

## **Committee on Standards in Public Life: Review of MPs' Expenses**

### Submission from Jo Swinson MP

Public confidence in Parliament and politics has been shot to pieces over recent weeks as the extent of the abuse of the expenses regime has come to light. The revelations have shown that **MPs have collectively failed in the task of managing the expenses system**. That is why this independent review is so welcome, and why I believe the **House of Commons should accept the findings in full**, without amendment.

It is vital that the Committee's findings command the support of the public. Therefore in addition to hearing from those involved in the political system, I urge the Committee to **encourage wider public involvement**. In my March 2008 submission to the Members' Estimates Committee (MEC) review of expenses I suggested that a **Citizen's Jury** might be a good way to engage ordinary members of the public, and I would ask the Committee to consider that idea.

In my own constituency of East Dunbartonshire, I have asked my "e-consultation" panel of more than 700 constituents what they think needs to be done to rebuild trust in politics. More than 100 people have responded so far, with dozens of suggestions put forward. Certain key themes and ideas came up time and again. I have summarised the main points but also included direct quotes from constituents, in italics.

### **Transparency**

Full transparency was the most commonly cited action that Parliament could take to rebuild trust. All expense **claims and payments must be published regularly** in future as a matter of course. One of the most damaging parts of this whole debacle has been the reluctance of the House of Commons to be open and transparent about expenses, by repeatedly challenging the freedom of information rulings in the courts. **Openness is particularly important** given some of the claims that have been uncovered. If people are to have confidence that the mistakes of the past will not be repeated, they need to be able to see the evidence for themselves. Consideration should be given to how claims are recorded and processed to avoid the cost and delay experienced with the redacting process for the 2004-2008 claims. The Scottish Parliament has successfully published expenses every quarter for some time, and it may be helpful to hear their experiences of how best to implement a fully transparent system.

*"Until the public can scrutinise the earnings and expenses of the members, they will never again put their trust in the system" DR*

*"Above all there is a need for transparency in that the public should be aware of some issues which up until now have been 'hidden' from view." HK*

*"The only way that politicians can regain trust is to be completely transparent about expenses and to move to a system which means that they can only claim for certain types of expenses which all have to be backed up by receipt. Under no circumstances should they be allowed to profit at tax payers' expense." JC*

## New system

Everyone agrees the current system is broken. Whatever the history and why it was created as it is, people don't care; they just want to see a **professional, justifiable and reasonable expenses system, designed and audited independently**. Given some of the claims that have been passed by the House of Commons authorities, there is no confidence that an internal checking process will be sufficiently rigorous. The new system should be about ensuring that actual necessary additional costs are reimbursed, so **receipts should be required for everything**.

*"For quite some time now the vast majority of the population has questioned the integrity and equity of the MPs fixing their own salaries, holidays, expenses and the gold plated pension!" AS*

*"There is a need to overhaul the system and have tighter checking of expenses." JS*

*"I would like to see a proper expenses system based on receipts for actual and reasonable additional costs incurred, like most commercial organisations." AB*

*"The entire subject of expenses MUST be audited and regulated by an outside agency, we already know we cannot trust our elected members to administer and control this themselves." KM*

## Punishment & sanctions

People are astonished that despite apparent breaches of the rules, tax avoidance and fraudulent claims, MPs have seemed to 'get away with it'. This creates a **huge sense of frustration, that there is one rule for MPs, and another for everyone else**. The Committee should ensure that the independent auditor is equipped with full powers of investigation and that **tough sanctions** are available to deal with any abuse, where appropriate referring cases to the police. Currently the Parliamentary Commissioner for Standards can only investigate after a complaint is made. **Giving the Commissioner a proactive power to investigate** would be better. The people who elect an MP should be the ultimate judge, and they must be empowered to act to remove an MP who has been found guilty. I hope the Committee will recommend such a "right of recall".

*"All MPs who have illegally claimed expenses should be criminally charged in the same way that people at the lower end of the income bracket who falsely claim benefits are prosecuted." NK*

*"The MPs that have been named and shamed for fraud and expense abuse, should, if necessary be dealt with by the justice system and, if found guilty pay the appropriate penalty - jail if necessary and resign with immediate effect." DS*

*"When blatant cases of fraud have been discovered then criminal charges should be pursued." AM*

## **Integrity & honesty**

Rules and system aside, people are angry at the behaviour and judgement of MPs. **Many feel that the values of integrity and honesty have been cast aside.** While the Committee is not responsible for the personal morality of individual MPs, this dimension is an important one. It is right that the new Green Book refers to key principles of behaviour, and I hope that the Committee will find a way to enshrine the importance of these values in the new system.

*“The public are asked to put their confidence in political figures and they must lead by example with high morals, values and standards” RM*

*“It is clear to me that many dishonourable MPs really do not understand that they are personally morally bankrupt.” MB*

*“Playing the system is endemic throughout our society, but we do expect public servants to lead by example. This whole expenses mess should be cleared up by someone who has the moral authority to make a judgement on the expenses of every MP and refer where appropriate for police action.” SM*

*“I think that to rebuild trust in politics and politicians we need to bring back a few words like honour, integrity, principles, honesty and statesmanship.” FW*

*“I find it very disturbing that many MPs have a problem with the difference between a legal and a moral approach to expenses.” AH*

## **Ending personal profit for MPs from expenses**

The issue of MPs making personal profit from taxpayers' money is one which provokes a great deal of anger, most apparent over the issue of capital gains on second homes. Some people have suggested that all MPs should be made to rent rather than buy. Other people suggested that a better solution would be for the House of Commons to own the properties. This could be done by buying up blocks of flats. Another option would be as I suggested to the MEC review in 2008 and the SSRB in 2006, for the House to maintain a property portfolio which would change according to Members' needs, but with the capital gains accruing to the taxpayer, costing less in the long run. I think the best value option overall would be for the House to own properties, but if this were deemed too complicated to implement then I think a system of renting only should be introduced, to remove this issue of capital gain from taxpayers' money. The personal profit issue also affects any flat-rate sum not linked to actual costs. The “daily allowance” idea based on the Brussels system was in my view rightly rejected, and for the same reason I think the current flat-rate £25 per night subsistence sum should be scrapped.

*“I think that several blocks of flats should be made available for MPs who need to stay away from home. These flats should have everything required for temporary living and comfort.” EA*

*“Of course any financial gain from the likes of property sale should be returned to the public purse.” PD*

*“Build a block of flats (halls of residence) which would be available to MPs to use as required. The flats should be furnished to a reasonable standard and maintained by the state, essential services such as electricity gas etc would be provided free of charge.” SW*

*“It is important for our democracy that people of all financial backgrounds can be MPs and an MP needs to have two places to live if they are not from within the London area. When other working people claim expenses from their employers, they cannot make a profit from it, it is for expenses actually incurred. If MPs have to buy properties, then the money invested by the taxpayer should be fully repaid together with any profit on that fraction paid by the taxpayer (or deduction if property values fall).” RH*

Other ideas that came up regularly in the consultation included: reducing the power of the whips, increasing MPs salary, the need for a General Election, introducing proportional representation and wider political reform – and also the very clear message that rebuilding trust will take a long time and will not be an easy task. The Committee’s Review is a crucial part of this task, and I wish you every success in producing an authoritative piece of work to act as a foundation stone for the rebuilding of the public’s trust in politics.

**Jo Swinson MP**  
**5 June 2009**