee on Standards and Privileges published a further report (its Seventh) on its proposals. It summarised the responses to its proposals and reiterated its recommendation that “a scheme for disclosure of family members employed through the Staffing Allowance be introduced with effect from April 1”.¹⁶ It then set out the following recommendations:

What should be disclosed in the Register?

6. We confirm the proposal in our Sixth Report that Members should be required to disclose in each case the name of the staff member, their relationship to the Member, and a description of the job they do. We consider later the changes we recommend from the proposals in that report as to the precise information and the range of relationships to be disclosed.

7. We also confirm our proposal for a *de minimis* threshold of 1% of a Member's annual salary per employee.

Whom might be covered by the disclosure requirement?

8. We recommend a simple formula requiring registration of any employee where the Member knows of, or might reasonably be expected to know of, any relationship, past or present:

- by marriage, or partnership equivalent to marriage; or
- by blood.

9. In cases where the relevant relationship ends but the employment continues, we confirm our proposal that the requirement to register should continue to apply for a period of three years.

10. We also recommend that the requirement to register should commence, in relation to permanent employment, from the date of employment. In the case of casual employment, it should commence when the *de minimis* threshold is exceeded in the course of any particular financial year.

What information should be given in the Register entry?

11. Our purpose in making these proposals is not to pass judgement on the practice of employment of family members; it is merely to introduce transparency.

12. We now recommend a revised heading as follows:

¹⁵ Committee on standards and Privileges, *Employment of family members through the Staffing Allowance: Proposals for consultation*, 28 February 2008, HC 383 2007-08, para 5

¹⁶ Committee on Standards and Privileges, *Employment of family members through the Staffing Allowance*, 19 March 2008, HC 436 2007-08, para 5

Category 11

Family members employed and remunerated through the Staffing Allowance.

and a Register entry along the lines of:

I employ my [*relationship*], [*name*], as my Office Manager, and my [*relationship*], [*name*], as a Parliamentary Assistant.

13. We proposed in our Sixth Report that details of the standard job descriptions and pay ranges should be placed on the Parliamentary web-site. CSPL has suggested that this is unnecessarily opaque. We still consider that this information should be available on the Parliamentary website, but propose in addition to include it in the Register, in the interests of transparency.¹⁷

On 20 March 2008, at Business Questions, Harriet Harman, the Leader of the House, announced that, on 27 March, she would debate a “motion relating to the Seventh Report of the Standards and Privileges Committee”.¹⁸

3. Debate

On 27 March 2008, the House debated the following motion:

That this House approves the Seventh Report of the Committee on Standards and Privileges (House of Commons Paper No. 436) on Employment of family members through the Staffing Allowance; and endorses the changes proposed by the Committee in the purpose and form of the Register of Members’ Interests.¹⁹

Sir George Young, the Chairman of the Committee on Standards and Privileges, opened the debate on the Committee’s report on *Employment of family members through the Staffing Allowance*. He noted that the case of Derek Conway had

... attracted widespread criticism both inside and outside the House, and prompted calls—not least from the leaders of all the major political parties—for greater transparency at an early date about the employment of relatives. At the same time, a number of Members sought to include details of such relatives in the Register of Members’ Interests, but at the moment there is no category in the register into which such disclosures naturally fit.²⁰

He then summarised the approach that his Committee had taken in announcing its intention, consulting and then issuing proposals which the House was debating. He reiterated the intention that the proposals for the new requirements would come into effect on 1 April 2008, with the beginning of the new allowances year, and that the requirements would become compulsory from 1 August 2008.²¹

¹⁷ *Ibid*, paras 6-13

¹⁸ HC Deb 20 March 2008 c1083

¹⁹ HC Deb 27 March 2008 c382

²⁰ HC Deb 27 March 2008 c382

²¹ HC Deb 27 March 2008 c383

Sir George Young outlined the options that he considered his Committee had before it after its report on Derek Conway:

Essentially, faced with the situation following our fourth report, there were three possible options concerning the employment of family members. One was to do nothing, the second was to ban the practice and the third was to introduce greater transparency. I simply do not believe that the do-nothing option is tenable against the climate of public opinion. The second is the possibility of a ban, as the chair of the Committee on Standards in Public Life accepted in his statement of 30 January, although he conceded that it could

“seem a rather harsh answer to the problem”.

He went on to say that

“an alternative approach would be to insist on greater transparency and proper monitoring of existing requirements, which is generally better than creating new rules and prohibitions.”

I agree with that; we should not compel hon. Members to dismantle arrangements that have enabled them to provide a high-quality service to their constituents. In proposing a formal mechanism for disclosure of employment of relatives, we have taken steps to introduce greater transparency, while at the same time not precluding changes that may emerge from the MEC review, with which my Committee will continue to keep in close touch on issues where we have a common interest.²²

The proposal to require the registration of family members who were employed by Members was supported from the back benches by Chris Mullin, a member of the Committee on Standards and Privileges, who considered it “as only a first step” in reforming the allowances regime;²³ by Kali Mountford, a member of the Advisory Panel on Members Allowances, who raised some concerns about the detail of job descriptions being released;²⁴ and by Mark Field, who noted the concerns of his staff about publication of information about them, should that be required.²⁵ The proposal was also welcomed by Simon Hughes, Harriet Harman and Shailesh Vara for the Liberal Democrats, Government and Conservatives, respectively.²⁶ Simon Hughes suggested that Members should be limited to employing only one family member at a time, as from 1 August.²⁷

In response to Kali Mountford’s concerns, Nick Harvey said that the Committee on Standards and Privileges envisaged that the job title, rather than the job description would appear on the Register.²⁸

At the end of the debate, the House agreed to the motion without a division.²⁹

²² HC Deb 27 March 2008 c384

²³ HC Deb 27 March 2008 cc383-386

²⁴ HC Deb 27 March 2008 cc388-390

²⁵ HC Deb 27 March 2008 cc390-392

²⁶ HC Deb 27 March 2008 cc386-388; cc392-394

²⁷ HC Deb 27 March 2008 c387

²⁸ HC Deb 27 March 2008 c389

G. Committee on Standards in Public Life

Tony Wright, the Chairman of the Public Administration Committee wrote to Sir Christopher Kelly, Chairman of the Committee on Standards in Public Life (CPSL), on 5 February 2008, requesting that the CPSL undertake an inquiry into the “whole system of MPs’ allowances”. Sir Christopher responded on 6 February 2008. He said that the CPSL had not ruled out such an inquiry but his expectation was that “we will want to be clearer about the nature and possible outcome of the various Parliamentary and political Party initiatives announced over the last few days before making a decision”. The exchange of letters was published alongside a press release by the CPSL on 7 February 2008,³⁰ and they are set out below.

a. Letter from Dr Tony Wright to Sir Christopher Kelly

I write because I am concerned that you have not already announced that the Committee on Standards in Public Life will be conducting an immediate inquiry into the whole system of MPs’ allowances.

When we met, on your appointment, you will recall that I suggested the need for such an inquiry. I also said this in evidence to your Committee back in 2002. In view of current events, this has now become a matter of trust at the heart of our public life. If this is not something for your Committee to respond to, in view of the reasons for its existence, I do not know what is.

It is simply not acceptable, in terms of public trust, for an internal Commons committee to be the only body to examine this issue. Nor is it only a question of transparency and better reporting. The whole allowance system needs examining, and justifying, along with arrangements for audit and scrutiny.

The fact is that the current system is wide open to abuse on a number of fronts. If there are opportunities to use public money for private gain, that is corruption and corrodes public trust more than anything else.

You told me that you had only accepted the chairmanship of the Committee on the basis that it would not be prevented from examining any area of concern. I suspect that there is pressure on you currently not to get involved. I urge you to resist such pressure and to insist on an immediate inquiry being launched by the Committee. This is precisely what it was set up for. In my view you would be fully entitled to say that you were unable to continue in your role if you were in any way prevented from undertaking this inquiry now.

We urgently need an inquiry that is independent and authoritative. Only your Committee can undertake this, and the restoration of public trust demands it.

b. Letter from Sir Christopher Kelly to Tony Wright

Thank you for your letter of 5 February suggesting that the Committee on Standards in Public Life should undertake an inquiry into the system of MPs’ pay and allowances.

²⁹ HC Deb 27 March 2008 c394

³⁰ Committee on Standards in Public Life News release, *MPs’ Pay and Allowances – Correspondence between Dr Tony Wright MP and Sir Christopher Kelly KCB*, 6 February 2008, http://www.public-standards.gov.uk/news/07_02_08.aspx

I understand why you make the suggestion. This is an important area and one where I have made clear that a review is needed.

As I said when giving evidence to the Public Administration Select Committee last month, my Committee is currently considering its future work programme. We have certainly not ruled out the possibility of such an inquiry. But my expectation is that we will want to be clearer about the nature and possible outcome of the various Parliamentary and political Party initiatives announced over the last few days before making a decision.

I can assure you that we have not been put under any pressure to steer clear of this area. Nor would that determine our decision if we had.

I understand that you have made your letter publicly available and am therefore replying on a similar basis.

H. Review of allowances: Scottish Parliament

On 20 June 2007, the Scottish Parliamentary Corporate Body (SPCB) agreed that there should be “a full scale review of parliamentary allowances”.³¹ The SPCB appointed a panel that is described as bringing “together expertise from the public and private sectors, with an emphasis on experience in finance, accountancy and corporate governance”.³² The panel was given the following remit:

To carry out a review of the Members’ Allowances Scheme, Party Leaders’ Allowance Scheme and Equipment and Furniture Scheme. As part of its consideration, the review panel is to have regard to the following:

- What are the tasks expected of Members of the Scottish Parliament?
- What are the tasks expected of party leaders and should there be a numerical qualification in terms of numbers of Members to qualify for payment, and if so, what should this be?
- What resources are required to enable those tasks 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 an Allowances Scheme

The review panel shall invite evidence submissions from MSPs and such persons, parties and other organisations as it deems appropriate, and shall otherwise conduct the review as it sees fit.

The review panel may consider comparators with other support mechanisms both within the United Kingdom and beyond.

³¹ Parliamentary Allowances Review, *Review of allowances at the Scottish Parliament*, <http://allowancesreview.scottish.parliament.uk>

³² Parliamentary Allowances Review, *Review of allowances at the Scottish Parliament – Review Panel*, http://allowancesreview.scottish.parliament.uk/review_panel.htm

The review panel shall prepare a report setting out its findings and recommendations, with reasons, for submission to the SPCB by around the end of March 2008.³³

The Review Panel has published the evidence that it received during its inquiry, on its website.

The Review Panel has published the evidence that it received during its inquiry, on its website, and its review was published on 12 March 2008.³⁴ The Review Panel concluded that “‘allowances’ really means ‘reimbursement of expenses’”. It took the view that it was in MSPs’ interests “to maintain a transparent system”. It set out the principles which it believed should underpin any consideration of its recommendations. It made a total of 68 recommendations.

The Review Panel recommended that “the SPCB should make arrangements for a register requiring a Member to declare that he or she is employing a close family member”.³⁵ The Review Panel made the following observations on the subject of employing family members before making this recommendation:

5.9. We note with approval the support provided by the SPCB to Members in their role as employers. The SPCB has taken care, within the provisions of the existing allowances scheme, to ensure that the support it provides does not infringe upon the employer/employee relationship between the Member and his or her employees.

5.10. We also recognise that, as Members will be the employers, this does leave open the possibility of Members employing close family members. This issue has also been raised in evidence to us. We consider that it is a matter for the Members to determine whom they wish to employ to provide the necessary services in support of parliamentary and constituency work. We do not consider it is right to disqualify relatives from being employed purely on that basis.

5.11. It should continue to be a matter entirely for the Member to decide, within the remit of best employment practice, whom they wish to employ and decide the competencies required for the particular functions to be undertaken by those employees. Constituencies and regions vary greatly and the particular circumstances in each may similarly vary. Consequently the skills set and mix required by employers could vary and it should be for the Member to decide what he or she requires from employees.

5.12. Nevertheless, we are aware that there is public disquiet about Members employing close family members, but we do not propose to block this. At the time of drafting this report there has been considerable interest in this matter at Westminster and we are aware of the voluntary action taken by some Members to regain public confidence through greater transparency.

³³ Parliamentary Allowances Review, *Review of allowances at the Scottish Parliament – Remit of the review*, <http://allowancesreview.scottish.parliament.uk/remit.htm>

³⁴ Independent Review of Parliamentary Allowances, *Report to the Scottish Parliament Corporate Body on the Reimbursement of Expenses for Members of The Scottish Parliament*, March 2008, http://allowancesreview.scottish.parliament.uk/report/AllowancesReviewReport_final.pdf

³⁵ *Ibid*, Recommendation 19

5.13. In the light of this, we believe that Members should take a cautious approach in considering whether or not to employ a close family member. We also consider that it is now essential that all such arrangements are transparent, and at the very least they are registered. We also consider the SPCB should be empowered to decide, from time to time, what additional information should be registered, taking account of data protection issues.³⁶

I. European Parliament

At present Members of the European Parliament (MEPs) are not restricted in who they employ to assist them in their parliamentary duties. However, a number of questions have been raised about the European Parliament's allowances system, in the press, among MEPs and by the Court of Auditors. In February 2008, there were press reports about the abuse of European parliamentary allowances.³⁷

On 27 March 2008, the Daily Telegraph reported that:

EURO-MPs are to be banned from employing their relatives or paying family-owned companies staff allowances in a reform of their £125 million annual expenses. The parliament's budget control committee last night passed sweeping changes to the payments, worth £159,600 for each Euro-MP.

The Daily Telegraph disclosed last month that the parliament tried to cover up an internal audit showing extensive abuse of the allowances.

The proposals are expected to meet resistance from many Euro-MPs who will seek to delay or dilute any change to their generous "gravy train" pay and perks in a parliamentary vote next month.

According to a document seen by The Daily Telegraph, Euro-MPs will be required to use officially approved and vetted management companies to handle staff allowances. The reform will stop a widespread practice whereby Euro-MPs pay most or all of their staffing budget of £13,300 per month to companies owned by their families. Many Euro-MPs divert, legally under current rules, payments to "providers", which might be accountants, professionals or companies delivering administrative services.

But in many cases the whole allowance is paid to a single company or individual with close links to the Euro-MP.³⁸

³⁶ *Ibid*, paras 5.9-5.13

³⁷ Bruno Waterfield, "Brussels hushes up Euro-MPs' 'criminal abuse' of expenses", *Daily Telegraph*, 21 February 2008; "EU fraud team probes £100m of 'outrageous' expenses2", *Herald*, 22 February 2008

³⁸ Bruno Waterfield, "Euro-MPs face family jobs ban", *Daily Telegraph*, 27 March 2008

Appendix 1 – Conservative Party ‘Right to Know form’

MEMBER OF PARLIAMENT

1. STAFF

Name	Position (indicate if full or part-time)	Westminster or Constituency

Family members employed as staff:

Name	Position (indicate if full or part-time)	Westminster or Constituency	Salary band

2. INCIDENTAL EXPENSES PROVISION (Office costs)

Equipment	
Office rent	
Telephones	
Parliamentary Resources Unit subscription	
Other (list separately if items over £250)	

3. HOUSE OF COMMONS STATIONERY AND PRE-PAID ENVELOPES

Stationery	
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4. COMMUNICATIONS ALLOWANCE¹

Communications Allowance	
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5. ADDITIONAL COSTS ALLOWANCE (ACA)

Housing	Rent	
	Mortgage (interest only)	
	Hotels	
Utilities, maintenance and repairs		
Council tax		
Other (list separately if items over £250)		

6. TRAVEL

Air	
Rail	
Car	
European Travel	

¹ The Conservative Party has pledged to abolish the Communications Allowance which it opposed from the outset

Source: Sam Coates, *Expenses: At half-time, Cameron 1, Brown 0*, 5 February 2008, <http://timesonline.typepad.com/politics/2008/02/expenses-at-hal.html#more>

Appendix 2 – Gordon Brown’s letter to the Speaker

Dear Michael

I welcome your announcement yesterday that the Members Estimates Committee will now look into the whole area of Members' office staff, expenses and other allowances.

I believe it is essential that we use this opportunity to achieve a root-and-branch overhaul of the current system and deliver new mechanisms and procedures which can meet the public's expectation for greater transparency and for propriety.

The public need to be reassured that all taxpayers' money used to support Members in their work both in Parliament and in their constituencies has been properly spent and accounted for - not just in the future but in the past, and not just for Ministers and Shadow Ministers but for all Members.

As a result, I have made clear to all Labour MPs that they must be fully transparent in their declarations and must abide, not by April but as soon as possible, with the Committee on Standards and Privileges' opinion that the employment of family members should be declared.

Labour MPs want to cooperate fully with your review, with its findings, and with any further requirements it may make upon them and we will insist that this happens.

To deliver the kind of root-and-branch overhaul of the current system we need, I believe your review will need to be a deliberative and orderly process which delivers genuine and lasting reform.

I like all Members would not favour a quick fix which would fail to solve the problem in the long term.

In particular, I do not believe it will be sufficient simply to require Members to provide more information in the future than they do at present concerning their staff, expenses and allowances.

We must also put in place the most robust systems that can advise on, monitor, identify and investigate any abuse of the rules.

Secondly, we need to be clear that where there have been serious allegations and reported abuses of the current rules, these will be thoroughly investigated, whatever future system for transparency is agreed.

I look forward to working with you on this important work.

Yours sincerely

GORDON BROWN

Source: Sam Coates, *Expenses: Gordon equalises, but have the goal posts changed?*, <http://timesonline.typepad.com/politics/2008/02/expenses-gordon.html#more>