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Sent: 07 December 2006 20:41
To: [REDACTED]
Cc: [REDACTED]
Subject: SSRB Consultation Response

Dear Alan

My views on the various aspects of MPs pay, pensions and allowances are outlined below, as my contribution to the Senior Salaries Review Body consultation.

Pay

The figure of £100,000 has been floated in recent newspaper headlines - an increase to this level would be in my view unwelcome and difficult to justify if the 2004 report was accurate in finding MPs pay only around 12 - 14% below that of comparators in the private and public sector. An increase to even up the salary with that of comparators if it is again found to be below would make sense. While I am happy with my current salary I am concerned that if MPs feel underpaid compared to similar positions in the public and private sector this can be used as justification for continuing with the more generous pension scheme that exists. I think it would be much better for MPs to receive a salary of a comparable level to similar positions in the public / private sector and also for the pension benefits to be similar.

Staffing allowance

As a new member I find the current allowance adequate, but may find problems in the future when my staff are more experienced and will warrant a higher salary.

IEP

My IEP is adequate for my needs, and I opposed the new Communications Allowance as I feel communication costs ought to be able to be met from current IEP provision. However I do recognise a current injustice for MPs representing London seats or other areas with high commercial property prices, as in some cases the office rent can consume the vast majority of the IEP budget, creating problems meeting basic costs of telephone, office stationery etc. I believe a better solution to this problem would be to look at separating out part of the IEP into a rent budget, which could be weighted for areas with high rental costs. The London supplement I do not think is sufficient to outweigh this disadvantage. On the subject of the London supplement, I think there is a ridiculous aspect to the rules of the ACA and the London supplement. As a young woman travelling home after late votes I am keenly aware of the issue of personal safety. As I represent a seat far from London I am able to use my ACA to stay close to Westminster, reducing the personal safety risk. Outer London MPs however, who are eligible for ACA but choose to travel home each night and therefore do not cost the taxpayer £20,000 per year living away from home, are not allowed to claim the expense of a taxi journey home late at night to ensure they complete the journey in safety - when talking about taxis to Outer London this can add up to a considerable cost. It strikes me as very strange - it is surely much better for the taxpayer to meet taxi costs a couple of times a week for such individuals than to end up potentially paying £20,000 in ACA. In most jobs where individuals are required to work late at night and safe transport home may be a problem, a taxi is provided or paid for. I'm not suggesting that this should happen for all MPs, just that London MPs who are choosing not to claim ACA should have some flexibility to enable them to use part of the money that would have been spent on that on safe transport home. I hope this can be considered.

Additional Costs Allowance

I have found ACA to be adequate to enable me to live away from home, and I welcome the flexibility of being able to choose where to live, or whether as some colleagues do, to stay in hotels (though I must say I think I'd hate doing it that way!). One thing I do think needs to be looked at again, is MPs using ACA to pay the interest on a mortgage. I don't have a problem with this in itself, but the capital gains accruing to the Member as a result of this are difficult to justify and just creates a good media story yet again to undermine the reputation of politics. In the Scottish Parliament, the SSRB may be aware, there has also been controversy about this issue. While this is within the rules there is nothing wrong with MPs doing

this, but I think the rules should change. I would favour a scheme whereby the taxpayer essentially took the risk and enjoyed the benefit of the capital gain. It is possible that depending on the housing market this could sometimes be a loss in the short term, but over time this would actually mean an accumulation of assets. It would be similar in theory to the House buying sufficient properties for MPs to live in in London; once paid for there would be no further cost. Obviously in implementation there would be churn of the actual properties, as different Members have different needs in terms of family, location etc.

Travel

The travel costs work well in my opinion, though I have never quite fathomed the obsession with everything being booked through the Travel Office in this day and age. This isn't usually a problem, but I understand that while it is welcome that travel booked through the Travel Office will be carbon offset by the House authorities, it is a nonsense that travel booked by a Member or their staff online or directly at a station using the Travelcard will not be. It would be useful if travel through to Holyrood could be covered, as I do try to get there to liaise with MSP colleagues, and I believe it is important to maintain good communication links between the two Parliaments - encouraging this would be a good thing. I also think that given the changing lifestyle trends surrounding marriage, thought should be given to extending travel costs to partners who are not married. Without a doubt, anyone who is in a civil partnership should be covered (indeed I believe this is already the case), but given the strain the lifestyle of an MP puts on personal relationships it may be worth considering extending this to unmarried couples who are not in a civil partnership; the criteria of course would need to be defined.

Pension

Although the employee contribution is considerable, at 10%, the level of the taxpayer contribution seems unfairly high, compared to other private and even public sector schemes. At a time when defined benefit schemes are closing all over the place, how can we justify this? MPs should have a decent scheme, but I don't see the case for it being better than most. As other schemes are having to reform, I believe the Parliamentary scheme should likewise look at its future and what is sustainable.

Winding Up and Resettlement

While I hope not to require this for quite some time, I did have to think about this recently when renewing my office lease, to be able to work out what reasonable notice period my landlord and I could agree on, given that if I were to lose my seat I would be liable for the rent until the contract ended. Some winding up allowance is therefore essential to cover notice periods on office leases, as well as notice periods for staff, who are often the hardest hit when their MP loses their seat. The current provision seemed to me to be acceptable, but submissions from ex-members will, I am sure, provide a more informed view on this subject.

IT equipment

The current provision of IT equipment is fine - I have found it necessary to use IEP to purchase additional computers but given this option exists there is no problem that I can see. I took part in the pilot for mobile computing - using a PDA to receive and send emails and access an up-to-date calendar. This has proved very successful both for providing a manageable way to carry an always updated diary, and also to make use of otherwise "dead" time by clearing emails. I would recommend this being extended to all members, as I believe is the plan.

I hope these comments are helpful to the consultation.

Kind regards,

Jo Swinson MP