

THE COMMITTEE ON STANDARDS IN PUBLIC LIFE
REVIEW OF MPs' EXPENSES AND ALLOWANCES

**Council Chamber, Broadway House
Tothill Street
London SW1H 9NQ
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Morning/Afternoon Session**

Members Present: Sir Christopher Kelly KCB (Chairman)

Dr Elizabeth Vallance JP
Dr Derek Morris MA DPhil
Lloyd Clarke QPM
Dr Brian Woods-Scawen DL CBE

Secretariat: Ruth Alaile

Witnesses: Sir Philip Mawer, Former Parliamentary
Commissioner for Standards

Sir George Young MP, Chairman of the Committee
on Standards and Privileges

Elfyn Llwyd MP, Parliamentary Leader of Plaid
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Dr Tony Wright MP

Angus Robertson MP, Scottish National Party
Westminster Group Leader

Elizabeth Filkin, Former Parliamentary
Commissioner for Standards

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SIR PHILIP MAWER, FORMER PARLIAMENTARY COMMISSIONER FOR STANDARDS

1. SIR CHRISTOPHER KELLY: Good morning everyone. Our first witness this morning is Sir Philip Mawer, former Parliamentary Commissioner for Standards. Sir Philip, you are most welcome. Thank you for coming and thank you for your forthright written evidence. I gather there are a couple of points you wanted to make.
2. SIR PHILIP MAWER: Only briefly, Chairman, that I give my evidence in a purely personal capacity, obviously drawing on my experience as Parliamentary Commissioner for Standards. I have a current role in relation to the Prime Minister, as you know, as his independent advisor on Ministers' interests but that does not influence or reflect the evidence I give.
3. The other point I simply wish to make is that obviously my evidence, like many others, was submitted before the Government's Bill was published last week. I think one difficulty we all have is keeping up with the plethora of initiatives in this area at the moment. Perhaps we will have a chance to explore some of these things in questions.
4. SIR CHRISTOPHER KELLY: Thank you. I wanted to begin with how we got here. You refer in your evidence to a number of factors as being responsible for the current position, including the development of a pernicious culture. Would you like to expand on that please?
5. SIR PHILIP MAWER: Well, I think there are two fundamental and unresolved problems which have underlain the parliamentary pay and allowances system for a long time. One is the issue of MPs' salaries and the failure of successive governments to remunerate MPs at an adequate level and the consequent blurring of the line between pay on the one hand and allowances on the other.
6. I am reporting here what has been said to me by a number of people who have been in the House for a long time, both Members and staff, that MPs were told that what they would not be given through the front door, in terms of increases in pay, they would be given through the back door, in terms of the allowances system. At one time it has been said to me the duty of staff was to enable Members to claim the maximum, not to police the allowances system. That, in my view, led to, encouraged, or maybe confirmed, a blurring of the boundary between what was pay and what was properly expenses and it led to a culture in which people viewed their task as being to extract the maximum advantage and exploit the system, rather than it being a system designed to fairly reflect expenditure that they incurred as a result of being a Member.
7. SIR CHRISTOPHER KELLY: If that is the case, pay has not been increased, we are in the business of cleaning up allowances, do you think that

simply changing the rules and regulations, introducing a measure of transparency and the independent regulator will change that culture, or do you think that something else needs to be done?

8. SIR PHILIP MAWER: I think it will have a very important impact clearly, but I do believe that getting pay right is an important part of the equation. It is not just a point that applies in the parliamentary context; every other service or what have you that I have dealt with considered pay and allowance issues together. I was in the prison service, for example, for many years and these things were inevitably intertwined at least in the psychology of people if not in the way in which the system operated and I do think that paying Members properly and adequately is an important part of the jigsaw.
9. I would make this point; a lot of attention has focused on things like bathplugs and so on; incidental expenditure which Members incurred as a result of having a second home. In any sensible set of arrangements I think there has to be some recognition of the fact that Members will inevitably incur additional expense over and above the cost of running one home, as a result of the job they do, but that they have to be given some discretion and treated as adults in the way in which they run their lives. I would be opposed to a kind of intrusive, puritanical approach to these matters in which every bathplug has to be claimed for, and be seen to have been claimed for and put all over the press and so on.
10. In short, I think Members' remuneration should reflect the fact that they will inevitably have some additional costs, which they should absorb, and they should be given discretion as to how they absorb them within their overall pay without having an intrusive and over-detailed allowances arrangement. So, what I would do, in short, is look at the whole thing in totality as a package, make the appropriate decisions on how the package should be constituted, and make a very clear distinction from then on between what is pay and what is allowances, and making sure the expenses are properly claimed for and detailed and properly audited and accounted for.
11. SIR CHRISTOPHER KELLY: Just so I can be clear that I understand what you are saying, you say elsewhere in your evidence that the option of abolishing the accommodation allowance and subsuming that in pay is now not politically feasible. What you are saying is that it might be possible to eliminate some of the things around the periphery.
12. SIR PHILIP MAWER: Some of the froth around the periphery.
13. SIR CHRISTOPHER KELLY: Some of the froth around it and assume that MPs bear those costs out of their salary, but then their salary would need to reflect the fact that that is what they would be expected to do.
14. SIR PHILIP MAWER: That is correct.
15. SIR CHRISTOPHER KELLY: You have a very carefully drafted sentence that says, "If a modest one-off increase in pay is necessary in order

to achieve a fair result, this should be accepted". What do you mean by a modest one-off increase?

16. SIR PHILIP MAWER: Well, I am not an expert. I am not the Senior Salaries Review Body and they have looked at these things very carefully, but I am thinking in the order of £5,000 or something of that nature which would reflect these kind of minor inevitable expenses which I think any sensible system ought to recognise but ought not to be straining at a gnat to try and account for.
17. SIR CHRISTOPHER KELLY: Thank you. Even allowing for what you describe as a pernicious culture, as you say, you drew attention to the risk to the House's reputation presented by the allowance arrangements before all this blew up. Why do you think that warning was not taken?
18. SIR PHILIP MAWER: It was heard by some people and I would not claim to have been the only person who was warning about potential difficulty. I know that a number of Members were aware of the issue and concerned about it. The Standards and Privileges Committee, to which I reported, considered these matters quite fully in the course of 2006 to 2007. Its concern was very much for the reputation of the House and it also felt, and rightly, that it had relevant experience as a result of the cases that it had to consider and that it had a responsibility to try to distil the benefit of that experience for the protection of the House and its reputation.
19. Frankly, its interest in these matters was not at all welcome in other parts of the House. They were regarded as being within the purview of the Members Estimate Committee and those bodies which advised it. The decision that the Chairman of the Standards and Privileges Committee and I took to give evidence to the Senior Salaries Review Body in 2007 on these matters was not welcomed. Nevertheless, we went ahead and gave the evidence and it was evidence which, in my case, was entirely consistent with the submission that I have made to you.
20. SIR CHRISTOPHER KELLY: One of the things that has been obvious from the once every two-year survey that the Committee undertakes into public attitudes is that the general public believes that public office holders, when they misbehave, are not appropriately brought to account and punished. That was a view expressed in our last survey from the evidence which was collected at the beginning of last year.
21. A number of people have suggested to us in evidence that if Derek Conway had done what he had done in any other job he would have been hauled in to be instantly dismissed and yet the Committee on Standards and Privilege suspended him from the House of Commons for a matter of two weeks and he is still drawing a parliamentary salary and presumably unless something happens he will still be entitled to a Resettlement Grant when he stands down at the end of this Parliament. Do you think the Standards and Privileges Committee is sufficiently robust in the way in which it deals with

erring Members of Parliament?

22. SIR PHILIP MAWER: There are really two issues that I want to distinguish. If I may take the latter question first, which is the one about whether the Standards and Privileges Committee is robust enough in its sentencing approach? That is obviously a question which you should put to its Chairman and which you will do in a moment. As Commissioner, I had no influence over the question of sentencing. My job was to consider complaints, investigate them, and report the evidence, with an indicative finding to the Committee.
23. I think one has to bear in mind as well as the formal penalties that the House imposes the informal penalties that often fall on Members. Derek Conway's political career ended at the point at which he was suspended from the House. He is not the only example of this. A heavy penalty is imposed by a Member's constituency party in deselection, for example. Michael Trend was another Member who similarly, having been suspended, I think for 21 days from the House, and I speak from memory, was subsequently not reselected by his constituency party. So, a person's career can be ended, even though the apparent surface penalty appears lighter.
24. There is another question around the point that you are probing, which is about evidence sufficient to convict somebody in a court of law and when the police should be brought in. There is a difficult judgement in these matters about when a case is sufficiently serious to refer a matter to the police and whether the evidence will sustain not only an investigation, but a likely conviction. That is always a difficult judgement to make and the history of police inquiries into the House is not very positive on this point. So it may well be, as I think it was in the Conway case, that the best way to proceed is through the internal disciplinary arrangements and through, as I say, whatever political and party consequences flow from their operation.
25. SIR CHRISTOPHER KELLY: If I can just probe that a little. If someone in a position of trust in the public sector or the private sector had significantly fiddled their expenses, their reputation and their employment would be likely to have gone as well. One would not go on employing them for a period of almost two years and give them a redundancy payment at the end of it.
26. SIR PHILIP MAWER: No. I think that there is scope in this area, as there is in some other aspects of the way we deal with these matters, for more visible toughness on the part of those who regulate, not only in Parliament, but in other aspects of our public life.
27. SIR CHRISTOPHER KELLY: Thank you. One of the themes of your evidence is that Members should be held individually accountable at the ballot box which sounds like a good constitutional principle but it does depend on transparency, including transparency about receipts. Do you have a view as to whether receipts should be published as a matter of course, and if so, what level of redaction is actually necessary?

28. SIR PHILIP MAWER: Obviously the context for that would be set by whatever framework of expense arrangements the Committee decides is appropriate. Receipts accompany claims and claims will only be possible within the scope of whatever system you think is appropriate, or recommend appropriate, for the future.
29. I think transparency is very important. There has been far too much nervousness about the consequences of transparency. I think the Scottish experience suggests that a good deal of the nervousness is not justified.
30. In our approach to regulation in this area, as in other areas, there needs to be a sense of proportion. In other words, the arrangements that we make must be proportionate to the potential problem and therefore where should you draw the line, in terms of whether you give Members any kind of discretion to spend money without producing a receipt? If you did give them such discretion, I would make that within a very low limit. In cases where receipts have been presented, should you require those to be published? I think I would only not publish receipts where there was a clear issue of personal security or something of that nature involved. I think, frankly, the public would rapidly lose interest in the trivia. That is my judgement. When it becomes a matter of routine it would be so routine that it would be seen to be what it basically is, eminently boring.
31. SIR CHRISTOPHER KELLY: Thank you. Elizabeth.
32. DR ELIZABETH VALLANCE: Thank you. Good morning again. Can I turn to the new Parliamentary Standards Bill, which as you say this is all a kind of moving target and we are making it up as we go along. The Bill had its first reading at the end of last week. Its second reading will be today, we gather. It is due to have the Committee stage on the floor of the House, it is not going to be sent upstairs, tomorrow and it will then conclude its Commons stage on Wednesday. Does this seem undue haste to you? Somewhat unseemly?
33. SIR PHILIP MAWER: I understand the political imperative which is driving it. If I may make an aside. Just as the failure to grapple with the expenses problem in the first place illustrates the collective failure of leadership in the House, so the inadequacy of the response to the crisis once The Telegraph started publishing its material, illustrates the same problem. It has been a classic example of how not to handle a crisis, in my submission. Consequently MPs of all parties are now feeling the need to respond to public concern; understandable and correct public concern.
34. I, however, do have reservations about the speed with which the Parliamentary Standards Bill is being taken forward. I am supportive of some of the key provisions of the Bill, but I have some very big questions about other provisions and about the consequences of proceeding at this pace. The critical thing that the Bill does, and which needs to be done quickly is to establish, in my view, an independent body to pick up your recommendations and implement them and to administer the expenses arrangements for MPs for the future. That needs to be done, and it needs to be done quickly. It is

the other aspects of the Bill, in particular the brigading together of responsibility for setting the rules and administering them, with the responsibility for investigating complaints about how they may have been breached which, for me, is the difficult bit of the Bill and raises all sorts of issues which you may want to go into.

35. DR ELIZABETH VALLANCE: Well, the difficulty is obviously, as you hint at, in the number of things the Bill is expected to gather together but you have suggested, for example, that responsibility for enforcement should stay with the Parliamentary Commissioner for Standards, but the new Bill suggests a new commissioner, the Commissioner for Parliamentary Investigations I think it is dubbed, to look at the breaches of the rules on expenses and so on. Are you concerned, first of all, with the fragmentation that you have hinted at there and the fact that there is possible confusion, if you like, for enforcement here? Deal with that first, but I also want to ask you about the constitutional implications.
36. SIR PHILIP MAWER: Yes. As I see it, the Parliamentary Standards Authority in respect of its role vis-à-vis MPs' expenses, should be responsible for setting the rules, administering them, and if you like the administrative regulation of the rules. So, if it sees that over-payments have been made, or if it sees that there is an inadequate degree of documentation in respect of a particular claim, it should do what any other sensible body would do, it should question the Member and it should have the right, as the Bill would give it, to withhold payment and/or impose a retrospective taking away of payment in particular cases. In respect of the enforcement of the system in relation to the consideration of complaints that the system has been breached, that responsibility, I would continue to leave with the Parliamentary Commissioner. May I explain just a little bit further?
37. DR ELIZABETH VALLANCE: Please.
38. SIR PHILIP MAWER: It is a confused Bill, in my view. It leaves the responsibility for the code of conduct with the House. However, it takes away from the House and gives the new authority responsibility for several important aspects of the current code of conduct, to do with paid advocacy, for example, and the registration of interests. It is not clear what aspects of the code, though I think there would be some, would be left with the House to enforce. It is much clearer what would be within the purview of the new proposed commissioner as a minimum, but there would be a messy boundary. The Bill makes provision for other things to be transferred over to the commissioner established by the Bill, but my concern is that if that happens you will end up with a House of Commons which does not feel any sense of ownership at all for the rules which its Members are supposed to follow and that is, to me, a very fundamental point in any system of regulation.
39. DR ELIZABETH VALLANCE: That very neatly comes onto the whole issue of the constitutional implications here. You may have seen Lord Rees-Mogg writing in The Times today suggesting that the Bill is really badly drafted and what is more it undermines the right of Parliament to maintain its own

structures and so on and in effect parliamentary privilege and exclusive cognisance and so on go out of the window.

40. You are very direct about what you think and I am trying to find the bit in your evidence to us. You are very direct in that you say you do not favour, for constitutional reasons, weakening the ultimate sovereignty of Parliament. This is under (3) "Some Key Factors" and you say, "I do favour a higher bar [this is sovereignty of Parliament and exclusive cognisance specifically]. I do favour restricting it or hedging it about in this area. I say this because in my experience constitutional arguments have up to this point often been used to block necessary reform. So, parliamentary sovereignty and exclusive cognisance have been used to fend off serious external scrutiny."
41. That is fairly damning, but yet at the end of the day there is this argument about the importance, which you have alluded to, for Parliament to maintain its own structures and its own framework, be responsible for itself in this area. What is the balance here?
42. SIR PHILIP MAWER: Well, balance is the key concept. It is all about getting the right balance in these matters. What I had in mind when I wrote that was removing Parliament's current responsibility for setting the expenses arrangements for its own Members. That is entirely inappropriate and can no longer stand. I would take that away, and the Bill will do that by setting up this new authority, but one must not so emasculate Parliament in the process that you: (a) remove from Members a sense of personal responsibility for policing their own arrangements, or (b) open the door to a highly legalistic and judicial process.
43. DR ELIZABETH VALLANCE: An entirely rule-based system, in other words.
44. SIR PHILIP MAWER: An entirely rule-based system, which lawyers will have a field day with and which may well cost the public more, at the end of the day, because there will be ample opportunities for judicial review and all the rest of it in the process. My feeling is that the Bill does not have the balance right and frankly I would focus the Bill on the actual immediate presenting issue which is; who sets MPs' expenses, and who administers them, and do the people who administer them have the standing, toughness, to be able to say to Members, "No, I am sorry that, in the public interest, is not a sensible thing for you or the House generally to do"?
45. DR ELIZABETH VALLANCE: Do you think that given this new quango, this regulator, even if we leave aside the question of whether you need another quango or another regulator over the top, do you think it has the potential to really confuse what already exists? In other words, we have the Parliamentary Commissioner for Standards, as you said, we have the Standards and Privileges Committee and we have all the various other Committees of the House which are involved in their various capacities specifically with expenses and MPs' salaries and so on. The Members Estimate Committee, the Speaker's Committee, the Commission of the House

and so on and never mind the outside bodies like the NAO and the HMRC. If one has a separate body, how are all these things going to fit together? Can you see your way through that?

46. SIR PHILIP MAWER: I think that it is going to take a great deal of work to get the boundaries understood and right between these different bodies should the Bill proceed in its current form. I assume that if the independent commissioner post is established there will be very little on a routine basis for a separate Parliamentary Commissioner for Standards to do. I am not saying there would be nothing, because there will be some things still left, some provisions of the code of conduct of the House which will still be within the purview of the House, or to put it differently, will not be within the purview of the new independent commissioner, unless they are deliberately transferred there, but there is every opportunity for confusion in the new arrangements. I think there is also opportunity for a much slower system.
47. If you take, for example, a case, as I understand it under the Bill in which the new independent authority wishes to recommend to the House that it exercise its disciplinary functions in respect of a particular Member That Member is going to have the opportunity to make representations to the new independent commissioner, then make representations to the new independent authority. If the authority says, "No, we want to make this recommendation to the House" he is then going to have a second opportunity to make representations to the new independent authority. Then the case may go to the House and he then has an opportunity to make representations to the Standards and Privileges Committee and finally if that Committee says to the House, "We think you ought to do something to this Member and impose a penalty", he can make representations to the House and lawyers may well get involved in the process. That sounds like a recipe for delay, prevarication, more cost, more confusion, rather than simple, straight, clean enforcement of regulatory standards.
48. DR ELIZABETH VALLANCE: Absolutely. How do you view the Speaker's Committee in this? I mean, all roads in this new arrangement seem to lead to the Speaker's Committee. Does it seem to you to be a good idea, for example, that appointments are vetted by the Speaker's Committee and so on?
49. SIR PHILIP MAWER: I have concerns about that because I think the precedent that is being adopted is the precedent of the Speaker's Committee which oversees the Electoral Commission. I am not sure that has proved in all respects to be a happy precedent. I am also concerned that actually this new independent body - it is not just appointments to it but it is the way it is funded - if a government or Parliament wants to undermine any quango, as you put it, the thing they do is cut back on its budget.
50. Of course, there need to be checks and balances in this area, and so on, but I am not clear at the moment that there are sufficient safeguards for the independence of the new body in the appointments or funding context.

51. DR ELIZABETH VALLANCE: I think what I am getting at is that the Speaker's Committee is there at the beginning of the process, in the middle of the process, at the end of the process, and so on. In your experience, is there any other way? It has been suggested to us, for example, that as far as appointments are concerned that the First Commissioner of the Civil Service might be somebody who could be in here as far as appointments were concerned.
52. SIR PHILIP MAWER: Again, there is a question of balance. I think it very important that the House has a degree of confidence in the new body and in the people appointed to it. I think it has to have a very close understanding of the way in which the House functions and works; the nature of the life of a Member of Parliament, and so on. So, it is important that the House has confidence in the appointments process. But there are other ways of ensuring that such appointments are made in a properly independent way, drawing on all those experiences and needs of the House and making sure that they are reflected in the process.
53. DR ELIZABETH VALLANCE: But what, for example?
54. SIR PHILIP MAWER: You have mentioned one possibility. There is the First Civil Service Commissioner. Of course, the Office of the Commissioner for Public Appointments has some relevant experience in this area also. So I am not clear at the moment that the balance is right in this respect, particularly given the load that is being put on this body in terms of its potential regulatory functions.
55. DR ELIZABETH VALLANCE: But would it require, in your view, quite a big degree of the House being prepared to allow other people to take over some of its functions? So we are back again to the sovereignty of Parliament argument.
56. SIR PHILIP MAWER: The sovereignty of Parliament is not absolute. It has been chipped away in various respects. The question is where the boundary should be drawn in this new era, and yes it will require the House to reach an understanding that a new boundary or dividing line is necessary, and it will require the House to have a more strategic view of its interest than it has shown throughout this affair so far. The trouble is that the interests of the House have been seen as lying in the preservation of an inadequate system. The real interest of the House - as events have shown - lies in having a system which the public can see is basically sound and properly justified, and that requires a degree of strategic leadership within the House which I think has collectively been lacking in this matter so far.
57. DR ELIZABETH VALLANCE: Thank you very much.
58. SIR CHRISTOPHER KELLY: Lloyd.
59. LLOYD CLARKE: Could I turn to communications, if I might?

60. SIR PHILIP MAWER: Yes.
61. LLOYD CLARKE: Quite a vexing issue in that, as much as anything else, opinion does seem to be divided along party political thought, but could I also rehearse with you - if I might - some of the criticisms; some of the arguments for keeping it, and then ask your opinion of a way forward, particularly in respect of policing it. Can I say, I am very conscious of the report that you submitted to the Standards Committee. The arguments for it go along the lines that it was done anyway using other budgets, for example, incidental expenses; it enables proactive communications; it has limited the spending that there has been on postage, for example. Criticisms of it are that it blurs the distinction between partisan and parliamentary business and gives the incumbent undue advantage; it is used for personal propaganda; it is sending something out and not engaging, therefore it is not inviting a response to it. So those are some of the arguments for and against. Could I ask you, in terms of what you saw of it, can it ever be adequately policed?
62. SIR PHILIP MAWER: I think it is extremely difficult to police it adequately. The Communications Allowance throws into sharp relief the difficult boundary between party political activity on the one hand and parliamentary activity on the other. The pressures in this area are a reflection of the fact that we have failed adequately to grapple with another underlying issue, which is the whole issue of party political funding, the funding of political parties. That is the other main pressure which has impacted on the parliamentary allowance system that is in addition to the whole question of MPs' remuneration itself.
63. Frankly, I think the history of the Allowance's introduction was one in which, yes, there was evidence of abuse by a few Members of stationery and other allowances, and it did enable a cap to be imposed in that area, but the cap that was imposed was way above the median spend by Members. I think the introduction of the allowance had as much to do with concerns about the Conservative Party's ability to spend money in marginal constituencies, ahead of elections, as it had to do with the controlling of expenditure on stationery.
64. LLOYD CLARKE: Which was the argument; it is like being stated as mitigating the Ashcroft spending.
65. SIR PHILIP MAWER: Yes, Ashcroft money was the real problem. That brings us back to the party funding issue, which I mentioned earlier, so that, frankly, my answer to your question about what is to be done is: I would rather deal with the basic issue of party funding if it is possible - but I realise that again there are difficulties in that area - and ditch this allowance, which is an unsatisfactory basic arrangement.
66. LLOYD CLARKE: Yes. Because in the report you sent to the Committee, if you like, they can be clustered into different issues. There were three recommendations about party logos. You had, in actual fact, some recommendations there about the impact of non compliant material preparer. Were those recommendations implemented and were there still abuses

happening - or alleged to be happening - after those recommendations were in place?

67. SIR PHILIP MAWER: Looking at the latest edition of the Green Book they appear to have been implemented. Because I left my post before those changes were made, I cannot say whether those improvements - as I would see them - have ended problems in this area.
68. LLOYD CLARKE: One suggestion has been put to us that perhaps we should limit the amount that is spent on it and put with that the requirement that there should be an annual report containing factual information that an MP should then put into the public domain to all the constituents of his constituency, and might include things like: the voting record; committee attendance; expenses claimed; and outside interests, etc. Would you see that as being difficult to police, if a small amount of communication was left for that specific function?
69. SIR PHILIP MAWER: I think there should be some opportunity for Members to communicate in that way. Prior to the introduction of the Communications Allowance there was such an opportunity. There was an element within the Incidental Expenses Provision or office costs allowance. (I forget the names of these allowances; they have changed rapidly over the years.) There was an element which allowed a Member to make an annual report to his constituents. There were problems policing the boundary then, even within that more limited arrangement, but provided that the kind of conditions and approach which you have mentioned - and which I laid out in my report to the House - are followed, I do not see a difficulty. Indeed, I see positive advantage to Members accounting to their constituents for what they are doing.
70. LLOYD CLARKE: The other argument that has been put to us is: do away with the expenses allowance, go back to what it was before; for example, unlimited budget for postage, etc. But the difficulty that some see is that if you do that there is no opportunity for proactive communication with constituents. That was almost outlawed in the previous provision, was it not?
71. SIR PHILIP MAWER: It was supposed to be outlawed but the indications were that a number of Members - and particularly those in marginal seats - were getting round that by, for example, you get a petition as a MP on a matter, and indeed you may inspire a petition on a matter, and you then write to all the people who signed the petition - they having given you their addresses and so on - and you do not only write once but you write several times, saying what you have done to present it and how you followed it up and so on, etc.
72. At one level you can say that this is entirely justified and it just shows how a Member is working very hard on behalf of his or her constituents. On another level, it is about cultivating the ground ahead of what might be a very tight election for you.

73. LLOYD CLARKE: I guess it would be justified in parlance that we have heard, each within the rules as opposed to it being within the principles of what the rules were there for in the first instance?
74. SIR PHILIP MAWER: Yes.
75. LLOYD CLARKE: Could I then just change very quickly; a question in respect of the Resettlement Grant. We have touched on it, for example, in respect of the Conway case. The SSRB were quite clear about it. They suggested that it should be phased out for those who retire or resign, but the suggestion is that it will be, again, impossible to police because what we will find happening is that people would then just go and stand in clearly un-winnable seats and, therefore, would entitle themselves to the Resettlement Grant because they were not in actual fact standing down or resigning.
76. SIR PHILIP MAWER: I think that is stretching it, frankly. I mean, first, in a number of instances - including some I have mentioned to the Committee - Members found guilty of offences against the Code of the House have not been reselected by their party. So I find the idea of them hawking themselves successfully around other constituency parties, with a view to standing as a party candidate in another constituency, rather farfetched. Frankly, I think that where a Member has the opportunity to plan - if you like - whether because they wish to or because they are forced to, ahead for leaving the House, then they should not be entitled to the relatively lavish provision which is made for those who find themselves - through the decision of the electorate - no longer a Member. That is a different set of circumstances.
77. Members do need assistance in those circumstances and I hope that such assistance will continue to be available, because it is not easy for former Members always to find new employment. Being an MP is a rather specialised form of work.
78. LLOYD CLARKE: That is helpful, thank you. Your differentiation between one and the other there is helpful. Thank you.
79. SIR DEREK MORRIS: Could I ask you about outside interests?
80. SIR PHILIP MAWER: Yes.
81. SIR DEREK MORRIS: In your statement you suggest that you personally are content that MPs have outside interests and you are rather concerned about career politicians. As I am sure you will be aware, a number of MPs, and a large number of members of the public, have argued that being an MP is a full-time job and if it is a full-time job that would preclude outside interests. So can I ask you: what is your response to the argument that being an MP is a full-time job?
82. SIR PHILIP MAWER: I would simply say this: that many people in public life have a full-time job, defined in the kind of terms that those who have made this point to you might define it, but they manage to do lots of other

things as well. I mean, busy people tend to attract more things. It is often said, if you want a job done, go to someone who is busy because they will give it the kind of energy and focus that is necessary.

83. This is one of those areas where I feel MPs themselves and those who elect them should be left to make the judgement. The key question for the constituents is: is my MP delivering what I want them to deliver? And I think only the constituents can form a view on that. My concern is that if MPs were not allowed to have outside interests - and it extends of course with additional weight to Members of the Upper House if they too were barred in this way, is that you would end up with a cadre of professional politicians who basically have not done anything else in their life and have little experience. They are not bringing into the complex role of legislator the breadth of experience of the community.
84. We must not forget that Parliament - if we think of Parliament in historical terms - was actually about the representation of interests, long before it was about the representation of the people. I am not saying that that can be reversed or should be, but I am saying that the representation of interests has been part of the function of Parliament since it was first created.
85. SIR DEREK MORRIS: But if one accepts that it basically should be left up to the electorate, that does suggest, does it not, that there is a need for quite a high degree of transparency about what is going on?
86. SIR PHILIP MAWER: Yes indeed, that is vital.
87. SIR DEREK MORRIS: If I can just explore with you a little what that might entail. Three things: first, presumably a register of all outside interests, if only to ensure there are not conflicts.
88. SIR PHILIP MAWER: A register, which there is, yes.
89. SIR DEREK MORRIS: The second possibility - in broad terms - the amount of time commitment involved in the outside interests, as some indicator of where the efforts of the MP were being directed. Would that be reasonable do you think?
90. SIR PHILIP MAWER: I would not object to that. Yes, it is perfectly reasonable.
91. SIR DEREK MORRIS: The third area that has been suggested, of course, is the salary involved in the outside interests.
92. SIR PHILIP MAWER: Yes.
93. SIR DEREK MORRIS: Again, as some sort of indicator as to where the effort, momentum, enthusiasm of an MP's time might lie. Do you regard that as a reasonable part of the transparency scheme?

94. SIR PHILIP MAWER: I would not myself object fundamentally to it, although I think it raises some quite nice questions about how you assess quantum of salary and whether the quantum is actually an indicator of the amount of priority that somebody is giving this task in their life. It may be but it may not be because quantum is not necessarily related to volume of activity at any one point. So I think one would need to be quite careful about the conclusions that you draw from the publication of such information.
95. SIR DEREK MORRIS: All right. Just one other question on this point: one says leave it up to the electorate with a degree of transparency. Let us suppose that a number of constituents seeing what are the other interests their MP has - perhaps seeing the amount of time and possibly the salary devoted to it - say, "Well actually, I am not happy with that". The theory is: well, they can obviously act on that at the ballot box. But if the constituents that I am referring to - say, for example, they are Conservatives, and it is a Conservative MP, saying, "Well, you can always vote for somebody else" does not really solve the problem, does it? Because they will say, "But I am a Conservative" and it starts to suggest - as some have suggested to us - either the need for a report system or possibly that MPs need re-selecting every Parliament, but without that perhaps it is not really a solution to say, "Leave it to the electorate". I mean, that is a proposition. Do you think that is right or not?
96. SIR PHILIP MAWER: I can see the argument for having some re-selection mechanism. Of course, the wider question which you are raising is about the whole electoral system itself and how the public can make its view felt within the scope of that system. I mean, at the end of the day, trust has to enter in to any relationship between constituents and Members. Members have to be given, in short, scope to do the job in the way they think is appropriate and then be held accountable - not only through the ballot box but to their party - for the way in which they do it. It may be that those mechanisms need to be supplemented in some way. But what I would be very anxious to avoid is a draconian arrangement in which every activist who worried about some particular aspect, has some objection to a particular interest of the Member, for example, has the opportunity to focus disproportionate attention on their own particular concern. There needs to be balance; there needs to be trust. I think what I am saying is trying to echo what I would say in the whole area of regulation which is that, at the end of the day, it comes down to clear principles followed by the people and seen to be followed by the people who voice the principles concerned, who say, "They are our principles". So, in other words, walking the talk, and fair and proportionate and effective enforcement of those principles. So, just as one needs balance in the regulatory area, so one needs some balance in this area that you have just been asking me to address.
97. SIR DEREK MORRIS: Can I just ask you one other question?
98. SIR PHILIP MAWER: Yes.

99. SIR DEREK MORRIS: Let me go back for a second. You say that you are not aware of any problems in respect of the non staff element of office expenditure. A couple of points that have been put to us are: first, that sometimes MPs use their allowance to rent offices from their party, and this is a route by which taxpayers' money is ending up in party coffers. The other worry is, staff being employed through MPs' expenses but then a significant part of the activity of these persons who are employed is actually party political activity. Is either of those things something that you have had experience dealing with? And do you have any views on how we should treat those?
100. SIR PHILIP MAWER: My understanding on the first point - and my recollection on the first point - is that where there is a rental arrangement of that sort, there needs to be some objective valuation of the level of rent. In other words, it should be done on a commercial basis. Provided that the office is convenient for the carrying out of parliamentary business, and so on, I do not see an objection in principle to a properly commercial and fully documented arrangement between a Member on the one hand, and their political party, or any other body, on the other.
101. Your second point: I am not so clear of that having been a problem. I can see that of course there is a potential difficulty, particularly around the time of an election, in that those who work for an MP are very loyal to the Member. They come to have a personal bond with them and no doubt there is a fine line between doing work for a Member in their parliamentary capacity and doing work in their party political capacity, and that judgement, that balance, must be the more difficult to strike as you approach an election period. But my impression is that most Members are aware of that boundary and I do not recall, in my time as Commissioner, having any serious complaint of that nature, relating to staff that is. I had some complaint about use of allowances for communication in the run up to an election, but not about use of staff in that context.
102. SIR DEREK MORRIS: So that point, it is the staff who are faced with a situation that they may be losing their jobs if their MP --
103. SIR PHILIP MAWER: And Members have a Winding-Up Allowance and that allows them to give their staff pay for, I think, up to three months after they leave the House.
104. SIR CHRISTOPHER KELLY: Sir Philip a quick question from me: Sir George Young is about to give evidence after you, and his evidence - which you may or may not have seen - says that he thinks that the new Parliamentary Standards Authority should also have responsibility for enforcing the Ministerial Code of Conduct. I wonder if you would like to express a view on that.
105. SIR PHILIP MAWER: I would simply say this, Chairman. I want to make two quick points: (1) the system of ministerial expenses is very different from that in relation to parliamentary expenses. You would not be comparing like with like. So I do not think there is an issue in relation to Ministers' use of

expenses, as there has clearly proved to be an issue in relation to MPs' expenses.

106. The second point I would make in relation to Sir George's comment is that I do not think it is for me, given my role in respect of the Prime Minister, to express a strong view on that issue but I think the question that is raised is a very important one and, frankly, the more statutory arrangements that are introduced for Parliament, the more difficult it will become to avoid their introduction, I would have thought, in relation to the Executive. In short, there is a question of equity of treatment in these areas.

107. SIR CHRISTOPHER KELLY: Thank you.

108. SIR PHILIP MAWER: Sorry, a slightly Mandarinesque answer.

109. SIR CHRISTOPHER KELLY: An appropriately balanced reply. Thank you very much.

110. SIR PHILIP MAWER: May I make one other brief point, and it is simply this, that we have focused on the House of Commons and I know that that is the remit of your inquiry but the Lords are a very important component too. The whole question of whether the new body proposed by the Government should have responsibility for expenses for Members of the House of Lords is, I think, a very important one and one which needs to be focused on quickly if that bit of the Bill goes through and is implemented. Thank you.

111. SIR CHRISTOPHER KELLY: Thank you very much.

SIR GEORGE YOUNG MP, CHAIRMAN OF THE COMMITTEE ON STANDARDS AND PRIVILEGES

112. Our next witness is Sir George Young, who among his many other distinctions is Chairman of the Committee on Standards and Privileges. Sir George, you are very welcome. Thank you.

113. SIR GEORGE YOUNG: Good morning, Sir Christopher.

114. SIR CHRISTOPHER KELLY: Did you wish to say anything by way of an opening statement?

115. SIR GEORGE YOUNG: No, except the scenery against which this is taking place seems to change fairly regularly. But otherwise, no, my evidence is before you.

116. SIR CHRISTOPHER KELLY: Thank you. The scenery, as you say, has changed quite considerably over the last few months with lots of changes introduced. Several times you have stressed the importance of the Committee not being constrained by what has already been agreed by the party leaders and certainly we do not intend to allow ourselves to be constrained.

117. Do you think that various measures that have been taken, in total, will deal with the issue or do you think there is a lot more to be done?
118. SIR GEORGE YOUNG: I still think there are some really important issues about the restructuring of the allowances for MPs that have not been addressed and to which I think we all look towards your Committee. I think some of the parameters have been defined more clearly. For example, the Bill that we are beginning to debate this afternoon changes some of the architecture within which any regime is policed. Some interim parameters have been put in place on what MPs can claim for, but I still think that MPs are looking to an independent impartial Committee to come up with solutions which have so far escaped us.
119. SIR CHRISTOPHER KELLY: We have had some interesting exchanges with previous witnesses about the culture in the House of Commons which led to this situation. One of our witnesses denied there was such a thing while another described it as pernicious culture. In the light of what has happened over the last few years, do you think that changes in rules and regulations, transparency, and the creation of an external regulator are enough to change the culture so this sort of thing does not happen again or do you think that more is required?
120. SIR GEORGE YOUNG: I think transparency will deal with quite a lot of the problems that have been in the public domain recently. The knowledge that every claim that you make will be in the public domain, together with the invoice, I think, is a real incentive against making the sorts of claims that have got the House into difficulties recently. So I think that is an important step forward.
121. I personally would be slightly cautious, certainly in the short term, about substituting publication of receipts with some sort of spreadsheet. I am not sure the public is quite ready for that solution. I think until public trust is restored we will probably have to stay with the regime that we have got at the moment. So, I think, yes, a number of steps have been taken, moving the Fees Office or proposing to move the Fees Office out of the House of Commons, the response to the FOI. But on the culture I do not think I know of any MP who came to the House of Commons with the objective of enrichment. But once you get there and you discover what other colleagues are legitimately claiming for then you ask yourself, perhaps I should be claiming for that as well. People talk of moral compasses, it may be there is a slightly different pole, or whatever it is, that adjusts the compass once you get there, which just tilts things one way.
122. I think that there was a culture of entitlement and a feeling of, "Well, if X can claim for that and it is validated by the Fees Office and I am incurring the same sort of expenditure, perhaps I should be doing so as well". There is that sort of gentle drift towards an alternative approach to allowances to perhaps the one that you arrived with.

123. SIR CHRISTOPHER KELLY: A lot of people have said that the culture of entitlement arose partly because of a feeling that successive governments have ducked the question of increasing Members of Parliament pay to a level at which comparability might suggest was justified. Do you see an increase in pay as part of the solution to this issue?
124. SIR GEORGE YOUNG: My personal view is that MPs are underpaid. We have but ourselves to blame for that in that when higher increases have been proposed by independent bodies we have quite often voted them down. It certainly was in the past - going back quite a long time to the 1980s - that the argument you put forward was adduced, that the pay has got to be frozen or kept low because of the allowances. I think it has been difficult to sustain that because the pay did go up quite a lot in the 1990s. So to the extent that argument was valid, it is much less valid now when salaries are whatever they are, £65,000, which in real terms is substantially higher than when I started when I think they were something like £2,000, even allowing for inflation.
125. It may have been an alibi but I think it is a much weaker alibi today.
126. SIR CHRISTOPHER KELLY: One of the things that will remain the same - even with the new independent Parliamentary Standards Authority - is your Committee on Standards and Privileges taking a view on punishment of erring Members of Parliament. One of the points that has been put to us consistently through the surveys we have undertaken is that members of the public do not feel that those in public office necessarily pay the penalties of their misdemeanours. A number of people have said in evidence to us that if someone in a position of responsibility had been found guilty of fiddling their expenses on a major scale they would be instantly dismissed without redundancy payment and so on and so forth.
127. When your Committee sat on judgement on Derek Conway, they suspended him for two weeks but he is continuing to draw his pay and unless something is done about it he will get a Resettlement Grant. I do not want to get into individual cases but I just want to ask you whether you think that the Committee on Standards and Privileges is able to take a sufficiently robust view about the behaviour of Members of Parliament.
128. SIR GEORGE YOUNG: If an MP has done something which is criminal, fraudulent, then of course the police can intervene. If that happens we stand to one side. In a number of cases the police have had the same prima facie evidence as we have had or the Commissioner has had and have decided not to intervene, in which case it then falls to my Committee - with the help of the Commissioner - to investigate.
129. I think there are a number of points one can make. Firstly the standard of proof for my Committee is lower than the standard of proof in a criminal court in that we work on the balance of evidence whereas the criminal courts work on beyond all reasonable doubt. So, you are not absolutely comparing like with like when you look at the processes.

130. The second point one can make is regardless of what tariff we apply, what a Member of Parliament has is his or her reputation and there is a huge reputational hit if you are unanimously found by your colleagues to have broken the rules of the House. That is a severe punishment which, in a number of cases, has led to the end of a parliamentary career. You have mentioned one case and there have been others.
131. So far as the tariff is concerned, we do, before we recommend a punishment to the House, look at what we have done in previous comparable cases. We think that is fair to whichever individual MP is in front of us. It is, of course, open to the House, to any Member of the House, to propose a different penalty. They can propose that the Member be suspended for a longer time or, if they want to, they can propose that the Member should be expelled. But they have not.
132. Without going into individual cases, you do actually have to read the whole proceedings of the Committee to find out why we came to that particular conclusion. Quite often it is not nearly as clear cut as the papers will report in that in one case there may have been very little evidence either way, no evidence that offence had been committed and no evidence that it had not been committed. Under those circumstances it is quite difficult to come to a fair judgement. So where people have criticised the Committee's findings or our disposal, I would just invite them to do what we did, which is to listen to the evidence, read our report, and then they might have a clearer understanding of why, in that particular case, we came up with that conclusion and not something tougher.
133. SIR CHRISTOPHER KELLY: There are not many examples left of professions sitting in judgement on themselves without lay members also being on whatever the Professional Conduct Committee is. Has the time come for your Committee to have a wider membership?
134. SIR GEORGE YOUNG: We are not entirely self-regulating - I will answer your question in a moment - in that we do have an independent Parliamentary Commissioner for Standards whose report is always published. So it is not quite the cosy gentlemen's club that is sometimes portrayed, in that we do have that very helpful outside investigation and report.
135. In my evidence I said that we would be very happy to consider having outside members sitting on the Standards and Privileges Committee, not least to allay the concern that you mentioned earlier, Sir Christopher, about how we might recalibrate our proposals to conform to public expectations. So that is something which my Committee is prepared to put on the table, having outside members sitting on our Committee, particularly to assist us in coming to judgements where people may feel at the moment that we are possibly too lenient.
136. SIR CHRISTOPHER KELLY: How far would you take that? I think in most disciplinary panels lay members now tend to be in a majority.

137. SIR GEORGE YOUNG: That takes me slightly beyond my negotiating brief for this morning. At the moment I have a Committee of ten, nine plus myself, and I would see no difficulty with three or four lay members. The issue of having a majority, outside majority on a Select Committee of the House does raise some broader issues about parliamentary sovereignty that I would just like to reflect on, and perhaps touch base with my colleagues on the Committee before my negotiating position is readjusted.
138. SIR CHRISTOPHER KELLY: Okay. You referred a few minutes ago to the present regime on receipts and you said that you thought that we need to stick with it for a while rather than move over to spreadsheets yet that regime itself has already been criticised as having allowed too much information to have been blacked out.
139. SIR GEORGE YOUNG: Yes, I agree with that. When I saw my own receipts, far too much was redacted. I hope that when we publish the receipts for 2008-2009 we do it better.
140. SIR CHRISTOPHER KELLY: Is something happening to make it better?
141. SIR GEORGE YOUNG: It has been discussed. I think we had a debate or an exchange at questions to the Leader of the House the week before last where representations were made that for the year that has just ended we should be much more open and only redact that which really was personal, private or related to security. We should be much more open with the details on the receipts.
142. SIR CHRISTOPHER KELLY: I guess it remains to be seen what happens to that but that goes back to the culture question. One is bound to ask, did people within the House not realise what the public reaction would be to those large areas of black space that were featured on the front of every newspaper?
143. SIR GEORGE YOUNG: I suspect that we under-estimated the reaction. But, in a sense, it was all futile because the Daily Telegraph had them all with no redactions, so what was the point in blacking so much out? It was a public relations disaster for the House of Commons and one which we must not repeat in October or whenever it is when we do 2008-2009.
144. I think it is a logistical point. It should be made easier for MPs to put back in that which has been redacted by the Fees Office. There was a process that Frank Field explained to us of redoing it but it was technical. Also I think it ran some risk from the House authorities of getting us into trouble with the law if, in un-redacting, we exposed information that should not be in the public domain. I think a number of colleagues, having got the email, the advice from the House authorities, drew back from it. There is a challenge there to get it right in October and to show that we have learnt from the lessons of the past.

145. SIR CHRISTOPHER KELLY: Thank you. Elizabeth.
146. DR ELIZABETH VALLANCE: Good morning. You talked right at the beginning about scenery changes. I suspect it is not just, as the Chairman said, over the last few months that the scenery has changed it is over the last few days. That may have been what you were referring to in the new Parliamentary Standards Bill, which, as you know, had its first reading last week. It is having its second reading, we gather, today, it will then have a Committee stage on the floor of the House as it is not being sent upstairs, it will then conclude on Wednesday with its final Commons arrangements. Does this seem to you to be the way in which to bring in complex legislation in an area that clearly needs to be dealt with in the long term?
147. SIR GEORGE YOUNG: I have just been putting the finishing touches to a second reading speech which begins with exactly those warnings about rushing through legislation. I am not a party to whatever deal may have been done on the timetable. There are some really serious issues about the role of Parliament in this Bill and I am very, very worried that we are rushing it through. The only sort of salvation is the Upper House, where things cannot be guillotined and where, as in the Times today, a number of members of the Upper House have already expressed concern. This was done with the minimum of consultation and it needs some fairly serious changes, as far as I am concerned, before it should reach the statute book.
148. DR ELIZABETH VALLANCE: Can I go on just to ask you a bit about the actual body that is suggested here, another so-called regulator or another quango. The Chairman has been asking you about culture, does it worry you that if you produce yet another level of regulation or whatever that you lose sight of the fact that this is a matter of individual MPs' personal decisions about what they take to be right; that somehow if you give all this away to a body that you think is going to sort it out there that there is really no incentive for people to take this in a much more personal way and begin to change that culture?
149. SIR GEORGE YOUNG: I have no difficulty with outsourcing the mechanical bit of the Fees Office and having that done at arm's length.
150. DR ELIZABETH VALLANCE: But that is only a very small part of what this body is about.
151. SIR GEORGE YOUNG: Indeed. I would be worried if an outside body drew up a code of conduct for Members of Parliament that was statutory. I think that raises all sorts of issues about the sorts of things that you were talking about. If the Code of Conduct becomes a justiciable document and a Member of Parliament handles an issue in his constituency in a certain way for which he thinks he or she should be accountable through the ballot box but a constituent perceives it to be at variance with the code of conduct and you end up in court, then I think there are exactly the issues that you have raised about fettering an MPs discretion and not enabling him to use his or her judgement as to how to behave and how to handle the case.

152. Clause 6 of the Bill is very worrying in that respect. I have less trouble with them saying that is not within the rules and you cannot claim it. I do not mind that at all. It is when it moves into the broader issues where, I think as Sir Philip was saying, I want to be held accountable at the ballot box and not to the courts for what I do as a Member of Parliament. I am worried about that aspect of the Bill.
153. DR ELIZABETH VALLANCE: The whole constitutional implications of this new Bill are about parliamentary privilege, good licence and so on, but we are in a position where it is Parliament itself which is the case for scrutiny, if you like. So how do we square that circle? Sir Philip talked about balance between parliamentary privilege and the scrutiny of Parliament itself, but actually identifying what that balance would involve is the issue.
154. SIR GEORGE YOUNG: I think you square the circle by spending slightly more than two days in Committee on it and having a much more open debate. The Prime Minister promised public consultation on this Bill. I have not seen any feedback from it. There have been some meetings in the House of Commons which I have attended but we really do need a much more open debate with some really informed people who understand the law and the constitution of Parliament before we go down this road. In two days, when there are a whole series of amendments - and I do not know if the Bill is going to be guillotined and timetabled - I do not think we going to tease out the fundamental issues that you just touched on.
155. DR ELIZABETH VALLANCE: Just on the practical things. Where do you see the Standards and Privileges Committee standing in this? We have got the Parliamentary Commissioner for Standards, we have got the Standards and Privileges Committee, we have got the Members Estimate Committee, the Speaker's Committee, the Commission of the House, we have got external bodies like the NAO referred to in the Bill and HMRC, it looks like a bit of a confusion.
156. SIR GEORGE YOUNG: Yes, I think in my evidence I drew attention to the number of people fishing in this particular pond. As I understand it, Standards and Privileges remains as a Committee, the privileges side of the business - subject to what we have just been talking about - remains unaffected. If somebody thinks there has been a breach of privilege it goes to my Committee via the Speaker in the House of Commons. On the standards side we would be in receipt of recommendations from IPSA, where if they uphold a complaint from the public, upheld by the investigator, and they wanted something serious done to the Member of Parliament ... if they just wanted the money back, as I understand it, IPSA can sort that out, if they want something slightly heavier it comes to my Committee. We would look at the recommendations from IPSA, which may well have a proposed penalty attached, and then put it to the House of Commons where it would be voted on.

157. Where we have some difficulty is that if the investigator only looks at financial issues, which I think is the proposal at the moment, some of the alleged breaches of the code of conduct are about non-financial issues, MPs misbehaving, and if the Parliamentary Commissioner for Standards has been abolished and is replaced by the investigator and the investigator only looks at financial issues, who is going to investigate the non-financial complaints so that they reach my Committee? I think one of the problems about doing this at speed is that there are a number of loose ends, and that is one of them which concerns me.
158. As I understand it, the Parliamentary Commissioner for Standards remains in post for the time being unless you have more up-to-date evidence than I have. In which case you run the risk of a complaint going either way. You can either complain to John Lyon or you can complain to the investigator. We need to sort that out, we cannot have double jeopardy.
159. DR ELIZABETH VALLANCE: Or even worse is you are suggesting that there is a lacuna, if you like, between a particular complaint and who deals with it, which has all the markings of a bit of a disaster.
160. SIR GEORGE YOUNG: Yes, it could be one complaint and part of it could be financial and part of it could be non-financial. But at the moment my Committee, when it looks at a complaint, we have the benefit of the Commissioner for Standards and he does the investigation and produces a report. It is not clear whether we will have that resource from the Bill as it now stands in respect of non-financial complaints.
161. DR ELIZABETH VALLANCE: Thank you. Can I just turn to the specifics of this Bill again in terms of who does the appointing of the various members of IPSA? It looks at the moment as if it is indirectly via the Speaker's Committee. Then if we look at accountability, again, that is via Parliament for all the reasons we have rehearsed. If one looks at funding, again, that is via the Speaker's Committee. We have said why this should be, we have talked about parliamentary privilege, exclusive and good licence and so on. Without wanting to hit that on the head one still surely has to try and find other ways of dealing with the accountability question. Do you have any suggestions there?
162. SIR GEORGE YOUNG: I think Parliament was anxious that this should not be routed through a Government department. We did not want it to be accountable to the Executive. Unless you can come up with a more ingenious solution than the one we have come up with at the moment, which is a Speaker's Committee, that is where we are heading. That is appointed by Parliament.
163. Having gone through due process and the Parliamentary Commissioner for Standards is appointed by Parliament but there is a process, a very open process of competition and selection with advice from human relations experts before we end up where we are. I imagine that process will be gone through before we appointed the Chair and the members of this new body.

164. DR ELIZABETH VALLANCE: It has been suggested to us, for example, that perhaps the First Civil Service Commissioner might be somebody to get involved in this.
165. SIR GEORGE YOUNG: Yes.
166. DR ELIZABETH VALLANCE: External, if you like, to Parliament but still somebody who understands appointments processes within this kind of context.
167. SIR GEORGE YOUNG: Yes. As a member of the Speaker's Committee doing the appointment?
168. DR ELIZABETH VALLANCE: I think it is again, like all these things at the moment, not clear but the idea being, as I understood it, to suggest some other individual or body, not parliamentary, to actually make the appointments here.
169. SIR GEORGE YOUNG: Yes. I think we would value the imprint of the Civil Service Commission in the way that you have suggested. Having the whole thing accountable to the Civil Service Commission I do not think would work.
170. DR ELIZABETH VALLANCE: Accountability is rather different. I was talking really about appointment here.
171. SIR GEORGE YOUNG: Appointment, yes. On appointments we obviously want to get the best people possible and I am sure we would want to look to - though it is not my decision at all - the best impartial advice on how to select this very important post.
172. DR ELIZABETH VALLANCE: But accountability you think again still has to come directly back to Parliament?
173. SIR GEORGE YOUNG: That is where, in a democracy, things end up. Unless you can think of a better route for this.
174. DR ELIZABETH VALLANCE: But you cannot, knowing the way in which the House functions as you do ...
175. SIR GEORGE YOUNG: It is where the National Audit Office and the Comptroller and Auditor General ... that is where he ends up because we do not want him to end up with the Executive. We are the other place where things end up. I personally do not think that this is going to be a problem. I do not think Parliament is going to knowingly appoint the wrong person. I think Parliament want to get this right and will take all the advice that it can in order to get it right.
176. DR ELIZABETH VALLANCE: Is the best way of accountability for this body to report to Parliament and for there to be a debate in Parliament? So it

would have a report that would be a public report, that would then go to Parliament and it would be debated by Parliament. So, again, things could be raised in the forum publicly?

177. SIR GEORGE YOUNG: Yes, I think we have proposed, or it may be in the Bill, an annual report from the investigator. I think it would be very sensible to have an annual report from IPSA making a general statement about how things are going, whether they are meeting their objectives, what the volume of business is, what changes might be made. Yes, I think that would be helpful.
178. DR ELIZABETH VALLANCE: Thank you very much.
179. SIR CHRISTOPHER KELLY: You understand the dilemma, of course. I think our problem is the notion of an independent body which is both appointed by and accountable to the body which it is supposed to be regulating. That is the dilemma.
180. SIR GEORGE YOUNG: Yes. We look to you for answer, Sir Christopher. Quickly.
181. SIR DEREK MORRIS: Good morning. Can I ask you about outside interests? Like Sir Philip before you, I think you have stated you are not in favour of Houses of Parliament composed exclusively of full-time politicians. Could you first just say a little bit more on why you think that would so harmful?
182. SIR GEORGE YOUNG: When we have a debate in the House of Commons and somebody gets up and speaks with the authority of first hand experience of the issue that we are talking about, be it banking, construction, farming, I tend to listen more carefully than if he or she has picked up a brief from the Whips' office and speaks in that debate. I think people can bring to our discussions an extra dimension because they have foot in another world other than Parliament. That is why I said I would be unhappy if there was a House of full-time professional politicians.
183. I think as long as you are transparent about it, as long as your constituents know about it, that is okay.
184. SIR DEREK MORRIS: But if that is important to the electorate to whom you are ultimately responsible, is it not up to them to be able to elect people who have had considerable experience in any of the various fields? Does that experience have to be contemporary with their membership of Parliament?
185. SIR GEORGE YOUNG: You want it to be historical?
186. SIR DEREK MORRIS: If you think banking knowledge is important, the electorate can elect people with banking experience.

187. SIR GEORGE YOUNG: Yes, and then ask them to give up their jobs. You can do that but the experience inevitably decays, their knowledge decays because things move on and their contributions would not be quite so up-to-date as if they were still practitioners.
188. I think at the end of the day it is up to the people who choose the candidates and the voters as to whether they want somebody who is their full-time politician who is not going to be distracted by other claims on his or her time or whether they would rather have, perhaps, a more rounded person with some commitments which they thought might add value to what they could do for the country.
189. SIR DEREK MORRIS: There might be a bit of an irony in this, I am not sure, in that quite a lot of the evidence that has come into us has talked about MPs not really being in touch with the population as a whole. They would like to see MPs with more immediate experience with the problems of the constituents and so on. That tends to be what they are focusing on, that they would like MPs to know more about their problems and their issues. I do not think what they have got in mind is, "We wish they knew more about banking or farming".
190. SIR GEORGE YOUNG: That goes to the heart of what an MP's job is. It is really divided into two. One is the constituency bit, looking after one's constituents, taking up issues on their behalf and understanding their issues. The other is holding the Government to account and scrutinising legislation. My argument is that you need both attributes. The second attribute might possibly be better fulfilled by a Parliament which had within it a number of people who had first hand knowledge of the legislation going through or the issue before the Select Committee or the issue on which the Minister was answering questions. We have a dentist in the House. I have no difficulty with him drilling teeth on Sundays. I think it adds to our debates on dentistry to have somebody like that there and I would be sorry if he was not there.
191. SIR DEREK MORRIS: Finding a dentist on a Sunday is truly remarkable.
192. SIR GEORGE YOUNG: I do not want to advertise my colleague.
193. SIR CHRISTOPHER KELLY: Or going to a dentist who only drills on Sunday raises another interesting point.
194. SIR DEREK MORRIS: Accepting that, that probably it is a reasonable position that MPs should have outside interests, two further questions. The first is, as you know many members of the public say, even some MPs say, being an MP is a full-time job and you may have heard Sir Philip earlier saying it is quite possible for a busy person to do a full-time job and other things, but do you think that is an easy story to persuade the public of?
195. SIR GEORGE YOUNG: If it is not then that person would not be re-elected. If it was a wholly implausible story. I said in the debate when we

introduced these new rules that my constituents were more interested in the hours that I worked for them rather than the hours I did not work for them. As it so happens I have no outside interests so that is not an issue but I think most MPs would argue that they work, I think the average is around about 70 hours a week on their parliamentary duties and if they have outside interests it comes out of the rest of the week. Therefore it is not a serious invasion of the time that they have for their constituents.

196. The other point that is frequently made is the one about Ministers and the job that took me away most from my constituents was the 14 years when I was a Minister that made a huge impact on my ability to act for my constituents. I could not ask questions in the House, I could not raise them in debates and the amount of time I had to look after them was severely constrained by the burdens of office. I am not quite sure that there has been a fully robust response to that, to the outside interests' argument.

197. SIR DEREK MORRIS: If we then accept that MPs have outside interests but there is transparency about that - which I will come back to in a second - you said it is up to the electorate to decide whether they regard that as acceptable and your constituents are more interested in how much time you spend working for them. But supposing, as a result of that regime, a number of constituents are not happy with their MP, they think he or she is spending too much time on other things, is it really realistic to think they can deal with that? Because if you say, "Well, do not vote for that MP" they might say, "But I am a Labour Party supporter, who else am I going to be able to vote for". It is not really a check, particularly in safe seats, on the MP having considerable outside interests, even if his or her constituents are not happy with that.

198. SIR GEORGE YOUNG: I just think you have to set against that the broader public interest which I believe is served by having in Parliament people who do have those outside interests. If it is a real problem it can be raised within the party machinery, if Conservatives felt their Conservative MP was spending too much time on his personal interests, you can trigger the reselection process. You can put pressure on in that way. But I see no easy solution to the problem of the disaffected constituents who can be disaffected with a Member of Parliament for a whole number of reasons and it is very difficult to factor into the job description of an MP something that deals with that particular complaint or, indeed, other ones.

199. SIR DEREK MORRIS: It may go beyond the remit of this Committee, but could automatic reselection at each election be a solution to it?

200. SIR GEORGE YOUNG: By the party? In a sense there is. I can only speak for my party but two years ago I had to say whether or not I wanted to stand in the next Parliament and the answer was, "Yes, please", at which point they could have, if they had wanted, activated the reselection process. It so happens that in their wisdom they decided, in a secret ballot, unanimously to readopt me. So they decided not to. But there was a trigger point at which they could have. If there had been a number of constituents who felt I was no

good or spending too much time on outside interests that I do not have, at that point they could have triggered it and then I would have had to go around the course and compete with other people in order to be readopted as the candidate.

201. SIR DEREK MORRIS: Just finally on this area, on transparency, what would that entail? Presumably a register of all outside interests?

202. SIR GEORGE YOUNG: That is there at the moment.

203. SIR DEREK MORRIS: Which is being supplied? Secondly, the amount of time in broad terms that outside interests commit?

204. SIR GEORGE YOUNG: We are having difficulty with that. We are having real difficulty in defining hours. You spend time on a train going to a board meeting but while you are on the train you are doing your parliamentary work, you are answering your emails: does that score? Probably not. I think we are getting into some difficulties with these new rules that require people to state the number of hours, particularly for payments that are made after 1 July but the earnings were generated some time ago and they have not capped them. So I remain to be absolutely convinced.

205. As I said, the currency that my constituents are interested in is the number of hours that I spend working for them. Every now and then we are asked to work that out for people who do surveys, SSRB and others, and I think for me it is somewhere around about 70 or perhaps even higher. I think they are entitled to know that.

206. What I do with the other hours of the week, I think there is a slightly less compelling case for me to quantify those.

207. SIR DEREK MORRIS: What of the idea that if outside interests occupy time, as it were, at the margin that that would not necessarily need to be declared but that if the total amount of time broadly might be more than, say, two or three days a month, then there should be transparency about that? I would have thought - and correct me if you think this is wrong - that most people who were spending a significant amount of time, i.e. let us say two or three days a month or more, would have a rough idea of how much time they are spending a month and could then declare that as part of the transparency regime?

208. SIR GEORGE YOUNG: We await your recommendations with interest. I think there is value in having barristers in the House of Commons, practising barristers. They are dealing with the law. Not only are they acquainted with how the law is being interpreted but they understand about the courts and the resources and all that. It may well be that for a week or two weeks you do not see them at all because they are on an important case. My own view is I would not want a set of rules that made it difficult for those people to continue to be Members of Parliament so long as they declared how much they earned. Again, I do think we need to tease out this issue of time and how you define it.

209. SIR DEREK MORRIS: I would merely observe that lawyers, above all others, can tell you to the last minute how much time they have spent.
210. SIR GEORGE YOUNG: Yes, okay.
211. SIR DEREK MORRIS: Anyway, that is helpful. Presumably on the issue of multiple mandates, would I be right to infer that you feel that is also a matter that should be left to the electorate?
212. SIR GEORGE YOUNG: Sorry, what is a multiple mandate?
213. SIR DEREK MORRIS: Someone holding a position in, say, the Northern Ireland Assembly as well as Parliament.
214. SIR GEORGE YOUNG: Yes, if the electorate are happy with somebody who is doing more than one job, as long they vote for it knowingly, I have no difficulty with that.
215. SIR DEREK MORRIS: Could I just then go on to one other area which relates to staff and office expenditure. Firstly on the employment of family members, and we note that you have declared an interest here and you may well not wish to answer my questions but I think you could give us some useful information.
216. Some people have said to us the employment of family members should be banned but others have said as long as the appointment process is in some sense independent, transparent and fair then that perhaps might be a way forward. What I would like to ask you is this. If we go the second route, so some degree of independence in the appointment of office staff and therefore potentially spouses, are there, do you think, the following problems might arise? If someone is running an office and the person in that office is not performing terribly well and that might mean they are not doing the full amount of work or it might mean that just the quality of the work they are doing is not that good, that one would take steps to address that but it might be rather difficult if it is your husband or wife. Secondly, that it might make it difficult for other members of the office. It is one thing to say to the MP for whom you work, "Look, I think X is completely wrong in what he or she has said" but it is quite difficult if that person is actually the MP's spouse. Do you think there are those sorts of problems in the actual conduct of the office if a spouse is employed?
217. SIR GEORGE YOUNG: On your first point, I think it would be quite difficult to say you can employ your relative as long as they have gone through an open competitive process at which they have come out top. I think there will be real difficulties in persuading outside people that if at the end of the day you decided to employ your relative that somehow it was a level playing field. My own view is you have got to either say it is okay or you have to say it is not okay. I find the middle road, open and fair competition, quite a difficult one. It seems it does not really take either trick.

218. On the point about under-performing staff, Members of Parliament have just got to manage their staff intelligently, sensibly and fairly. If anyone is not pulling their weight then they have got to take the necessary steps. If you are over lenient on your family member and there is resentment amongst the rest of the staff then you do not have a very happy office and are probably unlikely to deliver the quality of service we want for our constituents.
219. My Committee's view, which I think was set out in a report which Philip drafted, was as long as they were paid the right rate, had the necessary qualities and did the business it was all right. That was the last time my Committee pronounced on it in a report. It was a few years ago I think when we said that we validated the criteria that Sir Philip had made in his report to us. We have not moved from that. That remains where I am.
220. SIR DEREK MORRIS: If we follow the line you were suggesting a moment ago, that either you have got to allow it or not allow it, the halfway house was too awkward, what about the following two arguments for not allowing it. The first being as far as we know there really is not any other significant area where the employment of spouses would normally be allowed. I am thinking of schools, where it used to be allowed and now is not, doctors and dentists, areas like that. Secondly, although many MPs who do employ spouses have said how very valuable and useful it is, the fact is well over 400 MPs managed to get along quite well without employing their spouse. So as long as there were really adequate transition arrangements, would those be acceptable arguments for saying, "If we have to bite on the bullet one way or another it should be to ban"?
221. SIR GEORGE YOUNG: I am glad you mentioned transitional arrangements because I think it would be unfair to just ban it. If you were so minded to ban it, I hope it would be progressively for new MPs or when vacancies arose rather than banned overnight. My view is that in many cases people get much better value from employing a relative than they would if they employed somebody else. To some extent we are more like a small business than running a school. It is much more intimate but every MP has his/her own style of working. There are advantages in employing people you really can trust with the media, people who get on with other members of your family, and people who are, at times, prepared to work way beyond the scheduled hours because of that family commitment. I think it is a difficult call.
222. Some countries have banned it, other countries have not. My own view is that I personally would prefer to keep it but I recognise there are arguments the other way.
223. LLOYD CLARKE: I am conscious of the time but a couple of questions if I might. The first of which is about communications. You have not expressed a view in your written submission to us. Bearing in mind that your Committee did put a report to Parliament, together with the report from Sir Philip on his inquiry, I wondered if you were content that as a result of those recommendations that have been put in place the concerns have been

addressed, particularly in respect of political advantage and are you content that it has now been policed okay? Is that why your report is silent on it?

224. SIR GEORGE YOUNG: I have always been cautious about the Communications Allowance. This was something that was introduced by Parliament without a recommendation from the SSRB. Nearly all the other allowances, when they have been changed or introduced, have been done on the back of the SSRB. This was unilateral action by the Government and I do not think that is the right way to do it.

225. LLOYD CLARKE: Although the SSRB have actually voiced a view on it.

226. SIR GEORGE YOUNG: They have subsequently validated it and I think frozen it. But, nonetheless, it was not something that they felt when they reported on pay and allowances that ought to be introduced.

227. I, along with my party, would abolish it. If people feel an impelling need to do that they can do it out of any headroom that may be left out of the Office Costs Allowance. It is a nightmare to police in that it can be used to promote incumbency, although there is a perfectly valid argument that it is building a bridge between the Member of Parliament and his constituents. It is explaining what he/she is doing. It is encouraging people to take an interest in the political process. I think the rules that have been introduced after, I think, one of Philip's recommendations about not doing it during local elections, some guidance being given about logos and all that, I think that has helped but I think there is still a problem in that it benefits the incumbent and is perceived to so do by people fighting the incumbent.

228. LLOYD CLARKE: One of the suggestion put to us was that perhaps if an element of Communications Allowance did remain that that should perhaps be spent on, and there should be a requirement for MPs to have an annual report containing such things as voting record, Committee attendance, expenses, outside interests, etc, and that that would be a good use of that kind of allowance.

229. SIR GEORGE YOUNG: Right, using a predetermined format?

230. LLOYD CLARKE: Something like that.

231. SIR GEORGE YOUNG: With something in it. But voluntary not compulsory?

232. LLOYD CLARKE: No, compulsory.

233. SIR GEORGE YOUNG: Compulsory? Okay, I think I would argue that this might be an unnecessary expense if all that information was readily available, for example, on an MP's website. It might be seen as not the best use of public money to make people produce an annual report.

234. I think it might be slightly - thinking aloud - better in that it might rule out some of the abuses that you have at the moment. If a format precluded hundreds of pictures of the active popular Member of Parliament cutting ribbons and all the other things that might be an improvement. But it runs the risk, if I may say so, of being rather a dull document if it has got my expenses and my voting record and my Select Committee attendance. It might not capture the public imagination.
235. LLOYD CLARKE: I guess it goes with what the Information Tribunal said in respect of, "If you do not provide information about expenses, etc, how can constituents come to an informed decision as to whether they should vote to re-elect that individual?" So whilst it might be a dry document, the notion was that at least this is presented to the constituents or it is there that they can go and get it.
236. SIR GEORGE YOUNG: They can go and get the expenses at the moment, as from whenever it was, ten days ago. They are all there to see. Most MPs have websites which gives information about what is going on and that just may be a more cost-effective way of reaching people than producing glossy pamphlets.
237. LLOYD CLARKE: Okay. Could I ask you one question on the Resettlement Grant, again, vis-à-vis the role of your own Committee on Standards and Privileges? We have been urged, as a matter of some priority, to consider how reform can be implemented, and quite urgently, to ensure that those who are standing down, perhaps because of details about their expenses, etc, should not get a golden goodbye. Therefore the Resettlement Grant should not be paid - similar to the SSRB recommended - if MPs retire or resign, that the Resettlement Grant should not be available to them. Do you have a view on that?
238. SIR GEORGE YOUNG: I do. Do you know the background to this? Has someone mentioned Willie Hamilton?
239. LLOYD CLARKE: Yes, they have indeed, an individual case.
240. SIR GEORGE YOUNG: As a result of Willie Hamilton they decided not to give the Resettlement Grant only to people who lost their seats. So we are where we are. I was looking at the table for the Resettlement Grant and it did not seem to be very logical. It peaks when you are about 55 or 60 and then it tails away to 50 per cent when you are very old and it is at 50 per cent when you are very young. I could not quite see the logic of the Resettlement Grant ... it seemed to me you got the most when you retired when you were about 60, which is when a lot of people retire anyway, so why does it peak?
241. LLOYD CLARKE: And are not seeking other jobs, therefore is it really a redundancy, yes.
242. SIR GEORGE YOUNG: Yes. I think there is an issue. I do not know if one can calibrate it according to the length of time you have been in the

House. If, for example, you are 85 and you do not stand at the next election, should you get a Resettlement Grant? At the moment I think you do. Likewise if you are 35 and you lose your seat, which is a fairly destabilising impact on your life, should you get the same amount as somebody to whom that happens when they are 60? So I think there is an argument for revisiting it and recalibrating it, perhaps taking into account the number of years that one has been an MP.

243. I think it difficult to say, just to answer your question, “that chap who stood down because he had a bad time with the Telegraph should not get the grant, but another chap at exactly the same age is standing down and the Telegraph could not really pin anything on him so he is going to get the Resettlement Grant.” I think that draws you into quite difficult value judgements.

244. LLOYD CLARKE: And those will be issues of judgement. Actually the only people at the moment that have got authority to do that will be your own Committee.

245. SIR GEORGE YOUNG: We would need a complaint, I think, that somebody had got the Resettlement Grant who did not ... we do not fix the rules, we interpret the rules.

246. SIR CHRISTOPHER KELLY: Do you regard the Committee as having the power to exercise a sanction of withdrawing somebody’s right to the Resettlement Grant?

247. SIR GEORGE YOUNG: Our hold on people leaves once they are no longer Members of Parliament.

248. SIR CHRISTOPHER KELLY: No, I mean if you were exercising a sanction now for a serving Member of Parliament could you say ...

249. SIR GEORGE YOUNG: I am with you. Yes, there are very few constraints on what we can do, we can expel people and we can ask them to make an apology to the House of Common and we can do things in between. I might need to come back to you on legal advice as to whether we can take away a Resettlement Grant. I will do that.

250. LLOYD CLARKE: It will be helpful to have that.

251. SIR GEORGE YOUNG: In theory we can do what we like as long as the House validates it.

252. LLOYD CLARKE: Thank you.

253. SIR CHRISTOPHER KELLY: One final question, if I may, you suggested that the Ministerial Code of Conduct should also come under the auspices of IPSA, would you like to expand on that?

254. SIR GEORGE YOUNG: Yes, I see a lack of parity of treatment in the interpretation of the two codes. You have got the Ministerial Code and you have got the code of conduct for MPs. With MPs, if you suspect an MP has broken the code of conduct anybody can write to the Parliamentary Commissioner for Standards and he or she will decide whether or not to investigate the complaint. If the complaint is upheld or if it is dismissed, the report will go into the public domain.

255. With a complaint against the Ministerial Code there is no such parity of treatment, in that the only person who can let the complaint go through is the Prime Minister. There is no direct access to Sir Philip Mawer. There is a doorkeeper, namely the Prime Minister. If Sir Philip Mawer produces a report, there is no obligation to publish that report in full. In a recent case I think an abbreviated version was published. I think if you are going to have codes of conduct and take them seriously, unless there are powerful arguments the other way, I think they should be on an equal basis and I think the MPs code of conduct has greater credibility because of the features of the regime that I have just outlined; namely, anybody can make a complaint, it is done independently and then the report is published. I am keen that we should do that with the Ministerial Code and, if I can, I will be tabling an amendment to the ISPA Bill to facilitate this.

256. SIR CHRISTOPHER KELLY: Thank you very much. Sir George, is there anything else you would like to add?

257. SIR GEORGE YOUNG: No.

258. SIR CHRISTOPHER KELLY: Thank you very much indeed for coming to give evidence and we look forward reading your contribution to the second reading later. Thank you.

ELFYN LLWYD MP, PARLIAMENTARY LEADER OF PLAID CYMRU

259. Our next witness is Mr Elfn Llwyd MP; you are very welcome and thank you for giving us evidence.

260. ELFYN LLWYD: Thank you very much.

261. SIR CHRISTOPHER KELLY: Is there anything you want to say by way of introduction? We have had your written evidence.

262. ELFYN LLWYD: Not really except to say I am very pleased to be here today to give evidence because obviously it is an extremely important and urgent matter.

263. SIR CHRISTOPHER KELLY: Thank you very much. Can I begin with a general question which is how did we get here?

264. ELFYN LLWYD: In my view, we got here because politically it became embarrassing to review Members of Parliament salaries over the years and as a sort of quid pro quo, very unofficial but still a quid pro quo, individuals were persuaded to look upon the Additional Costs Allowance as a means of topping up their, thought to be, modest salary. This then became almost institutionalised and led to the awful issues we have become aware of over the past few months. I think that is really the kernel of the problem and that is where we are now and why we are here now.

265. SIR CHRISTOPHER KELLY: What conclusions do you draw from that about what needs to be done to financial claims in the future?

266. ELFYN LLWYD: As I mentioned in the brief evidence, I know it is politically hugely unpopular to discuss this subject, this part of the subject at least, but I do believe it would be far better to bring in a substantial increase to parliamentary salary and do away with the Additional Costs Allowance altogether and hopefully cut down on the staff that were there to monitor the ACA. In the short term, I know it would be politically very unpopular. In the medium term, I believe things would settle and people would see there is a more transparent system now in place. If Members of Parliament wished to stay in a hotel, if they wished to buy a flat, a caravan or to do whatever they wanted, they could do it, but the misuse of funds over the years has led to a position where there is almost a public perception out there that the ACA is beyond the pale and cannot be rectified. I am in favour of the arms length body being introduced to Parliament today on this issue, not on the broader issue of conflict which I think is a big mistake, but on the question of allowances and the policing of allowances. I think it is quite appropriate that should happen.

267. I realise I am not alone because I speak to lots of Members of Parliament in all the different parties. The bottom line is they all know this is the actual answer but nobody is prepared to actually make it public because it is such a vote loser and particularly given the last few months furore which is quite understandable, people do not actually want to refer to it. I think it would be more straightforward and certainly more transparent and at the end of the day, far better, but I do not know whether or not it is one for now.

268. SIR CHRISTOPHER KELLY: You are not the only person who has said publicly that they think additional pay is part of the answer. Of course, there a number of others who say exactly the opposite not just on grounds of public acceptability but also because they argue it confuses pay with reimbursement of expenses necessary for them to do their job or because it fails to take account of different Members' circumstances and so on. How do you respond to that argument?

269. ELFYN LLWYD: I can understand that argument although I would not necessarily agree with it. If you give a person a decent salary to get on with the job and if parts of the performance of the job depends on having a bolt hole of some kind in London in order to perform parliamentary duties, that then should surely come out of that person's income. I do not think it is confusing

the issue. I appreciate there will be different views about it; I know there are different views about this. I continue to believe it is the simplest way of dealing with it and I think ultimately the best way. I do acknowledge politically in the shorter term, it will probably be a huge embarrassment if it were to be put in that way.

270. SIR CHRISTOPHER KELLY: We have received quite a lot of evidence from members of the public and the most favoured option among members of the public for the accommodation issue is the Olympic village or some form of barrack provision. We do not have to believe it should be the Olympic village or indeed a barracks to think there might be a possible approach which involves direct provision of accommodation through a renting agency.

271. ELFYN LLWYD: Yes. Except I think I would be horrified if I stayed with Members of Parliament for 24 hours a day.

272. SIR CHRISTOPHER KELLY: That is the institutionalisation argument but you could have direct provision that did not mean you would have to live with your colleagues outside the House.

273. ELFYN LLWYD: If you are all on the Olympic village there ...

274. SIR CHRISTOPHER KELLY: Indeed; that is why I said there are other ways of direct provision.

275. ELFYN LLWYD: I am not making fun of the notion. I know people are seriously considering it and it might be part of the answer. I am not saying everybody should be installed in that village but it might be that village and somewhere else perhaps where it could be done in that way.

276. SIR CHRISTOPHER KELLY: What I am trying to probe is whether once you have removed the responsibility altogether from MPs of finding their accommodation, usually in London, whether direct provision could be an option. It is done, for example, for serving officers moving to the Ministry of Defence in London with a commercial renting agency finding flats and payment for that passing entirely between the Ministry of Defence and the letting agency and the landlord and the officer not being involved at all.

277. ELFYN LLWYD: I believe there are some parliaments who do operate in that way where it is taken completely out of the individual member's hands and it is provided for by the institution. I think that could well be an answer.

278. SIR CHRISTOPHER KELLY: The other approach is to stick with where we are but to clean it up a bit as with the current position, the removal of ability to claim for white goods and so on. Even so, the current arrangement still allows people to claim for mortgage interest and it has been put to us that even though you may gain value for money in supporting mortgage interest, actually there are consequences, the fact it creates a situation in which a Member of Parliament can make a large capital gain or indeed, a loss if he was allowed an investment made possible through public money. The

difficulty of that is so great that actually support of mortgage interest should be banned altogether. Do you have a view on that?

279. ELFYN LLWYD: I would not go so far as to say that. However, what I would say is it does need to be capped. I have been in Parliament since 1992 and I do know of colleagues who have been moving up and entering into extensive mortgage arrangements which really were designed to make a substantial capital gain at the end of the day. The answer there is to say there should be a definite figure which is capped. For example, that could be based on the old notion that almost a payment of something like a medium range hotel per night in London, four nights a week or whatever it is, times the number of weeks in the year. I do believe that was one of the ways in which the year system was put in and looked at but it must be capped otherwise we will end up with further abuses of people buying and selling merely to make gains.

280. SIR CHRISTOPHER KELLY: I remember this being put to us. If you were devising a system from scratch, it might be quite a rational thing to do as you propose. The trouble is we start from where we start. If the result of this inquiry is to do something which takes the issue of these expenses away from any further controversy, we may have to lean over backwards to take off the table altogether those elements of the system which have led to the most controversy.

281. ELFYN LLWYD: My understanding of the model that has come in from Scotland and my colleague from the SNP will tell you more about that than I can, but they found a way round it where they were perfecting the existing perceived problem. It is possible to do it but it is more difficult with people who are already here. For example, there may well be many Members of Parliament, if asked to sell in the next year before the next Parliament, who might be in negative equity. What do we do with them?

282. SIR CHRISTOPHER KELLY: That is an issue of transition.

283. ELFYN LLWYD: Yes. I think the Scottish model is worthy of some study in this regard. They seem to be able to find the right balance there.

284. SIR CHRISTOPHER KELLY: Thank you very much.

285. DR ELIZABETH VALANCE: Good afternoon.

286. ELFYN LLWYD: Good afternoon.

287. DR ELIZABETH VALLANCE: Could I turn to the institutional framework? We know the Bill that is going through Parliament enormously quickly it seems at the moment. In a general way, can I just ask what your view is partly about the Bill but also about the way in which it is being brought in? Do you think that makes sense?

288. ELFYN LLWYD: I am a member of the Standards and Privileges Committee and though not wearing that hat, I was asked to take part in the unofficial, pre-legislative scrutiny which Sir George and other party leaders and various people had long discussions with Alexander and Jack Straw over the draft Bill. I was very uneasy about it because one has to think of situations such as the Dangerous Dogs Act and we also know about the firearms legislation post Dunblane. Of course there was public fury and alarm at that time in both instances.
289. Unfortunately, those pieces of legislation have not stood the test of time. In the first case, it is virtually unenforceable and in the second, it did not make much difference to the firearms situation anyway other than make life difficult for legitimate gun clubs. That came in. Those two examples were rushed. I do think we should pause on this because we are in danger of doing the same thing again in trying to appear to be urgently sweeping out the stable whilst, in fact, we have very little to bring in the proper durable, robust system.
290. I was very concerned about the whole idea which was initially in the Bill about the conduct issue, not just on allowances now, but on the conduct generally becoming just a shoe-up, and there is a potentially a breach of Article 9 of the Bill of Rights because it would affect parliamentary privilege and freedom of speech. Take freedom of speech away from a Member of Parliament and there is nothing left.
291. DR ELIZABETH VALLANCE: Of course, this is the issue as you are saying but just depart that particular bit for a minute and talk about the technicalities of the scheme, the question you raised in your evidence to us, your written response, the question of who should set allowances, of IPSA being responsible for administering allowances. They are also, we gather from the Bill, responsible for dealing with complaints about MPs and so on. Is it possible to do all these things without conflict?
292. ELFYN LLWYD: No, it is not because I cannot see how they can set the levels under the body. I do not quite understand the way in which this is going to work. They receive a complaint. They investigate the complaint. They adjudicate the complaint and in some instances on the Standards and Privileges, we have complaints against a member but also against the department. So they have judge and jury in their own court. So there is definitely a conflict and if you then farm out the whole administration of investigation of all these complaints that might come in, when they decide, they make a finding and then apparently, according to this Bill, they come back to the Standards and Privileges and say they have had a complaint of something against X, Y or Z, and they have found against that person and it is over to us to penalise that person. I, for one, will not remain on the Committee just to be told by an outside body what I should or should not be doing with colleagues unless I was absolutely sure the investigation procedure was proper and thorough and their conclusions are reasonable.
293. DR ELIZABETH VALLANCE: Presumably any reports from the new body would go to the Speaker's Committee, so you would have a

parliamentary input at that level.

294. ELFYN LLWYD: Earlier on that was not the case. This has actually been made on the hoof; that is the big problem. I pressed Jack Straw about it because the formula was that the investigation was carried out by this new body, they would come to a conclusion. If they found there was something wrong, it would then come to the Standards and Privileges Committee to process the thing through the House in terms of imposing the penalty and it is always subject to parliamentary vote when the penalty is imposed.
295. DR ELIZABETH VALLANCE: But at least the Standards and Privileges Committee appears to have a role within this new framework. If you look at the Parliamentary Commissioner of Standards, although we talked to Sir Philip this morning as the previous Parliamentary Commissioner, he believes there is still a role there, but it is quite difficult to see what it would be.
296. ELFYN LLWYD: It is a limited role but if the amendments which we are told are being introduced this weekend via Number 10, if they come in, then there will be no role because obviously conduct at large, including the question of finances on one side, will become a matter for this new body.
297. The other problem is every Member of Parliament, no matter how well he or she represents their constituents, will have to put out that they like them and who might well, for sometimes political reasons or personal reasons, might wish to fake such an endorsement. If we are opening up the whole issue of conduct on a statutory basis for a decision in the courts, it really is becoming a massive can of worms. It is a lawyer's holiday but other than that, it is nothing else.
298. DR ELIZABETH VALLANCE: At the back of that, presumably you are worried about the constitutional effect for Parliament.
299. ELFYN LLWYD: I am indeed, yes because undoubtedly it will have an affect on parliamentary privilege, free speech and so on. One of the tools backbenchers have is when they see a patent injustice out there, they are able to say things under cover-up privilege; it is not used very often but it is useful when it needs to be used. When you see somebody being totally unjust with somebody else, it may be a large company who are very well off who could sue the pants off anybody and then the individual is downtrodden and you actually try and address that balance by giving it some limelight in Parliament. It is not done often but it is a useful tool to have.
300. DR ELIZABETH VALLANCE: It is important that parliamentary privilege, exclusive rights and so on are maintained in your view, but then that leaves us with the difficulty of what is being scrutinised here is Parliament and yet, Parliament is, if you like, the end of the process. For example, have you any sense if one looks at accountability, is accountability to Parliament the way to go forward with this? If you look at funding for this body for IPSA, this is apparently through a Speaker's Committee, if you look at the way in which these individuals are going to be appointed, is there any other way of doing it

without all roads leading back to Parliament, as it were, given parliamentary sovereignty?

301. ELFYN LLWYD: I do not suppose there is on the conduct issue. I think there is on the financial side of things. I am quite comfortable with IPSA doing the whole thing about allowances and the policing of them and the financial side, but it is on the conduct side I am concerned about it.
302. DR ELIZABETH VALLANCE: Yes. I think I am talking about IPSA itself and how it is financed. We know an easy way to stop any kind of body having any clout is to limit its finances. If it is going to be dependent on Parliament and dependent on the Speaker's Committee for its financing, does that not leave it vulnerable then?
303. ELFYN LLWYD: It does leave it vulnerable and there is also a perception problem. People will argue there are not enough investigators and, therefore, things are not being done properly. Is this by a design question? I understand that point.
304. DR ELIZABETH VALLANCE: Is there any alternative that you can see without in some ways weakening the position of Parliament here?
305. ELFYN LLWYD: Quite honestly, no, I cannot think of one.
306. DR ELIZABETH VALLANCE: As far as appointing is concerned, it has been suggested to us that rather than using the Speaker's Committee as suggested in the Bill, it might be possible using the First Civil Service Commissioner. Would that appear to you to be a possibility?
307. ELFYN LLWYD: Yes. I see no reason why it should not happen. Again, I see no problem with that at all. It is a sensible alternative.
308. DR ELIZABETH VALLANCE: It might be a way of squaring the circle.
309. ELFYN LLWYD: It might be a way of squaring the circle. My grave concern about this legislation is that three weeks ago, nobody had seen any of it and over the past fortnight, it has changed so much. I have amended it in several parts but it is still very much a curettage and given the changes this weekend, heaven knows where it will end up.
310. DR ELIZABETH VALLANCE: Thank you very much.
311. SIR CHRISTOPHER KELLY: Do you understand why it is being pushed through so quickly?
312. ELFYN LLWYD: Yes; it is a political imperative, pure and simply. I do not think there is any commonsense basis in it at all. I do not want to betray confidences but this did arise during conversations over the Bill and one of the ministers said there is huge public concern out there. Somebody said there was public concern over the Dogs Act as well and we got that badly wrong. I

would very much have waited for your Commission to report to begin with. We could have had draft legislation in the autumn. We could have full pre-legislative scrutiny and if Government were concerned they were not being seen to move quickly enough, then the public should be reminded of the good work you are doing at the moment and it is still ongoing and it will be ongoing from now until the time you report. It is not a vacuum at all but I perceive it is purely a political imperative which is never a good starting point for legislation.

313. SIR DEREK MORRIS: I want to ask you about one or two particular expenses that cause problems. In the area of staff and office expenditure, one of the things that has caused a lot of concern is a section problem in regard to employment of family members. I think you feel that is a problem even if the appointment were made in some rather open way. What do you think is the answer? Is it simply to ban the employment of relations?
314. ELFYN LLWYD: In that particular part there, I referred to the idea that it is public funds and, therefore, it should be a publicly funded system. Of course, what happens if the family member gets the job? Are you we just going to move people around? If we do not do that, then that is the other problem.
315. I should have the courage of my convictions and say, "Ban family members". I have never worked with my family as it happens but the problem there is I know so people who work in parliaments who are doing excellent work for Members whether they be a spouse or son or daughter, whatever it might be. It is a very draconian step to ban everybody because of this perception problem.
316. SIR DEREK MORRIS: Is it only a perception problem because supposing you do have, you wave a magic wand and we do have a really rather good appointment system and the spouse gets appointed and that seems fine, but are there not still some practical problems? In an office, if an employee starts not to perform very well, then one manages that situation, but it might be quite difficult if the person is your husband or wife.
317. ELFYN LLWYD: I take your point.
318. SIR DEREK MORRIS: The perception might be a genuine concern that in such a situation, and we would understand it would be very difficult for an MP to handle that situation where they would with someone else.
319. ELFYN LLWYD: When I entered Parliament in 1992, one of the things I was told by my party that I would have to live in my constituency. That was no problem and the second thing was I was not to employ anybody related to me and that was in 1992. For all those years, we had four MPs, we are down to three now, but nobody has ever employed a member of family.
320. SIR DEREK MORRIS: The reason your party said that?

321. ELFYN LLWYD: Was because of the difficulties involved. It is not simply a perception. It is that practical point you make but overall, we should be whiter than white in a public job of this kind.
322. SIR DEREK MORRIS: Can I just ask you this? The Staffing Allowance is set at a limit which enabled members to appoint members of staff so they can do case work and search, be office managers, secretaries and so on. A lot of that work in the constituency is dealing with constituents' problems when they have to deal with the organs of central government. Is there a place for saying that in areas where there are devolved administrations, quite a significant chunk of that work one could expect could be handed elsewhere so that the MP might perhaps need less office support and, therefore, a lower expenditure in devolved administration areas?
323. ELFYN LLWYD: This is not a special pleading but since devolution, I have noticed a great decrease in my workload. The way it works is this. I do surgeries in 30-odd places. I am travelling around; it is a large constituency. You see people, they come to you and the people in my constituency would not have an appointment system because they said my predecessor did not have one; why should I have one. So time management is a nightmare for me but then people come in and it is obviously a devolved matter. What I do is I take the case on and deal with it. I copy the Assembly Member in and there we go, so I just do the same work as I did before.
324. SIR DEREK MORRIS: So although there may be other advantages, one problem about the devolutionary move is some duplication of work.
325. ELFYN LLWYD: There is a little bit of duplication but that is only because by and large, my members were not quite aware of the fact that a considerable amount of work is now being hived off to Cardiff. You cannot very well tell them they have to wait until Dr Thomas, my Assembly Member, comes around on his journey. It seems wrong to say that. I would deal with it, do the letter and copy my colleague in. The problem with that is if we are representing different parties. I will not say it is easy; it is working for us but not all.
326. SIR DEREK MORRIS: Have you any experience of a problem that has been put to us a number of times that there can be payment to office staff, which is to support the MP in his or her duties, but in practice, some and perhaps a significant proportion of the activity of the member of staff is essentially part of political life?
327. ELFYN LLWYD: Clearly that does happen and we have been very careful about that because both things have to be separated completely to the point that when my staff in the constituency office answer the phone I like them to say, "Elfyn Llwyd's office" because it is not the party office. We do not operate at all in terms of use of facilities whether they are facilities or indeed staff. We have a wall between them.

328. SIR DEREK MORRIS: But would recognise it more generally as a potential problem in the system?
329. ELFYN LLWYD: It is a problem. It does happen.
330. SIR DEREK MORRIS: In your mind, is there any way of solving it?
331. ELFYN LLWYD: People should be reminded that those resources are purely to do your job and nothing else. It is not party political in any way, shape or form and people should be reminded about it. Members of staff should not go out at any time to party matters unless they do it in their spare time.
332. SIR DEREK MORRIS: Do you think it would help or just is window dressing to say that the MPs office should not be in or rented from the party such that there is a physical separation that would help to emphasise the separation?
333. ELFYN LLWYD: Yes, I agree with that. Some years ago, our party was thinking of assisting to buy premises and then there would some form of let for the party. I never subscribed to that. I could not see that would work. It was wrong. It looked wrong and I never bought into it. We did not buy into that I am pleased to say and I do not think it is right. You need a definite cut-off between the Member of Parliament's office or the Assembly Member's office and the party political function; completely divorced from each other.
334. SIR DEREK MORRIS: Finally, if I could just ask you a couple of quick questions about transparency generally. So you would presumably agree all receipts should be made available and so on. Just two things. One area where there are not receipts is car journeys. Do you believe it is reasonable to expect MPs to provide a log of all their journeys when putting in mileage claims?
335. ELFYN LLWYD: Yes. What I can say is that when I was elected in 1992, I bought a little hardback copy book. Every single month, I would put in dates of where I went, why I went and when I returned.
336. SIR DEREK MORRIS: And you did not find that unduly oppressive?
337. ELFYN LLWYD: No because I only have to fill it in on a Friday, sometimes on a Saturday and Monday when I travel to the station and then back on Thursday.
338. SIR DEREK MORRIS: In your submission, you refer to some good examples of transparency in local Government. Perhaps not now, but that might be very helpful for us and perhaps outside this hearing, you could supply us with that.
339. ELFYN LLWYD: Certainly because as you say, by and large, local Government have been far more transparent in terms of declarations in

particular than we have in Parliament for some time now. I think there are things to be learnt from this.

340. SIR DEREK MORRIS: It might guide us in terms of practicalities.
341. ELFYN LLWYD: I would like to write to you about that.
342. LLOYD CLARKE: Could I ask some questions about specific allowances and the first one is about outside interest? Perhaps you would give us a short general view about outside interest, but then more specifically of difficulties in averting MPs who have outside jobs.
343. ELFYN LLWYD: In general, I would not ban another job. I say that because one of the ways in which the House of Lords tends to be better in terms of quality of debates than the House of Commons is that most people in there have an expertise in something or other and they chip in when that subject is being discussed. Far too many Members of Parliament nowadays come through the route of student unions, presidents and then local councillor and then researcher and then Member of Parliament. They have not seen anything of life outside. I think that is a mistake frankly if you ban people. I declare an interest outside to practice part-time as a barrister. What I do know is when I receive draft Bills from the Home Office and justice Bills, I can foresee how they are going to work in practice because my toe is still in the water and I think that is quite useful. If I was told I could not have any more dealings at the Bar while serving as a Member of Parliament, it would not break me and I would be fine but I would lose out on being able to keep in touch with what is going on in the courts.
344. LLOYD CLARKE: Do you make that public to your constituents? Is it a matter for them to elect you knowing that is what you do?
345. ELFYN LLWYD: Yes and I think the point is, if you devote, as we will all have to declare from 1 July how many hours we put in, and if they say this is inordinately large, you have a problem and you have obviously to choose. However, if you decide, as I am doing for a few weeks in the summer recess and paperwork in the winter, advising on claims and so on, and it does not impede on your work as a Member of Parliament at all, there is that balance. Also it is important that we attain expertise which can inform our deliberations in the House.
346. LLOYD CLARKE: Is it about being transparent about what you do, the time that you spend on it and the amount of income that flows from that?
347. ELFYN LLWYD: Yes, it is. If a Member of Parliament is spending vast amounts of time in the boardroom or wherever else, the constituents will be beginning to think are they being properly served?
348. LLOYD CLARKE: That is more than helpful as an opener but then the issue of abating pay if someone is presumably doing much more than in terms

of cash amounts perhaps.

349. ELFYN LLWYD: I think that is probably difficult. There are people now who will be earning two or three times their salary outside. Do you tell them they will receive a token £5 a week for turning up? How do you do that? In my case, my earnings are very limited, but I would hate to think I would lose a third of my salary because I earned less than £20,000 at the Bar because I am very much part-time. I just cannot quite see the system; how it would work.
350. LLOYD CLARKE: That is okay; let us not take that any further. Let us build on that. What then about the issue of multiple mandates? Should there be a rule preventing even triple mandates or again, should that be a matter; make it transparent and leave it with the voters? Do you have a view?
351. ELFYN LLWYD: In terms of the Welsh Assembly for example, there is no dual mandate apart from one term. I think you are talking about Northern Ireland. It has always struck me as being rather strange. My colleagues from Northern Ireland always seem to be exempted from some of these things. I know there has been the history of the provinces situation but I do not think, in this day and age, it is justified for a person to be a member of an assembly in Northern Ireland and also a member in Westminster at the same time.
352. LLOYD CLARKE: The reason being because?
353. ELFYN LLWYD: I cannot see how they can devote sufficient time to both to be honest.
354. LLOYD CLARKE: Again, if you make it transparent, the same as we have been talking about, and electors vote for you on that basis.
355. ELFYN LLWYD: Yes, they do but once you are elected and in there, your electorates will accept you in both and that is fine. I have no bad blood towards any of my colleagues from Northern Ireland frankly; with people in every party but I just do not know how try to and manage this. I remember during the first Assembly in Wales, I was left looking after the fort and I had three other colleagues who were members in both institutions. It was absolute hell and I ended up with eczema, amongst other things, and shingles and heaven knows what else trying to cover everything whilst they were donating time in Cardiff. You would have thought as it is only a two-hour train drive from Cardiff to London; that would be very manageable. It certainly was not and I fully understood why it was only for one term.
356. LLOYD CLARKE: Just staying with Northern Ireland then, the Prime Minister specifically asked this Committee to look at the application for the flat rate attendance allowance. Of course our review is wider than that but should MPs who do not take up the seats in the House be entitled to claim the full range of expenses?

357. ELFYN LLWYD: Absolutely not. There is no logic in it and I do not see why that should be at all.
358. LLOYD CLARKE: That is an answer on the basis of a Standard's issue but is there a political exception anywhere for Northern Ireland that goes beyond our remit?
359. ELFYN LLWYD: I would not have thought so. Hopefully we are in a peaceful phase now in Northern Ireland and some of the exceptions that were made for very good reasons, they are no longer sustainable.
360. LLOYD CLARKE: The rationale still continues for them not taking the seat in terms of swearing the Oath of Allegiance, so is there any way that we may be able to get around that by a different oath for different individuals?
361. ELFYN LLWYD: I would not be against that all. I would think that would be a very sensible thing to do. It would be a good thing to do.
362. LLOYD CLARKE: Thank you for that. Could I just ask you; you are very unequivocal in what you have said in respect of abolishing the Communications Allowance but if you abolish this, where do we go from there? Do we go back to the system as it was before or we do stick with the rules and the parameters that have now been given but just do away with the allowance and then we start from elsewhere?
363. ELFYN LLWYD: What I can say is the Communications Allowance problems are referred to the Standards and Privileges and it is a growth industry. Either Members of Parliament are not being properly advised or there is something else going on but it really is subject to abuse.
364. LLOYD CLARKE: We have heard from Sir George this morning and also we have seen Sir Philip's paper on that as well. A final question then which is in respect of the Resettlement Grant. As you know, when you take up the job, it is for a fixed term, so why the Resettlement Grant? Why is there a need for a Resettlement Grant other than for someone who is standing in the same constituency and who loses the seat? Why for MPs who resign or indeed retire?
365. ELFYN LLWYD: There would not appear to be any logical reason why if somebody retires that there should be resettlement other than the Resettlement Grant to deal with their staff.
366. LLOYD CLARKE: There is the Winding-Up Allowance which deals with that which is a separate allowance altogether.
367. ELFYN LLWYD: Yes. I would say with regard to that one, I would suggest that might be left alone. With regard to the Resettlement Grant, in a case where somebody knows months before that he or she is retiring, it does not seem to be logical.

368. LLOYD CLARKE: The case now where so many MPs have said either they are not going to stand at the next election or they are going to stand down, irrespective of what the reason is, some of the reason may be because of the exposure of purposes of expenses, but if they have clearly said they are going to stand down, why should they get the golden goodbye?
369. ELFYN LLWYD: Yes and especially when there have been some awful cases of misuse and those people will receive their full resettlement grants the same as anybody who retires with dignity and honour.
370. LLOYD CLARKE: Thank you very much.
371. SIR CHRISTOPHER KELLY: Just for my own benefit, clarify one thing. Did double-mandates between Cardiff and Westminster only happen in the first term?
372. ELFYN LLWYD: That is correct.
373. SIR CHRISTOPHER KELLY: Is that a matter of policy?
374. ELFYN LLWYD: It was.
375. SIR CHRISTOPHER KELLY: Is it a party political decision or the way the Assembly was set up?
376. ELFYN LLWYD: It was just the way the Assembly was set up.
377. SIR CHRISTOPHER KELLY: Thank you very much. Is there anything else?
378. ELFYN LLWYD: No, thank you very much.

DR TONY WRIGHT MP

379. SIR CHRISTOPHER KELLY: The next witness is Dr Tony Wright MP. Do you want to say anything by way of an introduction?
380. DR TONY WRIGHT: Thank you for having me. I will not go over what I have said but perhaps I will just very quickly pick out some headlines. It may get us going. First of all, I know you teased me once for having said all this could be sorted out in five minutes on the back of an envelope and, of course, that was a politician's way of saying, "This is absolutely not complicated to work out", but it was exaggerated.
381. It is pretty clear what the constituents of an expensive system ought to be and if you talk to people, they generally will agree they need somewhere to live, they need to be able to travel, they need to be able to employ staff. The essentials of it are well understood. It is how we get from that straightforward understanding to where we are and I think that is where we have gone wrong. We have gone from that rather straightforward understanding of what is

required to a whole notion of a second home which is what I say in the note I have given to you. I do not think it was ever intended that MPs should be provided with a second home. At least, I do not believe it was, and I think that is where all the trouble has started and, therefore, I argue strongly that we need to revisit that to go back to what I think was the original core idea which is the need for somewhere to live when you are in London and get away from the second home business. That is the first point.

382. The second one related to that is this huge mistake we made because we were going down this second home route of 20-odd years ago before I joined to Commons allowing people to start claiming interest on mortgages. Once you did that, you gave people interest in property values, you gave people interest in messing about with houses and you gave people interest in improving properties and finding there was an expenses and allowance system that enabled them to do that. I think in no way was that ever intended but it was there and it happened.

383. I do cite the fact that when I gave evidence to this Committee seven years ago, I did warn that the next scandal coming along was going to be expenses. I did think then that the chief scandal was going to be huge capital gains being made by Members of Parliament for mortgages funded by the taxpayer. One of the bizarre features of what has happened is that people have got themselves almost formally exercised about some of the less evident abuses although abuses nevertheless. Some of the review which I never even thought of; there has been a wonderful ingenuity in exploring this system and every time it has been discussed, I discover there are new things I could be claiming for which I have never been able to do. I think that is still the insipid scandal and I gave you the example of the huge capital gain that I could have walked away with if I had bought a property. I do not think the system was ever intended for that. I think if people understood quite what was happening, there would be a huge following about it but it is kind of perverse how it is being talked of.

384. As Nick Robinson was pointing out on his programme yesterday, it is odd that someone like the Leader of the Opposition can claim £24,000 to buy a large house in the Cotswolds and get less grief for that than for someone who buys a fancy television. I just think there are issues there. I do not think the system was ever intended to enable people to buy substantial houses at the taxpayer's expense. My recommendation is we return to where we should have been which is something equivalent to a crash pad, the cost of such is provided for MPs if you do not want to go down the overnight allowance route and I think that corresponds with what the public generally think.

385. I say something briefly about employment because in all this, you have to look at the abuses you are trying to remedy. The abuse is that some people have treated being an MP as the start of a family business. Now again, I do not think it was ever intended that should be but it has been perfectly possible to do that because of the way in which the allowance system operates. I think that is unacceptable. If there is to be employment of relatives, it ought to be through some proper employment process. You would

appoint on merit as indeed you do for every other public appointment. You do not smuggle your relatives in and that seems to be pretty obvious, so a proper process about that.

386. I have one suggestion to commend to you which is I thought the Communications Allowance was a silly idea that would come back and bite us because we were quite able to do what the Communications Allowance enables us to do which is to communicate, send leaflets round, in the existing allowance system. We all did that. I think I was one of the first MPs ever to produce an annual report back in 1992. Now everyone does it and they do it at public expense with this new allowance at considerable cost with considerable glossiness and of course they are not annual reports at all. They are simply exercising self promotion; part of their re-election fund. I do not think that was ever intended.

387. What I would require MPs to do from their existing allowances is to produce a genuine annual report for constituents where they have to say what they have been doing. They have to say what their voting record is, what their attendance record is, what their outside interests are; all of these things. So you genuinely account to constituents for some of these things and just do not put stuff around that will put you in a good light.

388. Finally, I know you are looking in part at the question of outside interests. My view on this is it is very complicated. I think you are right to say not to mix up allowances with pay. I think these are separate systems and there is no justification in the argument that people somehow have abused the allowance system because the pay is not good enough. That is a completely indefensible argument and it is completely untrue as to how these things have developed. It does take you on to the question of how you should remunerate Members of Parliament which is a vexed question because they are not comparable with anything else. There are no normal rules of supply and demand that apply to it. You require no qualifications for the job and there is an endless queue of applicants. So any kind of criteria you apply will not apply to this job.

389. Obviously it is further complicated by the fact that some MPs manage to combine being a Member of Parliament with doing something else. That makes it very difficult to make a case, even if you were going to which is not your business, on the pay front. It does touch on this question of external interests and other work. I think the idea of banning that is not a starter for all kinds of reasons. Even if you thought it was desirable, it would be impossible to enforce because you would have to decide what counted and what did not count and I do not want to be promoted from writing a book and that kind of thing. You cannot make one rule for some people and another rule for other people. What I do think is the way to approach this, and I think if you could say something about it, it would be extremely welcome, is that the problem is rightly identified but not the appropriate solution. The problem is this development of a professional political class; people who know only politics, people who come into the political process at an absurdly early age, without experience, without getting experience of the external world. I think that is

what the problem is. My response to that, and it is not one within your power, but it is to say we should be selecting people to come into politics - and all parties should - with ten years experience of some other occupation beforehand, so they bring something to it. Then the issue about whether they do other bits and pieces in their spare time is for them. I think in order to address them, the far more serious issue about what has happened to an arguable process, so there are some headlines for us.

390. SIR CHRISTOPHER KELLY: Thank you. Can I start off out with a general question? You say in your evidence the present difficulties were entirely political. The history over the last couple of years has been of people not quite getting what the situation really was and what the public response was and what could be done. What does all that tell you?

391. DR TONY WRIGHT: You do not want to go over the whole history of this. It is too painful to reflect. When I said what I did, it was not an unusual prescience on my part. It was just a statement of the blindingly obvious. Here was a problem and if it was not attended to, it was going to cause us grief. It was not attended to. Why was this not attended to? Because people had a great interest in not having it attended to. There was nothing irrational about it up until the very last bit. I suppose there is nothing irrational about wanting to keep this from the auditor of the Freedom of Information Act. Giving what has happened, you could say it was entirely rational to try and stop this coming out. Indefensible but rational. Right up until the end, until the sky really did fall in, people thought perhaps they could find a way around it. It is only just very latterly that people have reached the point of understanding that this is indefensible and we need a whole new system, properly regulated and so on. I am afraid it is not a pretty story.

392. SIR CHRISTOPHER KELLY: The reason for going over the past is so we can understand the future. Do you think the combination of transparency and rules and regulations and some regulator will do the trick or do you think there is something better?

393. DR TONY WRIGHT: I think I say in my note to you that essentially the problem has been solved. Essentially you solve it when every claim that every Member of Parliament makes is exposed to public scrutiny. Constituents know about them. The newspapers know about them and they have to be able to defend them in a plausible way.

394. Once you have done that, and you will see already now we have moved to that system, a marked change; it is already happening. So as long as you have complete transparency around a set of rules that are the right ones, and are clearly properly monitored and regulated, then I think the problem is solved. Your job clearly is to decide what the right package of rules is to be regulated.

395. SIR CHRISTOPHER KELLY: When you say that such transparency should apply to every claim, do you mean every claim?

396. DR TONY WRIGHT: I think in principal it should be every claim. I was surprised by how that happened when it was published this time and everybody had been sent the raw material. I thought we were just looking for instances where things like our bank details had been left in when they should have been taken out or the bank details of staff. When I found a few of those, I identified those. Originally, I was not going to look at these at all. I took the view that I am not even going to look at them and then somebody said I had better look because there are mistakes in them. Indeed, I did discover I have a namesake, another MP, and I had a chunk of their material in there. So I had to do the bank details plus making sure that was sorted out but I had no idea all this other stuff, all the correspondence with the Fees Office was going to be ruled out and so on. Apart from basic safeguarding of issues that I think we all understand need to be safeguarded, it should be there. I cannot understand why we needed to protect addresses in the way that they did. Even if you had to protect the particular address you could have given a post code or something, or the first part of the post code, so that you could have been able to see if anyone had moved house and those kinds of things. I think the principle should be of disclosure except in very obvious cases where data protection says that you can conceal.
397. SIR CHRISTOPHER KELLY: Just so that we are absolutely clear, you do mean transparency of correspondence with the Fees Office even when that does not lead to a claim being made?
398. DR TONY WRIGHT: I think as long as people know what the rules are. If I know, in my dealings with the Fees Office or whoever is to succeed the Fees Office, that all my dealings with them will be open then we know what the rules of the game are and I will not write things that are inappropriate. I think it is a bit difficult afterwards to say, "By the way, we have now decided". So I think there are issues of that kind, but in principal, yes.
399. SIR CHRISTOPHER KELLY: Turning to accommodation, you have said in extremely forthright terms that it was an abuse to allow MPs to buy property at all. Would you still take that view even if it could be demonstrated that it was cheaper to the public purse to support mortgage interest rather than rent?
400. DR TONY WRIGHT: I would. I do not think I have approached any of the things that I have said, although I know it is a consideration, in the spirit of, "How can we save some money?" I think I am saving money. I think I am saving money with the Communications Allowance. I am saying the totals, I think, can be reduced; the totals for accommodation I think can be brought down significantly. They were inflated quite a lot. I do not think the principle should be, "How can we save the most money?" It is, "How can we devise a system which we think is fair?" If it is a system that you think is fair we have some chance of persuading the public that it is fair. If we cannot persuade you that it is fair then we should not have that system - we need to have another system.

401. I do not think the one that says, "Interest rates at the moment are very low and therefore mortgage payments really are quite low and therefore the cost to the tax-payer is diminished" etc. I just do not think that is doable, not least because you still have not resolved this question of people gaining a capital asset.
402. There happens to be this huge inflation of property values in the last 10-15 years and people are walking away with sums much bigger than their salaries because they have just been able to buy properties. I do not think people would find that acceptable. I think they understand that having some relatively modest single-bedroom, rented accommodation is what they think they are going to provide for their member of Parliament; either that or an equivalent overnight charge.
403. SIR CHRISTOPHER KELLY: You could argue, and I am not arguing that myself, that from the point of view of the tax-payer it should not matter at all whether a capital gain is made. What matters to the tax-payer is what is value for money in supporting their MP.
404. DR TONY WRIGHT: I think the answer to that though has come from what has happened. I think we made MPs (some MPs) into property speculators. I just do not think that is what was intended and it is certainly not what the public wants.
405. SIR CHRISTOPHER KELLY: You also said very clearly that all it really wants is a one-bedroom flat. Are you concerned about the implications of that for those MPs who have young families and therefore what the effect of a restriction of that kind might have on the diversity of MPs? Even if you have worked for ten years first you may still have young children by the time you come to Parliament.
406. DR TONY WRIGHT: Of course there is an issue of that kind. People say, "I do not just want that, I want something to accommodate my family". People will make decisions for themselves. They are going to have a family home somewhere, either in London or in the constituency. They are going to have a family home somewhere where you presume the family is located. They have to spend, as I say, typically three nights away. You cannot do anything about that, I do not think. Whichever way you organise the House of Commons, I suspect you would have spend three nights away during a typical week. Only, of course, for 100-odd days a year so you have to keep the thing in perspective.
407. Of course there is an issue over how you reconcile a normally functioning family life with doing the job at all. That is a fact and I do not think there is any way around that. When I started we had small children and I found it very difficult to go away and leave my wife, and she found it difficult too, for several days in the week.
408. I cannot see a way around it, but I do not think the solution is to say we will provide a family home in two places. I just do not think that is doable. I

think if you have a one-bedroom flat it is ideal. You can have a sofa, you can have a convertible thing that you can put up; you can manage for the odd night or two if you want to. I just do not think that people should expect more than that.

409. Although you could say, just to add, if someone wanted more than simply a one-bedroom rented accommodation I suppose you could give them the cost of a one-bedroom rented accommodation and they could, if they wanted, pay the rest as long as it was a bona fide claim. I think that is how I would probably do it.

410. SIR CHRISTOPHER KELLY: The most popular solution to the accommodation question from members of the public in the evidence to us is the Olympic village. Other people have pointed out to us that the trouble with the Olympic village per se is that it means MPs having spent all their days in one institution talking to each other would spend their nights in another institution talking to the same group of people. You do not have to believe in the Olympic village solution to think that there may be a solution in terms of direct provision of one kind or another. Indeed, you suggest that as being a possible long-term solution. Why do you think it is only a long-term? Is that because of the transitional problem?

411. DR TONY WRIGHT: Yes, I think to get to that, getting all MPs provided in one place or whichever way you do it, is logistically difficult in a time sense. As I said, it may be something that one wants to think about for the long-term. We have to have planned a long time ago to have got to that point now.

412. When I came in (I think I mentioned it) I went to live, as many MPs did, in a kind of MPs village in Dolphin Square. When I went there it was the normal place for MPs to rent accommodation. I was directed towards it; colleagues were. Over the years many have moved out. There was a moment, I think you know when we were offered money to move out and some people took it and some people did not. Some people were offered money to go onto a higher tenancy there when the landlord changed. In a sense you had, as it were, the embryonic MPs village in Dolphin Square. You could have done a deal, certainly under the older regimens, where you had bought up the collective rent of X number of properties there, probably at some good rate. The moment for that has probably gone, but you could do that in a number of settings, I would imagine.

413. I am not that keen on the Olympic village myself, but that may just be a predilection on my part.

414. SIR CHRISTOPHER KELLY: Another version of that provision that has been put to us would be something analogous to the scheme the Ministry of Defence have for officers posted to London under which they use a rental agency that offers their people a choice of three rented places. No money changes hands and the MP would not get involved at all in terms of cash.

415. DR TONY WRIGHT: I think that is worth exploring.
416. SIR CHRISTOPHER KELLY: Thank you.
417. DR ELIZABETH VALLANCE: Can I revert to the new Parliamentary Standards Bill - first reading at the end of last week, the second reading today we gather, due to have its Committee stage on the floor of the House tomorrow - not sent upstairs - conclude its Commons stage on Wednesday. There seems to be a bit of unseemly haste.
418. DR TONY WRIGHT: Yes, I had not yet, I am afraid, given it the final detailed consideration that I ought to have done. I suspect in that case I am entirely typical of all my colleagues. I think it is one of those cases where we are in the "something must be done" moment.
419. I think most people signed up to the proposition that something must be done. They would dearly love two things. One is to show symbolically that something has been done, but also to give as much of this away to somebody else as we possibly can so that we have nothing to do with our pay and rations anymore because it has caused all this bother. I think people assent to the underlying purpose of this.
420. Am I persuaded that something of this kind is entirely necessary? I am probably not even though it may be necessary for other reasons, if you see what I mean.
421. DR ELIZABETH VALLANCE: Reasons of perception?
422. DR TONY WRIGHT: Perception, yes. I am not at all sure that it is the answer to the problem. It is an answer to the problem, but there is another answer to the problem which is to make sure that we have rules which are clear rules and firm rules, and a system of enforcing those rules.
423. On paper we had such a thing before. In some ways some of the words of the previous system were okay and the underlying principles of it were right. I am not myself persuaded that on the intrinsic arguments we could not simply have so reformed the existing arrangement that we could not have taken care of the problem. I think something other than that was thought to be necessary.
424. DR ELIZABETH VALLANCE: There are a number of worries, are there not, about what is proposed? Some of them are practical worries about the actual Bill itself and the content of it and how it is organised, and the thought that perhaps it has not been very well thought through.
425. There are other worries about parliamentary privilege and about whether it is handing away power from Parliament and that is certainly something that has been raised with us. Do you have sympathy with that? parliamentary privilege is very important, exclusive cognisance is very

important, and here we are giving all this power to some external body.

426. DR TONY WRIGHT: I just think you have to be careful. The problem with parliamentary privilege is that nobody, apart from the Clerk of the House, quite knows what it means. I have seen the paper that he has done and of course he is absolutely right to flag up these difficulties. I think his conclusion is right which is it is much better to have a Parliamentary Privilege Act that does try to say quite clearly what parliamentary privilege now means. It is much better to do that than doing it in an ad hoc way. I think that was the lesson of the previous episodes as well so I very much feel disposed towards that.

427. I thought you were going to say, which is my feeling just reading this thing for the first time, that also there is an incipient confusion. You can read the notes on the Bill. It says that the Government is going to explain how it is to be resolved i.e. the confusion between the administration of the system and the oversight of the system. This body is charged with both these things and I think that is the area that would interest me in trying to explore how that would work.

428. DR ELIZABETH VALLANCE: The trouble is there are so many confusions here. There is confusion on an ideological level; there is confusion on a structural level. The one that you mention is about conflict straight on, is it not, that it seems a bit strange to have a body that both makes the rules and then administers the rules, and then deals with questions about the rules?

429. DR TONY WRIGHT: As I say, I have not thought it all through, but I think my instinct would be to tighten up the administration of the system which we all know has to happen after what we have experienced, and then to make sure there is some effective monitoring of that system.

430. DR ELIZABETH VALLANCE: Independent? Externally?

431. DR TONY WRIGHT: Yes, I think that is what we are after here. Whether that should have been done in that way, simply beefing-up the existing arrangements and then making sure you have some secure monitoring arrangement, in some ways that would be more logical than trying to have one body that does the whole thing.

432. DR ELIZABETH VALLANCE: There is another problem with this body I think which is that it is not at all clear where the already existing parliamentary, and in some cases extra-parliamentary, bodies which are all doing bits of the current system in relation specifically to expenses and to complaints and problems with the carrying out of the system, fit into this overall body. Part of me wants to say, "Do we need another regulator?" Do we really know how that is going to relate to the Standards Committee, the Parliamentary Commissioner of the standards? Never mind the Members Committee and the Commission of the House and the Speaker's Committee as it works in relation to all of this at the moment, or the NAO or HMRC or whatever the list

is.

433. DR TONY WRIGHT: That is absolutely a good question. In fact, when this was first announced in the Commons some weeks ago now that is exactly the question I asked. Which bodies are now going to be abolished with this one being set up? Of course, they did not have a clue. I still do not have a clear idea reading it.

434. We have these bodies which I doubt MPs understand. I know they do not understand what these various bodies (the existing ones) do. All we have done so far is to set up another one. We set up another one which was the Committee on Members Allowances to add to this system. I presume that is to be abolished although I am not entirely sure that it is from what is being said. I am drawn towards simplicity here. I do think we need a body that does all this.

435. DR ELIZABETH VALLANCE: That may subsume these bodies?

436. DR TONY WRIGHT: It would have to. You could not have these endless bodies operating so whatever else comes out of this it has to be some radical simplification of the system.

437. DR ELIZABETH VALLANCE: It does seem that most roads in relation to this body lead to the Speaker's Committee which seems to be there at the end of the appointment system, which seems to be there as part of the accounting system, which is there for the actual adjudication system itself at various points. What do you think would be the best way, given that it is a squaring of the circle thing, for this body to be first of all, appointed - what should the appointments process be about - and two, to be accountable? How could it be accountable to a Parliament that it is supposed to be scrutinising? It is the usual question about parliamentary sovereignty and scrutiny.

438. DR TONY WRIGHT: To which there is no final answer because that is the nature of parliamentary sovereignty. All this in a way has revealed it. It has to be eventually tied into Parliament in some way because each of these things that have been talked of will require some parliamentary approval for it to happen.

439. As you say, in this particular respect we are going to have these people who are appointed by the normal route - the Commissioner of Public Appointments. So these are going to be people who are going to be appointed - I think there are five - and then they have to be approved by the Speaker as well, do they not?

440. DR ELIZABETH VALLANCE: At least the chairman, I think, it may be.

441. DR TONY WRIGHT: Yes, and then the names are put to the House. That does happen with some appointments already.

442. DR ELIZABETH VALLANCE: It was my point about the Speaker. Do you need the Speaker in there if it is going to be put to the House because that in effect protects parliamentary sovereignty?
443. DR TONY WRIGHT: I do not think you do. I do not see why the Speaker has to be a part of that loop.
444. DR ELIZABETH VALLANCE: The Speaker is there also in the case of funding and I think that presents another issue for people looking at the credibility of this body and its objectivity. We all know how easy it is to control bodies which are funded by a particular other body.
445. DR TONY WRIGHT: You have this with the Speaker's Committee on the Electoral Commission as well, but there are issues there. Our Committee issued a report two or three years ago looking at all the, what we call, ethical watchdogs, trying to make the case in principle that we should accept these constitutional watchdogs as a permanent part of our machinery of Government and then think through the implications of that in terms of their independence in terms of who appoints them, funding and so on. We do not have a lot of interest in that, in this body for example.
446. DR ELIZABETH VALLANCE: We are very interested. We could tell you in which appendix it appears.
447. DR TONY WRIGHT: I think it is quite anomalous that a committee of this kind is basically a creature of the Prime Minister. You should be established in statute. You should be funded independently, all those things.
448. When we had a seminar to discuss this with the watchdogs on the whole they were not interested and they said, "Yes, of course you are right in principle, but it all works perfectly well". I think that is the British way of describing these things. I think at some point you have to say we are rather serious about these bodies.
449. DR ELIZABETH VALLANCE: It works in practice until it does not. Just on a very practical note, as far as the appointing of members is concerned, it has been suggested to us that perhaps one might be able to take this out of the parliamentary sphere, but in an acceptable way by having appointments by the First Civil Service Commissioner. Would that resonate with you at all?
450. DR TONY WRIGHT: I am not sure would that be better than having the appointments monitored by the Public Appointments Commission.
451. DR ELIZABETH VALLANCE: Yes, I think I am perhaps thinking about some combination of both.
452. DR TONY WRIGHT: I was speaking to someone who has argued these many years for taking direct appointments away from ministers so you did not have patronage which is what we used to have, of course. Ministers were making these vast numbers of appointments. Now because of the

troubles in the early 1990s we developed the Public Appointments Commissioner system with independent people and so on so that has become quite important.

453. We have grafted onto that, as you know, some parliamentary approval process - it goes back to a previous point - for some key public appointments. The principle of having some proper process of appointment rather than simply the Prime Minister or Cabinet Secretary thinking, "He is a good chap, we will have him", as long as we stick with that, I think is all right.
454. DR ELIZABETH VALLANCE: One quick question, which is on the idea of codes of conduct. Do you think making a statutory code of conduct, which again this body would have responsibility for overseeing, would make any difference?
455. DR TONY WRIGHT: My understanding was that this had rather fallen away now. I know there is an issue identified by the Speaker about what the status of the existing code would be if this legislation was passed which is a slightly different question. Originally the proposition was there will be a code of conduct that will be a legal document. I think that fell by the wayside and we now have an existing code of conduct, but I think it is to be approved by this piece of legislation.
456. DR ELIZABETH VALLANCE: It becomes statutory.
457. DR TONY WRIGHT: Yes, if we just incorporate the principles of public life enunciated by this Committee it may be okay, but if we depart from those or add to them in any way then we may be getting into the court. So those are the kinds of issues that have been flagged up.
458. SIR CHRISTOPHER KELLY: I think the point about the suggestion of the involvement of the First Civil Service Commissioner was not as a substitute, but as a way of avoiding an independent body being appointed by the people as opposed to regulators.
459. DR TONY WRIGHT: It is certainly worth exploring.
460. SIR DEREK MORRIS: Could I ask you about a different area, perhaps rather less important, but one that has generated quite a lot of heat? It is about the employment of spouses.
461. You, I think, suggest that it would be wrong to ban the employment of spouses, but you called for jobs to be advertised and for there to be a proper appointment process with an independent element to it. What is your position?
462. DR TONY WRIGHT: Yes, I will give you my best thinking on it. Some MPs will tell you vigorously that their spouse is absolutely the best person to do the kind of job that is required, where it is a particular kind of job. It helps to keep family together and so on. I can quite see that in some cases it makes

a very good working arrangement, but that by itself is not good enough. I was trying to reconcile the fact that there may be cases where it makes perfectly good sense to do that.

463. In each of these areas you have to ask yourself, "What is the problem? What is the abuse that people get exercised about?" The abuse is at the moment you can just employ someone. You just sign a form that says, "I am employing this person to do this" and if it happened to be your wife, or your son or your daughter that is fine. Of course, it is not fine so all I can really think of is rather like the discussion we just had about public appointments process. If there is a job for someone to be the office manager for an MP or researcher or whatever, then at least the job should be specified, it should be advertised. There should be some proper process by which someone is appointed. If a family member wants to apply for it then I think the member themselves has to remove themselves from the appointment process and I would like there to be an independent person, someone from the Fees Office, to be part of the appointment process.

464. SIR DEREK MORRIS: In principle that is very attractive, rather more attractive than banning it, but could I try testing it, whether to destruction or not, I do not know?

465. The first problem, given the sort of evidence we have had about the useful role that a spouse can play, my guess is that many MPs would say the job specification ought to include being prepared to work at any time of the day or night, and being prepared to do over-time for no extra pay, and that if you write that into the job contract no one but a spouse would apply. If you do not have that in the contract then you have lost, they would argue, the critical advantage that they get from employing their spouses.

466. DR TONY WRIGHT: I do not think we should have those in the job specification. I do not think you should advertise any job which says you are liable to work any number of hours, day or night. I just do not think any kind of employment contract should.

467. SIR DEREK MORRIS: Manifestly they cannot, but they would say that is why you do not want to have the proposal you have put forward because manifestly you could never put that in a contract, but that is the real advantage they get from employing their spouse.

468. DR TONY WRIGHT: The reality is that if you are an MP your spouse plays some role anyway, answers the telephone etc. Not as a job, but because they live with you. I think we make too much of this.

469. I do not want to give any secrets away, but the idea that MPs uniquely have to break every employment rule in the book because of the nature of the job they do, I simply do not accept that.

470. SIR DEREK MORRIS: Another problem that has been put to us is supposing the performance of an employee in an office deteriorates one has

to manage that. There are ways of doing it. It is a bit difficult if the person involved is your spouse and therefore the proper management of an office cannot really be conducted if the office manager is your spouse. Would you accept that as a potential problem?

471. DR TONY WRIGHT: There are difficulties. I suppose if someone makes a complaint against your staff and your staff happens to be your wife it does make it a complicated arrangement, but the answer is normal procedures should apply in the same way I have said they should apply on appointment.
472. I can quite see that you may think this gets a bit complicated therefore why not just ban them. I would not protest heavily if you were to say that. It may be the simplest and neatest solution. I was trying to find a third way.
473. SIR DEREK MORRIS: Indeed, and in many cases that is what I think this Committee would look for, but sometimes when you test the third way it does not look so good.
474. Would it surprise you to know that on average spouses get higher salaries and bigger bonuses than other employees of MPs?
475. DR TONY WRIGHT: Not at all. That would be entirely consistent with what we have discovered about the expenses system, would it not? Given the opportunity to enrich themselves and their families a chunk of MPs will take the opportunity to do so. That is what we have discovered.
476. SIR DEREK MORRIS: Putting all that together do you see that there might be a case (there would have to be transitional arrangements) for a ban?
477. DR TONY WRIGHT: I would put it slightly differently. I think if you were to say you were going to have the kind of system that I recommended you would mysteriously find that much spouse employment would fall away so that you may have achieved the same objective by a different route.
478. SIR DEREK MORRIS: Just another area. You made the point about the problem of an MP employing staff that then might spend a significant amount of their time on party political activity and you clearly think that should not happen. You talked about that being banned and sanctions should it occur. How in practice can one actually implement that?
479. DR TONY WRIGHT: It is very difficult. Undoubtedly difficult, but on the principle that I am giving you, you should try to think about where abuses in the system are to be found and therefore try and say something about them.
480. I was trying to think where do I think abuse of the system is to be found. One of them clearly is just as there is little or no control over the employment of family members, it is ripe with opportunity to employ people with public money to do essentially political things as long as you sign a piece of paper to say that they are doing whatever they are described as doing. As far as I am

aware that has been wholly unmonitored.

481. There will always be a grey area because MPs are politicians and they are the head of the local party. There will always be some kind of grey area. There is the need to patrol the boundary line as far as you can. I think in our constituency office we try to do that. There are pressures to cross that boundary line all the time in terms of staff time and everything else. We often have to explain what we can do and what we cannot do. There is no control over this.
482. The best I can think of is that we make it pretty clear in the rules, in the code of conduct, that it is pretty serious if you do cross that boundary line in any kind of systematic way and that there will be consequences. I think that would be a major advance.
483. SIR DEREK MORRIS: It is difficult to police, but you will have severe sanctions?
484. DR TONY WRIGHT: You have it absolutely stated, "This is what you do not do". We try to preserve these things, for example, the use of stationery and all that. It is the same principle that applies to the use of staff time. In fact, one is probably more important than the other. We have to just impress upon MPs in a code that is what they should not do and if they cross that line in any way that is serious, and not just accidental or incidental, then something will happen to them.
485. That gets back to the monitoring point as well. This will be monitored. So it dips into this system periodically to see what staff actually do.
486. SIR CHRISTOPHER KELLY: Lloyd, I am afraid you only have five minutes.
487. LLOYD CLARKE: No, I understand that. Could I ask you about the Communications Allowance? You are pretty clear that either it should be abolished or converted to a real annual report. You also said that you would publish the annual report. Do you still do that?
488. DR TONY WRIGHT: I publish something called an annual report, but it should not be called that. We publish things that tell my constituents what a good person I am and the good things I have been doing.
489. LLOYD CLARKE: That was going to be the question. How do you stop it being a self-promotional glossy, I suppose?
490. DR TONY WRIGHT: That is what I said to you. I think the question is in exchange for public money what are you required to do? As I say, get rid of this particular allowance. The money was already there under the previous allowance. It did not need an extra chunk of money to be put in so let us leave that on one side.

491. I think if you are using public money for this purpose then I think it is quite proper to say as a requirement of being an MP, taking public money, you will each year produce a report for your constituents that will cover these items and they will be essentially factual things.
492. LLOYD CLARKE: Would you retain the cap on the amount of postage that you can send out and would you also keep what there is now, the notion of being able to engage with constituents proactively which was not there before, was it?
493. DR TONY WRIGHT: You will probably know more about that than I do. I was not aware that we could not do all kinds of things before. We are probably looking down at what we can do now in order to qualify the headings of this allowance. Yes, there are things. You cannot use postage for doing circulars and that kind of thing, but you can use the Communications Allowance for sending out a leaflet to every constituent saying what a good person you are. There is a lot of logic in this. It is perfectly proper to be able to communicate with your constituents in a variety of ways. You should not just put out party propaganda. That is prohibited now.
494. What I am saying is you should not also just put out self-promoting stuff. If the public is going to pay for it, it should be stuff that gives some real account of what you are doing. At the moment if you get yourself pictured with a policeman that counts more than being pictured with a school teacher. Being pictured outside a hospital counts a lot. If you look at these things, they are full of, "What a good person am I?" We are good people, but we do not need the public to pay to tell our constituents what good people we are.
495. LLOYD CLARKE: We have certainly got the point there. Could I ask you another question and I am not trying to provoke you personally? Resettlement Grant. SSRB said that it should be done away with other than for a sitting MP who loses the seat or if there were boundary changes. That did not happen. Can I ask you what is the justification for still paying the Resettlement Grant for somebody who says they are going to retire or they are going to stand down at the next election?
496. DR TONY WRIGHT: I think I have said in the note I have done, because I ought to confess an interest here that I said a year ago that I was going to retire and I was going to retire because I had some rather serious health problems.
497. You have to understand that this is where being an MP is a bit different from just having an ordinary job. You do have to decide every four or five years whether you are going to continue doing this job or not. If I was in a normal job I could see how my health went, I could see how things were and I could decide one day, one year that I was going to change.
498. LLOYD CLARKE: Other than many people do work on short-term contracts nowadays.

499. DR TONY WRIGHT: Yes, but I know that if I was in the job that I was doing previously I could just work until I did not want to or could not. Thinking about it obviously one of the things that you think about is I could go on ill health grounds and therefore get my full pension a bit early, but if I did that there would be restrictions on anything else I did. I might want to do some teaching as long as I could. I took into account the fact that for a year I was effectively protected by a previous salary because if you do the computation in terms of years and everything else it means that I pretty much get a year's salary for the first year that I retire. That would in turn take me nearer to 65 when I could take the pension in the normal way. So you make a calculation.
500. I give you only my example. People will have made a calculation about the existing position. I am not saying that is what should be set in stone forever more. I think it is quite hard, the problems of a transition. It is identifying a system for the future, but getting from here to there.
501. LLOYD CLARKE: Transition is different and I take the point. I am happy to leave it there.
502. DR BRIAN WOODS-SCAWEN: A couple of things quickly. I would like to just go back to accommodation. If the new system banned mortgages how would you deal with sitting members who have got mortgages? To give three options, one would be to say anyone who has one can keep it; another would be to put a time limit; and the third would be to say the system is changed, you have a decision to make.
503. DR TONY WRIGHT: I suppose when I wrote my note to you I thought probably the third one. I am at the austere end of the spectrum on some of these things, unless people have told you more austere things than I am telling you.
504. I think as long as people have reasonable notice they have to make adjustments. They might have to sell a property. The chances are they will make quite a considerable gain on it. I do not think it would be a great hardship for them.
505. DR BRIAN WOODS-SCAWEN: We are going to Belfast on Wednesday. One of the things we will be doing is talking to Sinn Fein about allowances for members who do not take up their seats. Do you have a view on that?
506. DR TONY WRIGHT: I do not. I am sure given a few minutes I can work up a view on it. It does seem odd, does it not, to put it mildly? Can I leave it that I think it is odd?
507. I think it is odd too, by the way, if we are looking for oddness? I think it is quite odd. We have stopped the out of London allowance now. I still do not understand why London MPs still have another allowance just for being a London MP. That was a compensation prize for not getting the real allowance. I could get myself into trouble for this, but I think it is worth looking

at that as well.

508. SIR CHRISTOPHER KELLY: Just for clarity. We were talking about the Resettlement Grant. You said that people made their calculation based on the existing parameters and therefore, by implication, should be allowed to see that through at least until the time of the next election. Would you apply that also to those who are leaving the House in disgrace?
509. DR TONY WRIGHT: The question would be whether you could ever devise such a system. I think it is a practicality argument. I understand the instinct of wanting to deprive people who have greatly abused the system, but the practicality of it, particularly in those conditions where some of them will have repaid money already. I do not know about the do-ability of it. I can understand the instinct to want to do it, but I could not think of a way in which you could do it.
510. SIR CHRISTOPHER KELLY: Do you think in that case that withdrawal of the right to the Resettlement Grant should be part of the armoury the Standards and Privileges Committee should have at the time they are sitting in judgement on alleged cases of misbehaviour?
511. DR TONY WRIGHT: I think that is a reasonable proposition, yes. I think there is no question we have been deficient in the area of penalties. We have not talked about that at all. This is back to this new body and so on. The idea that somehow MPs get off lightly compared with people who behaved in a similar way in the real world. It is in that spirit that I yes, you probably have a point there. I think as long as you have some identifiable basis on which you are saying that. It cannot just be, "Do encourage the others".
512. SIR CHRISTOPHER KELLY: I am reminded that your evidence says the real solution to outside interest is to make MPs productively busy and stop being hamsters and ensure that being a Member of Parliament is a full-time job. What does that mean in practice?
513. DR TONY WRIGHT: That takes us beyond the remit of what you are about.
514. SIR CHRISTOPHER KELLY: Give us a 30-second version of it just so we understand what you meant.
515. DR TONY WRIGHT: Some MPs work extraordinarily hard, but you have to ask what it is that they are doing when they are working hard. It is possible to be an MP and not to work terribly hard. There is no job description. There are no hours. There is no clocking in. There is none of the restraints of normal life, so it is a pretty varied thing.
516. I am very keen, and this is partly why we have a new Committee in the House which I am chairing, which is designed to give MPs more to do because we want to make Parliament a more vital and dynamic place. I think

we want to busy them.

517. When my Government came in, in 1997, MPs were told not to worry too much about Parliament, but to go off and be ambassadors for the Government in their constituencies. At various points along the way people who sit on Select Committees were told it was less important sitting on Select Committees than going and campaigning for the party in various parts of the country. I would like to develop Parliament, that there is a real job of work to do in Parliament. That is really what I am saying.

518. SIR DEREK MORRIS: When will your Committee report?

519. DR TONY WRIGHT: By the end of this particular session; November.

520. SIR CHRISTOPHER KELLY: Thank you very much. That was extremely interesting.

521. DR TONY WRIGHT: Thank you very much.

ANGUS ROBERTSON MP, SCOTTISH NATIONAL PARTY WESTMINSTER GROUP LEADER

522. SIR CHRISTOPHER KELLY: Our next witness is Angus Robertson MP, leader of the Scottish National Party in Westminster. You are very welcome.

523. Thank you for your evidence. You have also let us have an opening statement. May we take that as read for the record? If there are any points you particularly want to bring out then you can.¹

524. ANGUS ROBERTSON: Yes, there is one that I will probably come back to in questioning which relates to the passage of the Parliamentary Standards Authority Bill this week. I am particularly pleased there are provisions in it which emulate those operating in the Scottish Parliament that introduce criminal sanctions for Members of Parliament who break the rules. I am happy to talk about that more.

525. I note in passing, which is why the SNP at Westminster have tabled an amendment that the Bill is not going to bring criminal sanctions for people who do not declare their financial interests in the same way as they have to do in the Scottish Parliament, which is a deficiency, but a minor point. I am going to highlight something from the introductory statement.

526. SIR CHRISTOPHER KELLY: Can we just build on that? Are there other lessons to be learned from Scotland that have not yet been drawn in the plethora of recent announcements?

¹ The opening statement is appended to this transcript.

527. ANGUS ROBERTSON: I think with the exception of hearing one interview on the Today programme nearly two months ago with Brian Taylor who is a BBC Scotland correspondent, I have not seen any discourse in the metropolitan media that has looked at the Scottish Parliament example and said, "Is there not something in this that is worth understanding a little bit better?" Anybody associated, whether as an MP from Scotland or as an MSP obviously, or anybody who follows Scottish politics, will see uncanny parallels with what happened in Scotland a number of years ago with what has transpired in Westminster, especially in the last two or three months.

528. I am not going to sit here and say that from the outset that post-evolution the Scottish Parliament was a marvellous success, the expenses and allowances regime there was the model from the off because it was not. We saw the resignation of the First Minister, the resignation of the leader of the Conservative Party, the resignation of the leader of the Labour Party and other issues relating to a senior Liberal Democrat MSP in his travel claims. If you put that in Westminster terms and you think, "That is pretty serious". In terms of the senior nature of the figures that had to resign in its own way is more serious than what has happened in Westminster.

529. That then led to a number of changes one of which followed on from a recommendation of the Information Commissioner, Kevin Dunyon, which led to the Scottish transparency model - the every three month publication of MSPs' expenses on the Scottish Parliament website and a review by George Reid, who had been made presiding officer of the Scottish Parliament. I should say that under George Reid it went to a totally receipts-based allowances and expenses system and then the Langlands Report had a look at the second homes issue, which no doubt you will want to come back to. That is a brief overview of what has happened since 1999.

530. I also think it is quite instructive to have a look at the Scottish print media and how they have reported what has happened. Again almost uncommented on in the metropolitan media because where things are in Scotland now is where I suspect Westminster will be post your report, post the Parliamentary Standards Authority. That will be looking very closely at what happens with those people who have second homes who may or may not be advised that they need to dispose of their properties should they only be allowed to rent. That is an issue of very strong media interest in Scotland at the present time.

531. It goes back to the issue raised by the witness before me, the transitional arrangements. You have my sympathy because it is one thing coming up with a series of recommendations of how things should be in the ideal world or if we were starting here how do we go forward, but I think as difficult or perhaps more difficult is working out how does one get from here to there. If point B is the right way to do it, A is not where you would start, then does one continue with that which is not ideal because somebody was promised it and so on? Anyway, you will no doubt have been thinking about that a lot.

532. That is, I think, the Scottish Parliament example, how they reacted to the media reports. I would highlight most especially transparency as being the most important thing of all. I know people are saying if we tweak this allowance or change that expense. These are significant ingredients in trying to get a fix, but transparency and openness is in my view the thing that we can take from the Scottish Parliament as being the best way of changing the political culture associated with expenses and allowances. It takes things out of the cosy gentleman's club as somebody else said in evidence to you, and correctly. It does change the culture profoundly and I think the body politic is ready for a lead on how we get to point B.
533. As one of the political leaders that sat in that meeting called by the Speaker, where we agreed that barring some total unforeseen disaster that would come out of your report, the political leaders would accept that in its entirety we are all very hopeful that what comes out of this is a profound fix to a profound problem.
534. SIR CHRISTOPHER KELLY: So do we. How confident are you that the transparency of the kind that exists in Scotland in the Scottish Parliament has dealt with this issue? When the post-Langlands review takes place how confident are you that nothing further of a sort that will be sensational in the newspapers will come out?
535. ANGUS ROBERTSON: I have no doubt that there would never have been moats, duck-houses or some of the more ridiculous claims that we have seen reported. Thank goodness to the Daily Telegraph for doing that so we have been able to learn how crazy things had got. That is the first thing.
536. The second thing is the regularity of reporting and the change of the culture has led people to understand that certain lines of expenditure are very common and normal and needed in parliamentary offices; some of those things might have been surprises to journalists or members of the public previously. It is not just photocopiers and rent. There are other things that are part and parcel of the office functions that parliamentarians need. You will always get the report on the unbelievably cheap and the incredibly expensive. That becomes the norm of reporting. I think the transparency cuts out the unjustified.
537. I am guessing you have probably had a look at the Scottish Parliament's reports. Go onto the website and pull down the name of an MSP. I did this yesterday to have a look at the MSP in my constituency, of the same party. You can see all of the budget lines. You can see the amount that is claimed. You do not see the receipt. You have to put in an FOI request to do that.
538. Whether that system will always remain that way I am not sure. I think people getting used to seeing the receipts proper is what people would expect, hopefully without big black redacted boxes. It is a very expensive process and a very time-consuming process and I do not know the answer. I have not listened to how the administrators in the Scottish Parliament justify the way

they use the system. I suspect they probably say this is the most cost-effective way of disclosing what the receipts have been submitted for in the Scottish Parliament.

539. SIR CHRISTOPHER KELLY: I think they say it is most cost-effective and now they are published there is not the interest that would justify putting receipts up.

540. Turning to mortgage interest, you recommend strongly that we should change to the same system as in Scotland where mortgage interest is no longer allowed. You draw attention to the interest there in the transitional period. If we were minded to stop mortgage interest, what advice would you give us in the light of the Scottish experience in that transition?

541. ANGUS ROBERTSON: First of all, I think there is a principle that is pretty important here that I am keen to put on the record. I think we have got to a stage now where people can see very clearly that up until now parliamentarians have been able to buy property and then profit through it. I have a flat in London. I have done everything. I have stayed in hotels, I have rented and I now have a flat, probably the cheapest option that there is. If I were to be an MP for long enough and with property prices going up in the long-term it I acted in the way that others have before I could pay capital gains tax (which I think all MPs should do if they sell a second property) but then profit from that property investment.

542. On the basis that I only received a mortgage in the first place because I was able to go to a lender and say, "This is my allowance", so there was a clear link between tax-payer money and me being able to get a flat. It seems to me improper that when I cease holding public office that I should then profit from that transaction.

543. Personally sitting here, my intention would be that when I had to dispose of property that I would pay capital gains tax, but that I would return any profit element. I am not entirely clear why this should be complicated. I keep hearing this. "It is very complicated to work out what is profit." If I have put in money of my own or I have had to do improvements then one can work that out surely.

544. SIR CHRISTOPHER KELLY: Her Majesty's Revenue and Customs do it all the time.

545. ANGUS ROBERTSON: I am sure they would be very helpful in working out what this would be. It is pretty simple for me; it would be pretty much everything. I would return to the House of Commons or put to charity. I just do not think for a parliamentarian it is the right thing to profit.

546. I know that is not the question you asked, which I will come to now. It is pretty easy, I think, to conclude that was the system before. We are now deciding that this is the way we are going into the future so any newly elected

MP can only rent. That is very simple.

547. My understanding is the majority of MPs have their own property in London. I would love to have the opportunity if I could of making an arrangement with the House of Commons that the property would belong to the House of Commons, if they wished it to be so. If that property could be used by other MPs after me why not. I think the Swedish Parliament has a system where they have their own flats. So that is one route.
548. I think a lot of the debate around this is you do not want additional costs for the tax-payer by changing the allowances and expenses system. I know it is going to be difficult for some people to accept, but it is a fact that the mortgage interest on flats is a cheaper way of funding property by and large. I have some colleagues who have ludicrously peppercorn mortgage interest payments. That is a function of the interest rates that we have at the present time. I think if there is to be a transition period it has to take account of these factors and it also needs to take account of factors that some MPs have brought relatively recently. It will probably be a negative equity. Is the House of Commons Department of Finance and Administration going to stump up the difference, if somebody is told that one has to get rid of a property within a year or two? Problem one. I do not know the answer to that.
549. I think being mindful of the fact that the majority of MPs have property at the present time, just as a number of MSPs did, to say within a year or two that one has to sell, the consequences then is moving and paying more. I think administratively that is probably one of the simplest ways of doing it. I am not certain whether it actually makes the best long-term sense.
550. If the House of Commons were to have a portfolio of flats, which no doubt have been bought in places because they are close to the House of Commons, because it is convenient, because they are the appropriate size for Members of Parliament to have, or to have that taken over by a property management company that might also then rent. I have seen that in some of the evidences. A suggesting which I think is a great idea. Why would they not also have a portfolio of properties which are owned? If MPs want to continue in the properties that they are currently in, and that the ownership of that property would transfer to the House of Commons Department of Finance and Administration, great.
551. I think that is something that was not looked at in Scotland. Maybe it was. I am not aware of that, I did not give evidence to that inquiry, nor see any of the paperwork that would suggest that had been considered. I know it is probably more complicated but it might actually make better financial sense.
552. SIR CHRISTOPHER KELLY: If I can encapsulate that, you are saying the Scottish example suggests that in Westminster we should either take longer or be more imaginative about the way in which the transition takes place.

553. ANGUS ROBERTSON: There is one very important difference, which is that in Scotland the number of MSPs that had/have property is a minority. In the case of Westminster MPs it is a majority. I think that does necessitate some thinking about the transition in a slightly different way. When I try and explain this to people, and how crazy the situation is, I always say that when I first arrived I was taken to a room and I was given a key, "Mr Robertson, this is your office in the House of Commons, this is your light switch, this is your phone. You do not have to pay the bill for the lights, you do not have to pay a bill for the telephone, and you will have this office for as long as you are an MP". Why does that not happen with accommodation? Whether it is the Olympic Village model or a company that manages rental properties or the department that has a portfolio of flats that can be divided out. No doubt there will be all kinds of beauty contests about where the flats are and what the views are like, but goodness me, from my reckoning that is totally incidental to the fix that we need.

554. SIR DEREK MORRIS: Can I just check, was there lurking in that idea the notion that if mortgage interest was banned, then for the 400 or so MPs who currently claim under that they would be told, "You do not get the money any more", and that if they sold and it looked as if they would get less than they paid for the property that the Government can in some way step in to buy the property at the cost they originally paid, so no one would have made a loss?

555. ANGUS ROBERTSON: No doubt some people would make that argument. I think it would be very difficult to sell publicly. I suspect what people would probably do is that they would continue to hold properties and rent them out until at least they were not losing money.

556. SIR DEREK MORRIS: Then pay the interest themselves.

557. ANGUS ROBERTSON: Yes.

558. SIR DEREK MORRIS: Can I just ask you a couple of questions on staff and office expenditure? The Staffing Allowance is set at a level to allow MPs to employ staff or office management, secretaries, case work and so on. A number of MPs have said that an awful lot of that constituency work is helping constituents to deal with individual problems that they have experienced, often in dealing with organs of central government, the Department of Work and Pensions and so on. If that is right, would you agree that there may be a case for a lower allowance in those areas that have devolved administrations, on the grounds that quite a lot of that should be dealt with by the devolved administration?

559. ANGUS ROBERTSON: No. I would argue conversely that we need to better support MPs in England, rather than seeing a reduction of MPs in Scotland, Wales and Northern Ireland. I can only go on the conversations I have had with people who have been MPs pre-devolution. I think you have heard from Elfyn Llwyd this morning, who is in that situation. For the record, it makes sense to explain that most MPs, if they are in the same party, share

offices with their MSP opposite numbers. That is what I do. I am in a very good position to work out how busy my staff are, how busy their staff are and what the case load is like. I think one of the by products of devolution is that because decision making is closer to the people I actually think the demand from the public has gone up, ironically not just in devolved functions but in reserved areas too. The casework that goes through my office, and I am guessing all colleagues of all parties, is extraordinarily heavy, for those reasons but also because of new technology. People email and expect an answer instantaneously.

560. I am under absolutely no doubt whatsoever that the office and the staff are at full stretch. I actually think the Staffing Allowance for the Scottish Parliament is too low. I have to say that when I speak with English colleagues I do wonder how they manage, particularly colleagues who have, for example, a very high immigration case load.

561. I think it is a wrong way of looking down the telescope to say that because of devolution MPs in Scotland, Wales and Northern Ireland should have less of a Staffing Allowance. I do not think the caseload has gone down at all so the staff that are there still need to do the work.

562. SIR DEREK MORRIS: The other question was I believe your party's position is that you think it is all right in principle for MPs to employ spouses within their office, provided that the employment is transparent, and that has an attraction to it.

563. A number of drawbacks to that have been put to us, for example that it is quite difficult properly to assess performance when it is from your spouse, or worse still if your spouse's performance is deteriorating how do you deal with that, and that it is actually quite difficult for other employments. Maybe they have a disagreement with another office employee, but if that is your MP's wife, or husband, that is quite difficult. Are these realistic problems that might in the end suggest that with suitable transition arrangements it is better to ban the practice?

564. ANGUS ROBERTSON: I declare an interest here. My wife does work in my constituency office and is answerable to my office manager. I am not pretending that there are not circumstances that are not slightly more complex than they would be in other circumstances. You asked a very specific question around workload and competence in dealing with workload. In my office we have a centralised data management system which allows you to have a look at how much casework is being dealt with, by whom, within what time criteria. It is actually pretty easy to assess how well different members of staff are getting on with things. That is not the concern for me. I have very little concern about the issue of family members, when that is something that the public is aware of. When the public has contact with that member of staff, which is the case in my constituency, because my wife is my principal case worker, so almost everybody that has an issue that is brought to my attention is dealt with by my wife, but who reports to my office manager.

565. I think other people have put on record, and I think it is important to put on record, that certainly all parliamentary staff that I am aware of work unbelievably long hours. I think spouses/partners also do so. I am not denying that there have been cases, some of which have been in the public realm, that make that position optically problematic in some cases. I have no doubt about that, but I think the overwhelming experience of parliamentarians having a spouse working in their office is a beneficial one from a taxpayer point of view.
566. SIR DEREK MORRIS: Just from the public perceptions point of view. Is it realistic to think your office manager would come to you and say, "Look, I am having real problems with Mrs Robertson, she is just not coping with the job any more"?
567. ANGUS ROBERTSON: Yes. That is the way it would operate if there were such problems. I have every confidence that that would be the way it worked.
568. SIR DEREK MORRIS: That he would do that?
569. ANGUS ROBERTSON: Yes. My office manager is a woman. Yes.
570. DR BRIAN WOODS-SCAWEN: Can I just start with transparency? You explained the Scottish system of aggregating capital expenditure. Is there any going back from disclosure at Westminster down to receipt level, now that we are where we are?
571. ANGUS ROBERTSON: I hope not. I think everything is to be receipts-based now. Everything needs to go on the web. Just how things have changed, I was having a look at some of my notes before coming here, and I was reminded that whenever we had our meeting as leaders of the political parties at Westminster, 19 May I think it was, and we came up with a whole series of recommendations of things that we were going to stop immediately and the issue of transparency was only two-thirds of the way through the list. The recommendation that was on the paper was for a voluntary scheme. It was only when I piped up and said, "All the political parties in the UK have already signed up to this higher standard of transparency, so if it is good enough for Scottish Parliament, we have agreed to all that there, why is it not a standard that we can aspire to at Westminster?" At that point everyone said, "Well let us do that".
572. I just make that point in passing, because it is amazing how much things have changed in the last week, four weeks or three months. I think the world has changed, which is why on issues like transparency I think there is no going back on any of this, and thank goodness. I think the circumstances are such that we are able to think the unthinkable and for some people perhaps accept what previously may have been unthinkable, whenever you come to report. I think that is a good think as well because the thing does need root and branch reform.

573. To go back to the management point, transparency is the most important thing. If people can stand up and justify why one spends your office allowance in this way, or the costs of living in London are that way, or the way that one employs different members of staff, and this is the banding that staff are paid, so there is no sense that somebody is being paid more than they should be for the job, just because they are related, or whatever. When there is an understanding through transparency we will have a lot less of the problems that we have had. Hopefully there is no going back.
574. DR BRIAN WOODS-SCAWEN: When I think of how gallons of black ink that has been sold in recent weeks it meant that the scale of redaction is such that some still do not believe in transparency and what would you do about that?
575. ANGUS ROBERTSON: If we have agreed to the Scottish Parliament standard and that is what is going to happen on a quarterly basis, and then you have the fallback position of a freedom of information request to get every individual receipt. I would hope that we would be in a position that we do have every receipt accessible on the web. I have not actually sat down and compared my own redacted receipts with those of the un-redacted receipts. I think a lot of the black ink has been totally superfluous. It is black ink over nothing, but it creates the impression that things have been hidden. As we know, some of the most explosive revelations, relating to the likes of flipping of properties and so on would never have come out if we had relied and waited for the redacted receipts to come out.
576. DR BRIAN WOODS-SCAWEN: What is the role of redaction, if any?
577. ANGUS ROBERTSON: I think credit card numbers, telephone numbers, account details, staff names. Sometimes claims go in for things that have quite properly been paid for by members of staff. I do not think their names and their personal and bank details and so need to be on that account, but beyond that why would one want to blacken any of that out?
578. DR BRIAN WOODS-SCAWEN: Okay. Can I move on to outside interests? There are those who say that the debate around outside interest has not been well informed, but rather conducted through megaphones. On the one hand there are those who talk about the full-time nature of being a member of Parliament. There are others who speak about the importance of diverse experience. We have a range of issues around here, before we come to the solution. What is your view on what role outside interests should or should not play in the life of a member?
579. ANGUS ROBERTSON: In my view, as little as possible. I personally do not know how anybody can be a parliamentarian and find any time beyond some spare time, some time for one's family, for doing anything else. It is just a personal view of mine. I hear that it is very important for some people to continue being at the Bar, or being a dentist, to keep up one's professional standards. Maybe there is a role for that, but I think on balance the presumption should be that if you are a parliamentarian and that is a pretty

full-time job. I think that if one has outside interests that the details of that outside interest should be as transparent as possible, and then people will be able to decide whether it is keeping one's hand in with the occasional piece of work during recess or holiday time, or it is something that one can manage during the course of a week. I know it is only one year short of an election but I look at some colleagues earning sort of £150,000 and advising five different companies on X, Y and Z. I think, "Where do your constituents come into the equation?"

580. DR BRIAN WOODS-SCAWEN: Fundamentally you deal with this through disclosure rather than banning?

581. ANGUS ROBERTSON: Yes. I think if constituents knew that you were spending thousands of hours in a year advising whoever, they would come to the conclusion that you are not doing what you should be doing for your constituents.

582. DR BRIAN WOODS-SCAWEN: Your party leader spends some of his time being First Minister of Scotland, whilst being an MP at Westminster. Taking the principle around being a full-time minister, and of course it applies in Northern Ireland as well, do you think multiple mandates in Westminster and devolved administrations are an issue?

583. ANGUS ROBERTSON: There are two questions there. There is one about whether it is possible for a parliamentarian to also have ministerial office, where they are the First Minister in devolved Scotland, or whether they are ministers in the UK. It is adding a new responsibility on top of being the representative of a constituency. That is very difficult for anybody. My MSP opposite number is the Cabinet Secretary for Rural Affairs in Scotland. I am full of admiration for anybody in all parties who has to manage being a parliamentarian and being a minister, or a first minister or a prime minister. It is a tough juggling act. I do think there is a difference though between being somebody involved in the business of being a parliamentarian and then working for outside commercial interests.

584. Coming back to the specific point you were asking about dual mandates, I think it is an answer to transitional circumstances of somebody who is elected to Westminster and then is transitioning to a role in the Scottish Parliament, or the other way around. That was what happened in 1999. There were MPs from all the parties in Scotland, of course there were not Conservatives, who were MPs who were elected as MSPs and they performed that dual mandate for one period. Any longer than that I think it is pretty difficult to sustain. Very difficult to sustain if there are small majorities in one or both parliaments.

585. If we look at other countries, if we look at the German situation for example, you have to allow a route for people of talent to find a way to transition from, if you want to say, the federal or the level of the land, or the UK to devolved institutions. I think the First Minister has said that that for him is a transitional arrangement. It is not the arrangement that operates in

Northern Ireland.

586. DR BRIAN WOODS-SCAWEN: To be clear, would your view be that there should be a rule or an expectation?

587. ANGUS ROBERTSON: I think an expectation. Again I go back to my transparency point. When the First Minister stood for election in Gordon, he explained exactly the circumstances with which he would be taking up a mandate representing a neighbouring constituency, whilst still representing Banff and Buchan at Westminster. The people of Gordon acceded to that and understood the circumstances, just as my electorate understand that I am elected on a mandate of not taking part in English and Welsh business in the House of Commons. I was elected on that mandate. I think on a transitional basis if people understand that that is the way it will operate then that is perfectly adequate.

588. DR BRIAN WOODS-SCAWEN: Taking the issue of mandates to somewhere else, there are members elected for Northern Ireland who have chosen not to take their seats. If you take the view that expenses are around what is required to do the job, and you do not take your seat, in your view, does that mean the expenses regime should not obtain?

589. ANGUS ROBERTSON: That is a decision in five or six constituencies, that electors made a decision on, did they not? I know it is not a very fashionable view amongst some parliamentarians at Westminster. It is not appreciated or understood. It is not a view I hold, but the electors in a number of constituencies in Northern Ireland decided they wanted to elect somebody who would not take their seats at Westminster. I am certain that they were under the impression that those people would work on their behalf but by not being able to take the oath would not be able to take receipts, which I think begs another question.

590. DR BRIAN WOODS-SCAWEN: If it was then possible to separate expenses and allowances in relation to serving constituents and working at Westminster, would there then be a case for making that so?

591. ANGUS ROBERTSON: I wish you good luck in being able to work that out, because I see MPs from Northern Ireland in London quite regularly. I am talking about Sinn Fein MPs, they come here to meet with the UK Government; they come here to do a whole series of other things, just not take part in the chamber. It begs the question, obviously not in the remit of your Committee; about what are we doing with an oath in the version that we have it. Do not get me wrong, I am perfectly happy to take the oath as it currently stands, but I know other MPs who are more active on this front, including Government ministers who have suggested that we should find an alternative solution that would allow due deference to the Head of State in the UK, but also allow people who were elected on another mandate to be able to take up their seats. That would resolve the problem. I think it would actually be an easier fix.

592. DR BRIAN WOODS-SCAWEN: Okay, thank you very much.
593. LLOYD CLARKE: Could I just ask you one question please, which is in relation to the Communications Allowance. We have heard different views that it should be scrapped and done away with altogether, that it should be more tightly policed and regulated, etc. The SNP submission says that members should be reimbursed for proper and approved expenditure. Two elements to it: what would you regard as proper and are you suggesting that everything should be approved of before it actually goes out and is communicated?
594. ANGUS ROBERTSON: There are quite a few questions in there. We voted against the introduction of the Communications Allowance as it currently stands. But on the basis that that Allowance is the new regime for us to be able to pay for some pretty important ways of working. So just if I am holding a surgery in Buckey and we want to intimate that I am holding a surgery in Buckey we have to advertise. That advertisement is reimbursed through the Communications Allowance.
595. LLOYD CLARKE: You could not do that before?
596. ANGUS ROBERTSON: It came through another budget line. The rules changed, the regime changed. If you want to do these important bits of communication --
597. LLOYD CLARKE: You still did the activity, you were still able to publicise it before.
598. ANGUS ROBERTSON: Yes. One would need to make other changes to then allow reimbursement from other budget lines. I am very much in favour of the regime that pertains to reports that go out. I know the witness before me was describing reports full of policemen and nurses and MPs doing great things. Okay. There are also some pretty strict rules about the format that those reports can take. I do not think you ever find a party name. I think you very rarely find party colours. I think people go through the text with a fine tooth comb.
599. LLOYD CLARKE: Now it is particularly the case that those have to be approved if it is expenditure of more than £1,000, so very much gone through with a tooth comb in that regard.
600. ANGUS ROBERTSON: I think it is less than that, to be honest. I am aware of people who have found themselves in difficulty in this, despite feeling that they had things approved and then had to pay things back. I think the bar has been raised massively and people proactively are saying, "Is this okay?"
601. I will just give an example. My last report, I do not think it had policemen or nurses in the report, but what was most important about it to me was that the back page was designed in such a way that people could put up on the fridge and had a list of pretty much every single public agency that was

dealing with anything to do with the credit crunch. I think that is a totally legitimate piece of information shared with constituents. Those institutions, agencies, Government bodies, call them what you will, are things that parliamentarians deal with and it is a legitimate part of our job to share with the constituents.

602. LLOYD CLARKE: It does not need prior approval or policing other than self-policing.

603. ANGUS ROBERTSON: I think experience has shown that it is a pretty good thing to have a double check on it, and that is what I was saying. Perhaps I was not being clear on that. I am perfectly comfortable with coming up with, "This is what I propose to do within the Communications Allowance. Please can you check this; tell me if it is okay, tell me what needs to be changed" and then it fits to a standard which is acceptable.

604. LLOYD CLARKE: Okay. Finally, what about the notion which has been put to us, that it should form the basis of an annual report consisting of things like factual information like your voting record, the Committees that you sit on, the expenses that are claimed and outside interests? So once a year a factual report like that so that you constituencies have got access to who you are and what you are doing in these key areas.

605. ANGUS ROBERTSON: Absolutely fine by me.

606. LLOYD CLARKE: That could be by a website, let us say set up at the library, or whatever, and we publicise those kinds of elements of it.

607. ANGUS ROBERTSON: Yes. If there was a checklist of proposed elements that should be on one's website, or part of an annual report, I think that would be very helpful. I think you will find that many MPs, just because it is an easy thing to do, have on their website, for example, a link to, "Here is all the information, they work for you" which has many of the elements you describe there, voting record, Committees that one is on, number of times that one has spoken and so on. Effectively that happens largely on websites, perhaps not on parliamentary reports, but if that was to be a recommendation I would welcome it, yes.

608. LLOYD CLARKE: Okay, thank you very much.

609. DR ELIZABETH VALLANCE: Very quickly we want to come back to where you started, which is the Parliamentary Standards Bill. It is clearly something that has been pushed through rather quickly. You probably, along with other people, have your reservations about that. No? You want it to go through?

610. ANGUS ROBERTSON: I have had the benefit of actually sitting on the group that has helped bring the Bill forward, together with Elfyn Llwyd, Jack Straw and Harriet Harman and representatives of the UK parties, and colleagues from Northern Ireland, we have had maybe five meetings where

we discussed the original plan of the Government and went through a number of iterations and that is the Bill that is coming forward this week.

611. DR ELIZABETH VALLANCE: It is hardly wide consultation.
612. ANGUS ROBERTSON: Do I have reservations? No. Somebody made that point in the House of Commons, within the SNP we have consulted very broadly. All of my parliamentary colleagues know exactly what is in the Bill and the rationale for it.
613. DR ELIZABETH VALLANCE: There are not quite so many of you, so perhaps it is easier.
614. ANGUS ROBERTSON: Perhaps, but it would be a good start. It is a shame that the other parties perhaps did not do that, but that is their own business. The Bill is pretty limited in its current format. The origin was that one would be able to set up a Parliamentary Standards Authority, described to me as the hardware, and that one would then be able to plug in a whole series of tasks. I would agree with you that it would have been a cause for concern if it included some of the issues that you are considering, that SSRB is considering, changes that may or may not happen in the House of Lords, and so on, but that has not happened. What has happened is that there is this move towards Parliamentary Standards Authority, that it will transfer the role of the Fees Office. A good thing in my view - it should be separate.
615. DR ELIZABETH VALLANCE: Making it independent.
616. ANGUS ROBERTSON: Indeed. And that in time, beyond the issue of allowances and expenses and the register of interest that is within the Bill other things can be added to it in time. I do not think that is rushed, I think there was an imperative to do this. I think the checks that have been gone through to make sure that the drafting of the Bill is robust is of a high standard. The fact that there were, to be fair to the UK Government, pretty serious efforts to involve everybody to come to a proposal that would find approval in the House is a good thing.
617. DR ELIZABETH VALLANCE: I take your point about perhaps the overall structure being what one would want in terms of independence, or an attempt to get an independent assessor, or an independent body. Just in terms of pushing the thing through, we have this put through literally in less than a week and even the House of Lords will be finished by 21 July. It is not a long time to take through something that, however much you say is simply a framework Bill, is actually quite complex.
618. ANGUS ROBERTSON: I think the public will thank us for it. We need a fix which has the prospect of being wider and more all-encompassing, that does not rush the considerations that have been undertaken by people elsewhere, which are important. There is the potential for improvement, sure, but there is a problem so serious that needs such a profound fix, that dealing

with it in this way, in my view, is the right way to do in this timescale.

619. DR ELIZABETH VALLANCE: All right, but I think my point probably is that the timescale is to some extent self imposed. In fact, what was the problem about letting it actually be discussed in a more measured kind of way? There are two particular issues, I suspect, which very briefly perhaps you could comment on. One is the fact that you have so many structures and bodies which are underneath this apparent IPSA, but at the moment there is no indication of how or if they actually fit within the umbrella. I am talking about the Standards and Privileges Committee, Parliamentary Commissioner for Standards, whom we have talked to and ex-Parliamentary Commissioner for Standards today who thinks there is still going to be a role for that body. Other people think there is not. There is the Members Estimate Committee, the Speaker's Committee, which has a very central role here, but not entirely defined. The House of Commons Commission, never mind the NAO and the HMRC. None of these things have been developed in any way, so you can see why people are a bit concerned about it. Apart from the institutional level there is the worry about whether in fact the thing that you mentioned in relation to criminal sanctions. As Lord Rees-Mogg is deeply worried, is this giving powers from the House itself in terms of the sovereignty of Parliament away to a body outside the House without thinking it through?

620. ANGUS ROBERTSON: Yes. There is quite a lot in that.

621. DR ELIZABETH VALLANCE: There is, but I only have three seconds.

622. ANGUS ROBERTSON: I will try and give the briefest answer that I can give. Again, if we look at the Scottish Parliament example, I think it is quite instructive, in as much as there was a framework set and shortly thereafter the working practices and how a number of would operate developed.

623. DR ELIZABETH VALLANCE: But we are told this is not just a framework Bill.

624. ANGUS ROBERTSON: It is correct to say that in time it will have much more as part of it. There is a lively debate to be had around the code of conduct. I think there are issues around privileges. Is there an answer to all of this yet? No. Is there an answer to all of the organisations and the role that they should play, as you outlined? Not to all of them, no. But is this the appropriate way to start the process? It does not set in stone where it ends, but it says the most important principle is that these sorts of matters should be dealt with independently from parliamentarians, and that we need to do that as quickly as possible. It will probably take some time, because I think the Code of Conduct debate is going to be very lively, because it does raise issues of privilege. I am not concerned about the issue of criminal sanctions at all. I think we are confusing two separate things here. I think if somebody breaks the rules relating to allowances and expenses they should face criminal sanctions, not just the highest bar of fraud, but there are lesser offences and that is what this creates. That is completely separate from the issue of justice and relations to the Code of Conduct, which are complicated and quite rightly

do not form part of these proposals.

625. DR ELIZABETH VALLANCE: Thank you very much.

626. SIR CHRISTOPHER KELLY: Thank you. Is there anything else you wanted to say to us?

627. ANGUS ROBERTSON: Two things. One thing that caused me concern in the leaders' meeting, when relating to second homes, was the speed with which a cap was imposed on rent levels. The discussion around a mortgage interest cap was informed by figures that were provided to us about how many MPs have mortgage interest arrangements, and at what level. Then there was a discussion that was had, informed by those figures, of what level a cap should be. But without any figures and with almost no discussion a proposal was made and a decision was taken about a cap for rent levels, the same a mortgage interest. That has caused some great concerns to people who do rent, because I think it is fair to say that what one can get for rent at the same level as mortgage interest is not the same thing, and that rent contains a number of other elements of expenditure. That is one concern I would want to share with you. No doubt you have thought about this and will be thinking about it when you come to your recommendation. That is one thought I want to leave you with.

628. The second thought relates to allowances for offices. I tried to dig out the date to help you but I am sure you can dig out the paperwork of a previous report that was made within the last year or two around how office allowances might operate, in which there were suggestions relating to maximum office size. Secondly, to the level of office staffing that would be allowed on the basis of how many workstations one has at Westminster. I know this probably sounds a bit esoteric, but for anybody who is out with travelling distance from London and may have constituency office arrangements which may involve more than one office, slightly larger offices that is the norm in the metropolis, because rental rates from London quite different. Reading those recommendations, they were frankly a disaster how they would impact on many MPs outside the south-east of England. That would be one other small marker just to put down, which is that a one-size-fits-all policy does have the potential for all kinds of dangers for arrangements and parliamentarians outside the south-east of England. If that is something that you are looking at I would urge you, if you are able, to have a look at that and be warned that that was not workable.

629. SIR CHRISTOPHER KELLY: Okay. Thank is very helpful, thank you.

630. ANGUS ROBERTSON: Thank you for asking me to come along, and good luck. We do wish you well.

631. SIR CHRISTOPHER KELLY: We are very conscious of the responsibility.

ELIZABETH FILKIN, FORMER PARLIAMENTARY COMMISSIONER FOR STANDARDS

632. The final witness today is Elizabeth Filkin, a former Parliamentary Commissioner for Standards. Elizabeth, do you want to make an opening statement of any kind?
633. ELIZABETH FILKIN: No thank you. I am sure you have had a lot to do all day. I can see you have had a lot of people to see you, but I am happy to answer your questions of course.
634. SIR CHRISTOPHER KELLY: Thank you. I suppose the first question is the general one, which is how did it happen?
635. ELIZABETH FILKIN: It happened because of a variety of things. It happened because it is a very insular place, the House of Commons, and people feel entitled to all sorts of privileges of one kind or another, because of their position. So it happens because of that, but it basically happens because nobody at the top says it should not. It is a truism in all of the textbooks that you will not get the right sort of standards unless the people at the top want you to have the right sort of standards. I do not think that is entirely true. I think you can get good standards because people in the middle and at the bottom want good standards. It is terribly important that the people at the top want to have good standards. If they do not you will not get them. We do not have them in the House of Commons. It was well known across the House of Commons, certainly when I was in the role, and I had discussions about it with my then Committee. I am very sad that they did not do the things that it would have been sensible if they had done them that would have prevented this.
636. SIR CHRISTOPHER KELLY: Why did nobody blow any whistles? Are there whistle-blowing arrangements in the House of Commons?
637. ELIZABETH FILKIN: They are not proper whistle-blowing arrangements, such as you need to have, but of course there were channels that people could have used. Indeed when I did an inquiry into misuse of expenses my Committee at the time told me that they could not uphold it because everybody was doing it. My response was, "If you are the Standards Committee you really then ought to have put out a notice to everybody and told people to stop it". That I am sure was seen as rather an argumentative comment.
638. SIR CHRISTOPHER KELLY: Do you think that even now there now there needs to be more formal whistle-blowing?
639. ELIZABETH FILKIN: I am sure there needs to be the whole panoply that allows people to raise concerns. Of course one always hopes people will do that through the normal channels of their management structure, but if they are worried about that, and if there is serious bullying going on they will not do it that way. You have to have external private whistle-blowing facilities as well to allow you, or the auditors, to investigate, to pick up concerns and to find out

if that is just malicious or if there is some substance to it. So yes, you have to put all those sorts of things as well as a properly publicised complaints system for the public.

640. SIR CHRISTOPHER KELLY: Most of the people giving evidence to us seemed to think that transparency is the key to it.

641. ELIZABETH FILKIN: It is very helpful. Transparency is immensely helpful because to some extent it makes people think twice about what they do, so I am very much in favour of transparency. But by itself it will not do, because you have to check on whether the transparent things are accurate and you have to be sure that the rules that people have to abide by in being transparent are clear to everybody both internally and externally. You have to do quite a bit more than just have it open.

642. SIR CHRISTOPHER KELLY: You must have observed the panoply of interim measures that have been announced and introduced over the last few months. Is that list of things complete or are there other things that you think need to be done?

643. ELIZABETH FILKIN: I do not think it is in any way complete. It is a start, and of course one is always pleased to see efforts being made to put in place arrangements that will work. I do not think it will help if the body that has the job, the difficult job of, if you like, policing this system is appointed by people internally. There has to be separation. That separation is now universal for professional organisations and so forth. It should be a matter of course here. I am not in any way implying that people would not do a proper job internally now. I am not implying that, but you do need the perception to be tidy also, so people need to be appointed to that body not from within the House of Commons.

644. SIR CHRISTOPHER KELLY: Does that also apply to the way in which they are appointed?

645. ELIZABETH FILKIN: Yes, of course. Indeed, and the terms of office that they have and to the fact that they of course should be told that they will not get any other preferment afterwards. So there should be no honours for people who do that job, etc. All of those things, sadly, from time to time can corrupt the system.

646. SIR CHRISTOPHER KELLY: If I can just pull out a few of those points, according to the Bill the members and the chair are going to be appointed through a process which involves the Speaker and indeed the House.

647. ELIZABETH FILKIN: That method of appointment has been shown to be wanting. It is shot. You cannot use it again, however good the people who are now in those roles are. I have no criticism, because I have no knowledge of people in those particular roles now, but they should not be carried out by those particular roles. It is vital that those appointments are made perhaps by

the Public Appointments Commission, or by some other external body.

648. SIR CHRISTOPHER KELLY: Just to be clear that I understand, you say no staff should be appointed, does that mean that in your view when the Fees Department transfers across, which is more or less what is happening, that the office should transfer but not the staff currently working there?
649. ELIZABETH FILKIN: No, I would be very happy to have some of those staff transferred. You have to have senior people who have not been in that culture. You have to have people who have run a straightforward accounting operation somewhere else, and who are known to be able to tidy up the system and make it work properly. If you get the people in at senior level with those sorts of approaches then I have no doubt that the many very reputable and people of integrity who actually worked in the Fees Office will be excellent staff.
650. SIR CHRISTOPHER KELLY: It is just a question of senior staff and leadership.
651. ELIZABETH FILKIN: Yes, and leadership. Of course a proper appointments process for those people who are currently in the Fees Office, so they have to compete for those posts.
652. SIR CHRISTOPHER KELLY: Thank you.
653. DR ELIZABETH VALLANCE: If we just stick with the new authority, obviously the Bill is going through rather quickly, does that surprise you?
654. ELIZABETH FILKIN: Yes, well it worries me. I obviously hoped that you would have the time you needed to consider these quite difficult matters very carefully and to take evidence from a wide variety of people and then to give your views, which might of course be accepted or might not. But it would allow you to set those out before legislation was put in place. I am particularly concerned about the legislation that is proposed in relation to the criminal law. That is not to say that I do not think anybody in the House of Commons should not be subject to the criminal law, of course they should, but you need a system that has more proportionate penalties for a whole variety of mistakes and misdemeanours of one kind or another. You do not want people assuming that they are going to be subject to the criminal law because that will just get people to shut the door once again, keep everybody else out and it will not get you a system, which you need in any organisation, where Jack can say to Jill, "I really do not think what you are doing is sensible, please stop it" without Jack or Jill feeling put upon. You have to have a system in which the organisation as a whole tries to deal with poor behaviour of one kind or another. You will not get that if people are being frightened that they might be threatened with the criminal law for things which are not in that category.
655. DR ELIZABETH VALLANCE: You are not saying that you do not think there ought to be criminal sanctions but it just depends.

656. ELIZABETH FILKIN: No, very much. Members of Parliament should be subject like any member of the public to the criminal law and should be pursued as vigorously as any member of the public.
657. DR ELIZABETH VALLANCE: You mentioned transparency and you said, "Well we need transparency obviously but we need other things as well" and I am sure people would agree. But it has been suggested to us that actually transparency is largely what it is about, that in effect, if you make things entirely transparent in this area then you change behaviour. In other words you would begin to change the culture.
658. ELIZABETH FILKIN: I think you will to some extent. I think it is very important to alert people. I will not say "frighten" people, but "alert" people to the fact that people might criticise them. When I was in the Parliamentary Commissioner job a great deal of my work covered giving advice to people so they did not break the rules. I was amazed by the numbers of people who were suggesting doing things, and when I said to them, "Of course you can do it. The rules allow you to do it, but would you like it to be on the front page of the newspapers?" They would go, "Oh!" as if this was a surprising comment. So I think it is very important to have alerting mechanisms. I think that is what you get when you get transparency. I think it is very useful. It will help tidy it up no end, but it is not enough. Because unless you have the culture right people will find ways of subverting that in some way. What you have to have is the majority of people wanting to get it right and wanting to help their colleagues get it right.
659. DR ELIZABETH VALLANCE: That is then to do with the structures.
660. ELIZABETH FILKIN: Very much so.
661. DR ELIZABETH VALLANCE: What do you think about the structures that are suggested here, in relation to another regulator, if you like, another quango? Does that seem to you to be the way to go?
662. ELIZABETH FILKIN: I do not think you need to go for a massive quango, but you do need, as your predecessors suggested at various times, external scrutiny and an external way of holding people to account. That will require staff and it will require a complaints system, it will require a proper forensic investigative system. It will require all those things. If you call that a quango then all right, but I would not see it as such.
663. DR ELIZABETH VALLANCE: What do you think of the argument of those who say, "If you have this kind of external body, you remove from Parliament itself the opportunity and in fact the incentive to actually get its culture right. A lot of what has been going on here has been to do not so much with rules, we have seen people have said, "But I obeyed the rules". Not so much the rules as individual Members of Parliament's decisions about what is right and wrong. To give this to a quango or to an external body is somehow to suggest that it is all sorted - you do not have to change the

culture.

664. ELIZABETH FILKIN: I do not think the two things are separate, but I think that MPs have had plenty of opportunity. Your predecessor Lord Nolan said what standards in public life should be. You have them up outside this room and they remain absolutely how people should behave. We all know what those standards are. Lots of people in the House of Commons are very good at maintaining those standards. There are many people within the House of Commons who do. They have had the opportunity to self-regulate, they subverted it very, very seriously. Although they have done things to improve it since they subverted it most seriously it is not good enough. It is not a proper public complaints system. The fact that MPs made this deal between the parties not to bring complaints against each other, because there was this idea that that was tit for tat complaining, was in my view quite wrong because many members of the public believe that they have to take complaints about MPs to other MPs. So what it did was cut down the public concern.

665. Of course many complaints that would come in, as have always have come in, will turn out to be either ill founded or malicious, but you need a mechanism to openly and fairly investigate those issues to make sure that you have, if you like, the backup for the culture. Of course that does not absolve the House of Commons authorities, the senior people in the parties, the leader, the leader of the opposition, in the task that they have before them, which is a massive task to make sure that people do not get brought before anybody which is set up to ensure good standards.

666. DR ELIZABETH VALLANCE: What do you think of the argument that says that we already have numbers of bodies looking at parliamentary standards; looking specifically at MP's expenses, or potentially looking at MPs' expenses, and that this is simply another layer, if you like, on top of that.

667. ELIZABETH FILKIN: It is not another layer, because presumably some of those things can fall away. What we have to have is something that is tougher, that is statutory and that has modern powers to provide that sort of help to the House of Commons. We, and presumably everyone in it, want the House of Commons to be effective and to adhere to decent standards. All we are talking about is some sort of arrangement that will actually bring that off. The arrangements that have been there have failed, as we have seen.

668. DR ELIZABETH VALLANCE: Indeed. Can I just ask you about specific things? You have mentioned in your experience you talked about how important it is, how this kind of body would be accountable, how the members of the new body would be appointed. I mean it is a bit of a conundrum, because you have Parliament being supervised by this body but Parliament appointing it.

669. ELIZABETH FILKIN: I do not think Parliament should appoint it.

670. DR ELIZABETH VALLANCE: How would you get around that?
671. ELIZABETH FILKIN: I would have the Office of Public Appointments doing a public appointment operation, not Parliament involved in it.
672. DR ELIZABETH VALLANCE: The position they are talking about at the moment is having an OCPA type system but then going back to a Speaker's Committee.
673. ELIZABETH FILKIN: That is the system which has been used and it has failed.
674. DR ELIZABETH VALLANCE: How about accountability? Do you think the idea of an annual report to Parliament and then a debate on that would be the way to do that?
675. ELIZABETH FILKIN: Yes, or indeed appearance before a Select Committee. There are all sorts of ways of being accountable. Publishing reports regularly, lots of ways that they can be scrutinised. Of course it is important they are scrutinised. Scrutiny does not end with one body. It is very important that the body itself is looked at carefully. The press of course will play a part in that.
676. DR ELIZABETH VALLANCE: Funding again is back to the Speaker's Committee.
677. ELIZABETH FILKIN: It might be. The Government will have an interest in this too, so funding might come from one or other source. It does not seem to me that it matters, as long as it is sufficient. My experience was that what they promised me and then did not provide was serious in terms of under funding.
678. DR ELIZABETH VALLANCE: Indeed as we know it is one of the easiest ways of making sure that you can control any kind of external body by simply not funding it.
679. Just very quickly, if you had to identify one thing that from your experience you wished you had had, is there one thing you can put your finger on that you think that this body, in order to do its job properly, would have to have?
680. ELIZABETH FILKIN: I think that is going back a while and some things have changed since then, but certainly at that time the critical thing was having the support of the Speaker. That was the critical thing in that situation. But of course the Speaker at the time was very much influenced by a whole range of other people and so I am not saying that the support of the Speaker by itself is enough. What would really make the difference is all those people in senior roles in the House of Commons wanting this body to be effective and helping it to be so, and taking on the tasks that they all need to take on if it is too effective. So I do not see this as a separate operation that happens over

there, I see it as something that would have to work in partnership with a lot of people within the House of Commons. The critical thing is that Parliamentarians would want it to happen.

681. DR ELIZABETH VALLANCE: Again the culture. Thank you very much.

682. DR BRIAN WOODS-SCAWEN: Can I turn to outside interests, about which there has been much debate? Some would say rather more noise than intellectual dissection of the issue. We have had evidence, as you might imagine, across a wide range, from those who argue that being a member is or ought to be a full-time role, and they argue particularly that the caseload in constituencies has grown, to others who argue that members whose views on life are influenced by other experiences are better able to discharge their responsibilities.

683. Turning specifically to the issue of standards as opposed to effectiveness, do you have a view from your experience on seeing members close up and personal as to whether there is a standards issue there?

684. ELIZABETH FILKIN: There is a standards issue in all of life, sadly. My experience, as I keep saying, is probably out of date and no doubt when you have John Lyons to speak to you he could get you up to date. But my experience was that there were a lot of very able people in the House of Commons. And very much what they contributed to parliamentary debate and to select committees was enhanced by the fact that they had had other roles before coming into Parliament. Some of them continue to carry some of those roles now, and that improved and enhanced what they were able to contribute in Parliament.

685. It seems to me this is a bigger question. It is a question that hangs on what is it you want MPs to do and how many of them do you want to do it? Because, if you have as big a cadre as you have in the House of Commons and you have a great deal of the work being done not in the chamber, but either because people are sitting watching debates on television in their rooms, or in Select Committees of one kind or another, or in other meetings of one kind or another, you are defining the job of some people as quite heavy jobs. But a lot of people, because it is such a big number, do not have very heavy jobs in the House. Yes, some of those carry out very effectively constituency advice. Some of them carry out very poor quality constituency advice, as I know from when I was Chief Executive of Citizens Advice. So there is a much bigger issue about what it is we want our MPs to do and how we are going to make them accountable for what they do, do.

686. Having said all that, I am not of the view that I would want to go immediately to saying that people should not have second occupations of one kind or another, but I do think there needs to be scrutiny of that. I think it should be something that the parties or the House take on, as in any other job you would go to your boss and say, "I have been offered a non-executive directorship on X" or whatever, or, "I am going to take this on for a voluntary organisation, may I do that?" They would weigh up whether you have enough

time and so forth and then there would be rules about what you did with the money that you got from it. Those rules can be varied. You might have to give all of it to charity, you might have to knock it off what you are being paid out of the public purse, or you might be allowed to keep some of it. All of that should be clear and public. I do think transparency on that front matters, because we have had this very odd arrangement in the House of Commons in which you had to say what other employment you have, but you do not have to say what you were paid or what other gifts you were given in that situation. So you could have

687. ELIZABETH FILKIN: Certainly I had when I was in the post, people being given very expensive gifts. One given one year and one the next, and one the next. All they had to register was that they had a gift, not that it cost £30,000 each time.

688. So I think transparency on a number of those things will be very helpful but I was impressed by some people's knowledge and expertise from their paid work.

689. DR BRIAN WOODS-SCAWEN: Where would you be on the range of outcomes in relation to expenditure that you have described from giving it all away to holding onto it?

690. ELIZABETH FILKIN: I would suggest that there would be some publicised information on that front, so that people kept 50 per cent of it, or they kept 30 per cent of it but that everybody knew what the rules are.

691. DR BRIAN WOODS-SCAWEN: But you think there should be some abatement?

692. ELIZABETH FILKIN: As in most public sector roles, yes I do.

693. DR BRIAN WOODS-SCAWEN: Can I turn to yourself and particularly the employment of family members, and spouses as a subset of family members, did you have any experience of clear and demonstrable breaches of standards in relation to that?

694. ELIZABETH FILKIN: Yes, I investigated some and I published very serious ones taking parliamentary money for actually employing people to do political work. I upheld several of those cases, and yes, I saw that.

695. Indeed there was a poor quality of clarity in numbers of situations, no job descriptions, no clarity and records about what people actually did, no records about what people got paid. All sorts of very poor employment practices in some situations.

696. Of course, in other situations there was a great deal of clarity.

697. DR BRIAN WOODS-SCAWEN: Clearly one could put more and more controls around this area, do you think, at the end of the day, the issue of

standards overrides the combination of control and the assertion that family members are uniquely equipped to provide effective support to members?

698. ELIZABETH FILKIN: I think that one facet of standards is perception. I think it will not do in this day and age for people to be employing their family. Now that does not mean, of course, that their family could not be employed by somebody else, because of course they could. If they are talented people, good luck to them.
699. But I do not think it is a proper way of going on at the moment to employ, out of public money, your own family.
700. DR BRIAN WOODS-SCAWEN: So you would ban it?
701. ELIZABETH FILKIN: Yes, I would.
702. DR BRIAN WOODS-SCAWEN: Can I finally just ask you about travel? Did you have any experience of breaches of standards in relation to travel?
703. ELIZABETH FILKIN: Yes, quite a number, and quite a number that I did not investigate but people told me were happening. I have no idea whether they were but were commonly reported, very serious ones.
704. Of course it is a part of this whole culture of not having to give receipts. In any other business or organisation, you do not get your travel paid unless you have turned up with the receipt for the train fare or the receipt for the plane fare.
705. Because you did not have to do that, it was open to people, and I am told people did, share a car and claim four first class rail tickets. Receipt would deal with that matter.
706. DR BRIAN WOODS-SCAWEN: So you would recommend what does not sound like a unique solution of a combination of receipts and travel logs for all travel.
707. ELIZABETH FILKIN: Yes. What any other public body has which is, if you like, back to what we were talking about before about having things in place which make people behave properly even if they might not otherwise.
708. If you work for a local authority and if you claim travel allowance, or for a government agency or whatever, you know that from time to time, somebody will come and look through your car window and see if the mileage claimed ties up with what you have said it does.
709. So you know then that those checks are in place. You ought to have those checks because it is terrible that one has to have these things but you have to put them in.

710. DR BRIAN WOODS-SCAWEN: Thank you very much.
711. ELIZABETH FILKIN: Thank you.
712. LLOYD CLARKE: Could I just ask one further question building on what has just been said? Do I take it that you are in the camp that says it is receipts for everything and no de minimus level, because that is the most proportionate and reasonable way to deal with things, so it is absolutely receipts for everything?
713. ELIZABETH FILKIN: I cannot see an argument for de minimus something or other. I do not see what that argument would be. I think people should produce receipts for public money.
714. LLOYD CLARKE: They should account, for example, for the mileage by having a record of it that they have maintained throughout a week, a month, or whatever it is.
715. ELIZABETH FILKIN: Of course. That is right. They write it down like other people in the public sector do and claim for that mileage.
716. LLOYD CLARKE: Okay, thank you for that. Could I take this to the area of communication by and between an MP and their parliamentary constituents?
717. I am going to ask a secondary question in a minute about asking you to cast your mind back to what the system in communication was when you were the Commissioner, but just before we get there, the system changed in 2006 and now we have this Communications Allowance.
718. ELIZABETH FILKIN: That is right.
719. LLOYD CLARKE: Obviously you did not have to police that. We have been told that there have been misuses/abuses of that, and the notion here is that not being able to maintain that boundary between parliamentary communication and political communication.
720. Now with your experiences of MPs, do you think they would ever be able to keep that distinction of separating those two out by the nature of being an MP?
721. ELIZABETH FILKIN: As you have said, that allowance came in not very long ago. When I was in the post, people had that problem then, and there was a constant problem about, and I investigated some complaints about misuse of House of Commons stationery, House of Commons whatever, all of those things. No, I think it is very difficult frankly.
722. Some of them do not make that distinction in their heads. They do not think about things in those terms and so I think it is very difficult for them to

make those distinctions.

723. I think that is why some of the things that, certainly some of the things that I investigated that were about misuse of parliamentary allowances for, for example, for employing people, when I looked at them, I thought people would come to me and say, "Yes, I am terribly sorry. I really did get that wrong, didn't I, because that was an enthusiastic young person who did the following" but they did not say that.
724. They shut up the shutters, and said, "No, of course it had not happened" and so on and so forth. So I was quite surprised with how they obviously felt, that they had got it wrong, and knew they had got it wrong, sadly.
725. LLOYD CLARKE: Yes. You see, what has now been proposed by some people giving evidence to us is that, "Actually the Communications Allowance was wrong, let us go back to what we had before."
726. Your reaction may have said it all and if we can just tease some of that out then, well okay, maybe we what we should do is leave the cap that there is in respect of postage. Clearly there were problems about differentiating between parliamentary and political communication.
727. So we have now got a set of rules, so do we take away the Communications Allowance, leave the rules in place and let them spend from other budgets, which is almost going back to where it was when you were there? But clearly there were real difficulties in policing it.
728. ELIZABETH FILKIN: I think what you have to do is to say if you are going have a system of allowances for a variety of things. You have got to say to people very clearly, "This can be spent on these sorts of things. It may not be able to be spent on those sorts of things. If you spend it on that, you will be rapped over the knuckles and you will have to pay it back. Indeed you might be fined."
729. So I think you have just got to have some clarity about what it is people can spend it on and then you have got to have an audit.
730. LLOYD CLARKE: Were there not clear rules in respect of environment before then? Was it a case of an environment from whatever budget they had, and just calling it communications because that was not capped in any way?
731. ELIZABETH FILKIN: Well, that is what people say. That is certainly not what was allowed.
732. LLOYD CLARKE: Okay. One of the interesting propositions is that with an amount of funding for communications, is the notion that each MP should be required to provide a factual annual report to their constituents which might include a voting record, committee attendance, the expenses that

they have claimed, outside interests etc, might be available in different places, to draw those together and to make those available to their constituents. Could that be policed?

733. ELIZABETH FILKIN: Well would you want it done? That would be the first question. I think if constituents would like that then, I do not see a big problem getting that done. It is the sort of thing you ask school to do, is not it?
734. LLOYD CLARKE: It would bring an element of transparency.
735. ELIZABETH FILKIN: Yes, so I do not see the problem about it as a task. Whether you could then police it, or whether you need to police it, or whether you police it by an audit system. I would have thought that what you use is a complaint system in relation to any report or each section.
736. You see, auditing, I keep referring to auditing because I think it is very important, I am not saying everything has to be crawled over by the auditors. What I am saying is that there should be a by exception auditing that people know from time to time, some offices at random will be turned over.
737. LLOYD CLARKE: Okay, thank you for that. A final question if I might. And I think I am repeating and quoting you correctly, I think you said a little bit earlier on, "Many people in the House of Commons are good at keeping standards." I think that is what you said in answer to another question.
738. ELIZABETH FILKIN: Yes.
739. LLOYD CLARKE: I mean, it is often stated that the majority of MPs observe high standards. Would you still agree with that analysis?
740. ELIZABETH FILKIN: When people used to say that to me, and when I was in that job and after it, I went about the world at the Foreign Office request saying it to people. People would say, "You have got very high standards in your House of Commons" and I would say, "We do not know that. We have only got a very inadequate complaints system. We have no audit. I hope we have got high standards but I do not know it, and I have got no way of telling it. What I do know is that I meet numbers of MPs who I do think are people of integrity and do have high standards."
741. I think that the sum of the information that has been produced recently has made me feel that more people, than I previously thought, have got rather poor standards. That does not mean to say that there are not still a lot of people within the House of Commons who have got high standards.
742. I have been surprised that those with high standards have never even demonstrated that they have not ripped off the expenses systems. That they have not been more vocal and saying, "There are quite a lot of us and we have not been doing it." There has been very little of that.

743. It has been a game, the closing the doors, the culture, which I call the prep school culture, not “snitching” that has applied again on these matters, I am afraid.
744. LLOYD CLARKE: Okay, thank you very much. I suppose, in truth, if Members maintained high standards then perhaps their standing would be higher. One follows the other perhaps.
745. ELIZABETH FILKIN: I am sure.
746. LLOYD CLARKE: Thank you very much.
747. SIR CHRISTOPHER KELLY: One of the pieces of machinery that remains in place is the Committee on Standards and Privileges. On the standards side of their work, as I understand it, under the new arrangements they will sit in judgement on their peers for those misdemeanours that are below the level at the which the police are appropriate, but above the level of simply paying back expenses that are overpaid which will be dealt with by the new regulators. The Committee is now possibly unique among self regulating bodies in only having members all coming from the profession for which it is sitting in judgement.
748. Would you like to express a view on that?
749. ELIZABETH FILKIN: Well, I think it is failed. I think the changes that have been brought in gradually have improved the quality of that Committee. Not having people being offered ministerial jobs while they are on the Standards and Privileges Committee to vote one way or another, has improved it, and having an opposition chairman has improved it.
750. I think there have been a number of improvements but I do not think it has been successful. There has been nothing to stop the Standards and Privileges Committee that knew well that there was this expense abuse, from issuing directives and telling people to stop it. Nor has there been anything to stop them, if they wished to, setting up their own audit arrangements to pick up or to find out if other things were going on.
751. So in my view, I am sad to say it, but it has failed. It will not do.
752. SIR CHRISTOPHER KELLY: What would need to be done to it so that it would not do that?
753. ELIZABETH FILKIN: Well, I think the proposals that were made originally, much of that being moved outside Parliament, and having independent people on the new body who were involved in Parliament. I am not saying that there should not be some MPs on it. It is useful to have people from any profession in a regulatory arrangement for that profession.
754. But they should not be the majority, and they should not chair it as you would say in any other profession. So that you will have some lay-people and

some experts, MPs.

755. SIR CHRISTOPHER KELLY: So there will be a separation from the new regulatory authority and the Committee.
756. ELIZABETH FILKIN: I do not think there should necessarily be a separation. I think they should all be part and parcel.
757. SIR CHRISTOPHER KELLY: Under what is proposed in the Bill, there will be a separation.
758. ELIZABETH FILKIN: Yes, I know.
759. SIR CHRISTOPHER KELLY: Should we demolish the Committee now?
760. ELIZABETH FILKIN: I would have thought so, yes. I think that needs to happen.
761. SIR CHRISTOPHER KELLY: The reason for its continued existence apart from the fact it is there to look after privileges as well as standards is that one of the sanctions available to it is expulsion of a member from the House or suspension.
762. That is, in democratic terms, quite a serious sanction. Do you think it would be reasonable for that sanction to be exercised by people who have not been democratically elected?
763. ELIZABETH FILKIN: That is always brought in as the argument, and obviously it has some force. It was always said to me that the sort of expulsions that took place as a result of complaints that I have investigated, were terrible expulsions because people were expelled for a month.
764. I did not think they made any difference at all. Yes, people got slightly bad press back in their home town but if you look at what the careers of people after that, people who have been through being expelled, they then become chairs of select committees. It is amazing.
765. So I do not think that is a particularly good penalty if it is that short. I do not mind at all if it is democratically elected members who enforce that penalty, but I do not think that they should be the people who decide that that penalty should be applied to an individual. I think that should be done fairly and properly by some external independent body because in my experience, MPs were highly influenced by the status of people who were being investigated, and because that is the case, and I fully understand the position they are in, and they are, as it were junior people in the organisation in one sense, seeing the senior people in front of them was very worrying to them.
766. Therefore they were not people to make fair decisions between MPs. So I, if you like, am agnostic about whether or not they should continue to do

the expulsions because I do not think that it is a very effective penalty anyway but they should not decide the penalty.

767. SIR CHRISTOPHER KELLY: Is there anything else?

768. DR BRIAN WOODS-SCAWEN: Could I just ask one slightly more practical question? In most organisations, there are arrangements for induction of new staff in standards, values, procedures, how we do things around here, what is expected. Is there any equivalent for new members?

769. ELIZABETH FILKIN: Certainly I ran meetings for a new intake and indeed, each year ran them and very few people came. So again, people are not likely to go to those unless they are told by the senior people within the organisation, "That is part of what you have to do here. You have to go through that process, and then if you have got problems, you have to consult these people, and then if you do not understand anything, this is where you find it out."

770. Of course that ought to happen, and it ought to happen properly, but unless people want it to happen, unless people are committed to understanding those rules and wanting to uphold them.

771. Certainly when I was in the post, and I hope that is still not the case, but I fear it is, there were still some people who thought it was absolutely terrible that any rules existed at all, and certainly that any investigative arrangement happened at all. They thought that was trite as we found out.

772. DR BRIAN WOODS-SCAWEN: Thank you.

773. SIR CHRISTOPHER KELLY: Is there anything else you wanted to tell us?

774. ELIZABETH FILKIN: Not at all.

775. SIR CHRISTOPHER KELLY: Thank you very much for your time.

776. ELIZABETH FILKIN: Thank you very much, and best wishes with your work. It is very important.

777. SIR CHRISTOPHER KELLY: Thank you.

Opening Statements

Opening Statement by Angus Robertson MP

Firstly, may I start by saying that the Scottish National Party welcomes the decision to bring forward the review of parliamentary allowances.

The abuse of the allowance system, and in particular the Additional Costs Allowance (ACA), has shaken public confidence in parliament and there is an urgent need for reform. In addition to the work of this committee, parliament and political parties have also been driving steps for reform including the creation of an independent parliamentary standards authority, of which you will be aware.

It is no exaggeration to say that you would need to go back to the days before the 1832 Reform Act – which put an end to vote-buying, rotten boroughs and electoral intimidation - to find an era in which the UK parliament was as widely discredited and in need of reform as it is today. The answer two centuries ago was systemic reform, and that is also the solution now.

The Committee will have had sight of the written submission made by the SNP as part of the review of MPs' expenses and which sets out the case for Westminster adopting Scottish Parliament standards and procedures, but let me summarise the background and main elements of our submission.

When the Scottish Parliament was established in 1999 its allowance arrangements were modelled on Westminster and they regrettably fell victim to misuse. After a review, set in motion by the former Presiding Officer George Reid, the Scottish Parliament reformed its rules, and established a system based on receipts, transparency and regular publication.

The principles of the Scottish Parliament system are:

- Expenses are reimbursed only for the purpose of Members carrying out his or her parliamentary duties.
- The requirement for efficiency, effectiveness and value for money is central to claiming accommodation, goods and services funded from public funds.

On the point of accommodation, much of the anger over MPs expenses has understandably focused on the exploitation of the Additional Costs Allowance. We commend the Scottish Parliament move towards a scheme where Members entitled to overnight accommodation costs will no longer be able to claim interest on a mortgage for a second home.

- Individual Members must take personal responsibility for all expenses incurred and for making claims, even if he or she delegates the administration of claims to others.
- All claims must be supported by receipts or other documentation confirming

expenditure.

- Members should be open and transparent about expenditure incurred under the scheme.
- Information on Members' expenses should be published regularly to enable the public to see what expenses have been incurred, except where there are personal or third party data or security considerations.
- A Member must ensure that any claim is above reproach and that there can be no grounds to suggest misuse of public money.
- Any payments made must not relate to party political activity, nor should any arrangement entered into give the appearance of a benefit to a party political organization.
- A Member must ensure that any claim does not give rise to, or give the appearance of, benefit or subsidy to a Member, or someone close to a Member, for a purpose other than carrying out parliamentary duties.
- All claims must be made honestly and a Member should take steps to resolve any conflicts arising in a way that protects the public interest.
- A Member should lead by example, strengthening the public's trust in the integrity of the scheme and setting high standards for the areas of public service.

When the Scottish Parliament moved to these principles of total transparency, two things happened - the scandals and the embarrassments stopped because information was volunteered and, secondly, Members of Parliament behaved accordingly because they knew their claims were going to be published on a quarterly basis.

It is in the spirit of these principles that Scottish National Party Members of Parliament are now operating on a voluntary basis – our expenses have been published retrospectively, and we will be publishing our claims on an ongoing quarterly basis.

In both the immediate and long-term, the Scottish Parliament provides a real and successful working model of how Westminster can move towards a transparent and trustworthy system.

We need to establish confidence in the Westminster allowances system, and this will not happen until we have in operation a transparent system that is accountable and cost effective for the taxpayer.