

TO MEMBERS OF THE COMMITTEE

I am 67 and worked for over 40 years in the UK and, also abroad while travelling around Europe in the 1960s. My jobs were numerous and varied and included 21 years in the Civil Service followed by about 16 years in Financial Services to 2005, when, following 3 redundancies and one short term contract, illness prevented me from working again. Part of my Civil Service work involved reading Hansard regularly and providing information to enable PQs relating to social security matters to be answered. I regularly watch the late night television summary of proceedings in the Houses of Parliament and have usually voted in elections. I have read through the April 2009 Paper, REVIEW OF MPs EXPENSES by the Committee on Standards in Public Life and wish to make the following comments as it is clear that many MPs have paid scant regard to the 7 principles, in particular, those relating to SELFLESSNESS, ACCOUNTABILITY & OPENNESS.

1. MPs must no longer make the **rules on their own pay, allowances and expenses**.
2. All checking, approval and auditing of their expenses claims, must be done externally and, include monitoring by a body such as the National Audit Office.
3. Any future **"Green Book"** must be also created externally and, contain only a limited range of goods, all of which must be to enable MPs to carry out their jobs as MPs, for essential items, only, where needed. There should be serious attention paid as to what level of pricing would be acceptable to the public. **Receipts** must be produced for all items.
4. Any **financial support application for a 2nd home** must be accompanied with cast-iron evidence as to where the main home is situated, as well as the address of the second home. No such support should be available to any MP who has their main home within daily travelling time, as stipulated for civil servants (currently up to 90 minutes each way I believe). The **re-designation** of what is a 1st or 2nd home should cease, with only exceptional cases being considered where a physical change of address has taken place out of necessity.
5. If any financial support is in future to be allowed to enable any MP to purchase a second home, closer to Parliament or Constituency then **NO profit should be gained by the MP** on the eventual sale of that property as this profit will have been gained, in whole or in part, at the taxpayer's expense. It is, of course, totally open to MPs to purchase however many properties they want with their own money, wherever they live and to furnish them at their own expense. It is not morally right for any rules to allow any MP to profit from property dealing, supported by taxpayers' money, even where the MP has paid CGT.
6. Likewise, **it is immoral for MPs to have voted themselves expenses and allowances which are tax free**, something not available to the rest of us. I have three pensions which total just over £15,000 a year gross, on which I am taxed £1,100 a year yet, many MPs have expenses/allowances more than 60% above my total income on which they pay no tax at all.....Just how fair is that? This puts them in a position where they can buy things that I cannot afford when they are also earning in excess of £64,000 per annum and are said to be in the top 3% of earners in the UK. No wonder people are so angry!

It is clear that many MPs have received sums of money, ostensibly for the **renovation and furnishing of 2nd homes**, which, when totalled, far exceed the amount that the vast majority of the population could ever afford to spend on their own homes.

It might be better if MPs were not allowed to claim any support from the taxpayer for the purchase of 2nd homes, being instead, expected to turn to the **rental market**. The government might wish to consider whether it should own properties which it rents out to MPs and maintains to a basic standard thereby, through a rental system, any questions of profit making from property dealing on the taxpayer's back would no longer be an issue and, neither would issues arising from CGT.

7. **The Inner London allowance of £7,500 per annum** available to some MPs appears to be way above the Civil Service rate to me...Perhaps this can be checked out and a view taken as to how it is justified at such a figure, and consideration given to reducing the allowance to that applicable to the Civil Service.
8. It is clear that many MPs cannot be trusted when it comes to **employing family**, friends and other people at public expense. There seems to have been too many instances of sums of money being paid to others, without evidence of what work was done and so on. Control of this area of employment has to be removed from MPs in the future and put on a proper contract basis, brought into the real world for all to see. Part of me thinks that it might be simpler and better to just ban the employment of family members by MPs.
9. I do not see the justification for MPs having **free travel to work**, (between Westminster, Constituency and main home) when, most of the working population have to fund their own travel to work out of taxed income, and, where London is concerned, many travel daily from such places as Peterborough, Oxford, Cambridge, Chelmsford, Southend, Chatham, Brighton and hundreds of other far flung places...at their own expense from taxed income.
10. When it comes to **Resettlement Grants**, the terms of 6 to 12 months pay plus a grant, seems way beyond what might be available to non MPs and, I do not see that MPs should be treated so advantageously compared to others. They may think they should but, so many of them have other incomes and would hardly merit such help. They should be faced with the same problems that most of us have when moving on from fixed term contracts...nobody ever gave me a resettlement grant although once, just once, I had some redundancy money after 2-3 years service but, it was nowhere near 6 months pay and, there was no form of resettlement grant to see me through to my next job.....I had to use my savings. Perhaps they should not get more than the rates for statutory redundancy payments, the ones that Parliament sets for others at the very highest. Most people might take the view that no such payments should be made at all.

If Resettlement Grants cannot be scrapped, then surely need and merit should play some part and they should only be made available, subject to application. Do well off MPs need such a grant? Do MPs who have other incomes need or merit such grants? Should MPs who have not abided by the 7 Principles, the rules, or the law be automatic recipients of what is, further money from the taxpayer? I think not. We currently have the daily spectacle of MPs who should not continue another day in office, trying to hang on to their posts and constituencies until the next election, so that they may cash in on

one final pay day. In the real world, you would be sacked and paid off to the end of the week or month.

11. **Outside occupations** and activities, which many MPs have, pose the question as to the MP's ability to give the full attention and effort to his/her salaried job as an MP. To date, the true picture has been blurred because, we do not know how many hours each MP puts into each job and we should, in the interests of accountability. Many MPs put a massive amount of effort and time into their work as an MP and this would be shown if published, as would the unfairness to them and the taxpayer of the figures for the many whose input as an MP, does not merit an MP's full pay and perks. Some suggest that, in such situations, the MP's pay should be adjusted/reduced accordingly but surely, if we are to believe MPs themselves, it is full-time job and therefore, there should be no place for part-timers or slackers. MPs who think that their incomes as MPs are insufficient, are free to find their fortune elsewhere, and return to former occupations, if they had them and allow people who wish to devote the required working hours to being an MP, to replace them.
12. On the subject of **MPs' pensions**, I am not sure on what grounds MPs should be allowed to benefit by having an accrual rate of twice the normal for the Civil Service. What is the justification for this advantage and can it be looked into please?!!!An MP has only to complete 20 years of pensionable service to attain maximum pension benefits from the scheme whereas, ordinary civil servants must complete 40 years. If MPs are not civil servants then, what are they?
13. Any **new system for MPs' expenses** and allowances must provide for **penalties for transgressions**, escalating with seriousness, right up to submission for prosecution consideration for fraud. Perhaps "expenses and allowances", the term itself, suggests too much that they are entitlements. Would not something like "Additional Funding Considerations" or "Additional Needs Applications" be more appropriate, something to indicate that need must be clearly demonstrated and an application made and submitted to an external authority. **Media interviews of late show** too many MPs to be too far removed from the rest of us in their thought processes and pathetic explanations for "mistakes" they claim they may have made, to be trusted to represent any of us, let alone handle the business of the nation when, they cannot even manage their own affairs in a responsible way. And the worst of it all is that, were it not for the press, not one MP would have said a thing to change the system.

Thank you for giving me this opportunity to give you my views.

Yours sincerely,

K Lipscombe
Barnet
29th May 2009