



10 DOWNING STREET
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THE PRIME MINISTER

30 March 2009

Dear Sir Christopher

MPs' ALLOWANCES

Thank you for agreeing to conduct a review. In doing so, I fully recognise that you have a number of competing priorities but I would be grateful if you could look to both start and conclude the Review earlier than previously indicated to allow us to make progress on this issue as soon as practical.

It will of course be for you as an independent Committee to consider how you wish to proceed. However, I wish to reiterate what I said in my letter to you of 23 March, that I would welcome your consideration of MPs' allowances. I am keen you should not feel bound in your discussions but free to consider a wide set of issues including:

- the case for ending the distinction between inner and outer London MPs and moving outer London MPs onto a set London allowance; and
- how to compensate non-London MPs for the fact that they inevitably have to spend time at Parliament away from their home. Your consideration might include the possibility of moving away from the existing additional cost allowance to a simpler, overnight allowance that is independently determined.

In each case you might consider the international experience on these issues to bring the UK in line with best international practice. You may also wish to consult the Senior Salaries Review Body.

Yours sincerely

Sir Christopher Kelly KCB