



Review of the *Parliamentary Standards Act 2009* by the Committee on Members' Expenses

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On 12 December 2011, the Committee on Members' Expenses report *The Operation of the Parliamentary Standards Act 2009* was published. It reviewed the Act that established the Independent Parliamentary Standards Authority (IPSA). The Backbench Business Committee has provided time for a debate on the report on 15 December 2011.

The report followed two debates in Backbench Business time on motions relating to the operation of IPSA and the Members' Expenses Scheme, which it had determined. The decision taken at the end of the second debate, in May 2011, set out the terms of reference for the Committee's inquiry.

On 24 November 2011, IPSA launched its *Annual Review of the MPs' Scheme of Expenses and Costs Consultation*.

Background Information

Information on the establishment of IPSA can be found in the Library Standard Note [The establishment of the Independent Parliamentary Standards Authority](#) (10 June 2010).

Information on IPSA's response to criticism made of the MPs' Expenses Scheme and its operation of it can be found in the Library Standard Note [The Independent Parliamentary Standards Authority: operating the Members' Expenses Scheme](#) (4 February 2011)

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1 Committee on Members' Expenses review

On 12 December 2011, *The Operation of the Parliamentary Standards Act 2009*, the Committee on Members' Expenses review of the Act that established the Independent Parliamentary Standards Authority (IPSA) was published.¹

The Committee agreed the report at its meeting on Tuesday 6 December 2011, and shortly afterwards, the Committee Chair, Adam Afriyie, appeared before the Backbench Business Committee to bid for time for a debate on the Report. Mr Afriyie told the BCom that:

... I would like to put forward a substantive motion for debate on the Floor of the House relating to a report from the Members' Expenses Committee, which I chair. We have officially agreed our report, which will be published shortly, and I would like to reserve a slot, if that is possible, or ask you to consider a slot on Thursday 15 December, because the report needs to come out this side of Christmas, and the House really ought to take a view on the recommendations made.²

He thought that a one hour debate would allow enough time to express "a view on whether, on balance, the recommendations in the report should be carried by the House or refused by the House".³

BCom provided time for a debate on the report on 15 December 2011.⁴

1.1 Response to the Report from IPSA

On 12 December 2011, IPSA issued a press release in response to the Committee on Members' Expenses Report.⁵

2 Previous debates on IPSA in Backbench Business time

Adam Afriyie had successfully made two previous requests for matters concerning IPSA to be debated in time allocated by the Backbench Business Committee. Both debates took place on substantive motions and both motions were agreed to without debate.

2.1 2 December 2010

That this House regrets the unnecessarily high costs and inadequacies of the systems introduced by the Independent Parliamentary Standards Authority (IPSA); calls on the IPSA to introduce a simpler scheme of office expenses and Members' allowances that cuts significantly the administrative costs, reduces the amount of time needed for administration by Members and their staff, does not disadvantage less well-off Members and those with family responsibilities, nor deter Members from seeking reimbursement of the costs of fulfilling their parliamentary duties; and resolves that if these objectives are not reflected in a new scheme set out by the IPSA in time for operation by 1 April 2011, the Leader of the House should make time available for the amendment of the Parliamentary Standards Act 2009 to do so.⁶

¹ Committee on Members' Expenses, *The Operation of the Parliamentary Standards Act 2009*, 12 December 2011, HC 1484-I 2010-12

² Backbench Business Committee, *Representations made before the Backbench Business Committee Tuesday 6 December 2011*, uncorrected transcript, Q6

³ Backbench Business Committee, *Representations made before the Backbench Business Committee Tuesday 6 December 2011*, uncorrected transcript, Q9

⁴ HC Deb 8 December 2011 c419

⁵ Independent Parliamentary Standards Authority press release, *IPSA Press Release in Response to Publication of CME Report*, 12 December 2011

⁶ HC Deb 2 December 2011 cc1018-1074

2.2 12 May 2011

That it be an instruction to the Committee on Members' Allowances established under Standing Order No. 152G (Committee on Members' Allowances) that it review the operation of the Parliamentary Standards Act 2009 and make recommendations, giving due consideration to ensuring:

- (a) value for money for taxpayers;
- (b) accountability;
- (c) public confidence in Parliament;
- (d) the ability of Members to fulfil their duties effectively;
- (e) fairness for less well-off Members and those with families; and
- (f) that Members are not deterred from submitting legitimate claims.⁷

Following the House's decision to instruct the Committee on Members' Allowances to review the *Parliamentary Standards Act 2009*, the House agreed to rename the Committee, the Committee on Members' Expenses on 7 July 2011.⁸ It also agreed to instruct the Committee to report by 31 December 2011.⁹ The Committee's members were appointed on 18 July,¹⁰ and Adam Afriyie was elected Chair at the Committee's first meeting on 19 July 2011.¹¹

3 Independent Parliamentary Standards Authority

IPSA was established by the *Parliamentary Standards Act 2009*, originally to determine a Members' Expenses scheme and to pay expenses under the Scheme. It was also given responsibility to pay Members' salaries. The *Parliamentary Standards Act 2009* was amended by the *Constitutional Reform and Governance Act 2010* and IPSA was additionally given responsibility for determining Members' salaries and pensions (from 2012). These provisions were brought into force in May and October 2011, respectively.

IPSA issued its first Members' Expenses Scheme in March 2010, and it came into effect in May 2010, following the general election.¹² The Scheme was revised and a second edition was issued in July 2010, backdated to May.¹³

Under the provisions of the Act, IPSA is required to regularly review the Scheme. It issued a consultation in January 2011.¹⁴ A revised Scheme came into effect in April 2011.¹⁵

On 24 November 2011, IPSA launched its *Annual Review of the MPs' Scheme of Expenses and Costs Consultation*.¹⁶

⁷ HC Deb 12 May 2011 cc1387-1405

⁸ HC Deb 5 July 2011 cc1728-1735

⁹ HC Deb 5 July 2011 c1735

¹⁰ HC Deb 18 July 2011 c761

¹¹ Committee on Members' Expenses, [Formal Minutes Session 2010-12](#)

¹² Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme*, March 2010, HC 501 2009-10

¹³ Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition*, July 2010, HC 405 2010-12

¹⁴ Independent Parliamentary Standards Authority, [Annual Review of the MPs' Expenses Scheme: Consultation – January 2011](#), January 2011

¹⁵ Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme Third Edition*, May 2011, HC 954 2010-12 [HC 890 was published on 24 March 2011 but withdrawn and replaced by HC 954]

IPSA has announced that it will produce a report on MPs' pay and pensions by the end of 2012.¹⁷

¹⁶ Independent Parliamentary Standards Authority, *Annual Review of the MPs' Scheme of Expenses and Costs: Consultation – November 2011*, November 2011

¹⁷ Independent Parliamentary Standards Authority press release, *IPSA given responsibility for MP pay and pensions*, 17 October 2011