



Committee on Standards

Oral evidence: [IPSA annual report 2014–15](#), HC
778

Tuesday 2 February 2016

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Members present: Kevin Barron (Chair), Mr Christopher Chope, Sharon Darcy (Lay Member), Mr Dominic Grieve, Mr Peter Jinman (Lay Member), Mr Walter Rader (Lay Member) and Tommy Sheppard.

Questions 1-28

– Witnesses: **Professor Sir Ian Kennedy**, Chair, **Marcial Boo**, Chief Executive, and **Peter Davis**, Compliance Officer, Independent Parliamentary Standards Authority, gave evidence.

- **Chair:** Good morning. We are going to ask you about IPSA's preparations for the general election—obviously, the first general election since you were brought in as a statutory body. Dominic will ask some questions in relation to that.
- **Q1 Mr Grieve:** May I take you first of all to the work that you did to prepare for the 2015 general election? Have you consulted with returning and departing Members as to how that has actually worked in practice, and whether your preparations appear to have been successful?
- **Marcial Boo:** Yes, we have. We did that in two different ways. We conducted a survey of MPs and their staff, as we do every year. We had about 320 responses, both from MPs and staff, so that gave us mainly quantitative information about the views of MPs and staff. But in addition we conducted face-to-face interviews with, I think, around 20 to 25 departing and new Members, and we are hoping to see some returning Members as well, to get their take on the experience that they had with us. As you can imagine, we had a lot of information from both those bits of work. It will all be published, so that it is transparent for everybody. It hasn't gone to IPSA's board yet, so it will be a few weeks before it is published, but it certainly gave us a lot of information about both what went well and what we can improve in future elections.



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- **Q2 Mr Grieve:** Obviously the report will be coming out, but can you give us an idea of what you saw as the main challenges for IPSA in respect to the 2015 election programme—what you were doing?
- **Marcial Boo:** I would say that the main challenge was that as an organisation we hadn't managed one before, so it was new for us. So we obviously were planning without having had a precedent to work from. That will obviously be better next time because we have learned a lot through the last year.
- A parallel challenge which will happen, I am in no doubt, at every election is that it is impossible, obviously, to know the quantum of MPs who will be changing seats, and so, obviously we have to make some very prudent assumptions about that, which we did. And fortunately, all of that planning, I think, was quite successful, in that we had sufficient staff who were well trained enough to be able to deal with, in the event, 364 individuals who were either leaving Parliament or joining, and gave them one-to-one introductory sessions in respect of new MPs or meetings following the election in respect of those who had left the House—all within a week, I think bar two individuals. So in that regard I think that we had planned well. Obviously, we learned some things which we will want to change for next time, and those are the kinds of things that we will obviously be setting out for interested parties, including authorities in the House, over the coming months.
- **Professor Kennedy:** May I add to that? It is important to set the preparation for that general election, as you did, in the context of the continuing life of IPSA, because I had made it clear that there were lessons that we had to learn about how we operated, and it was important to use the general election, if you like, as a test pit for that, so that we could discover what we needed to, not only as regards the general election but more generally. We have introduced a programme, which is due to be completed in 2017 and which particularly focuses on using your word “challenges”—which I think is helpful—and those challenges have to do with our information technology. You will recall that when IPSA was first established we had to act rather quickly, so it was no surprise that we took bits off the shelf, as it were, for our overall IT. Over time, it became quite clear that parts of the machinery don't speak to other parts of the machinery. We have to learn how to make that better so that the data we have is of the highest quality. That is what we are engaged in now.
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- **Q3 Mr Grieve:** Thank you. Without wishing to pre-empt your report, would it be possible for you to give us any examples of things that you might be doing differently in 2020, based on what you have learned from 2015? Differently from what you actually did then.
- **Marcial Boo:** Yes, I am happy to give a couple of examples. One of those will be to improve the quality of our communications in advance of the election to MPs and their staff. I have had some helpful meetings with the Whips Offices so



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that we can make sure that we use those channels, in addition to letters to MPs, e-mail bulletins and things along those lines. Clearly, the guidance that we issue to MPs, whether it is about capital purchases or the repayment of loans, is all very important—it is important for them to get those messages. That is one thing that we will be learning.

- Similarly, we have changed our policies on the loans that we give to MPs. Previously, it was a loan to cover cash-flow issues, and it related to the whole of the Parliament. Again, that was something that we did initially in our earliest days. Now, we help new MPs with the cash flow just for the period of a financial year, rather than letting it roll all the way through to the next general election, by which stage some MPs have forgotten that they have got this money that they owe the taxpayer. Those are two specific examples of things that we are already intending to change.

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- **Q4 Chair:** Could I just ask one question on the back of that? This is certainly not your direct responsibility, but obviously Members losing seats who may have had people working for them on non-IPSA contracts had a different redundancy level from those who effectively lost their job on an IPSA contract. How big was that scale in terms of the general election? Was it a lot of people?

- **Marcial Boo:** It was a few individuals. It wasn't very many at all, and since the general election we have written personally to each member of Members' staff who is on a non-IPSA contract to advise them that they have this option. Clearly, we don't want to interfere in the employment relationship between an MP and his or her staff, but we do want them to be aware that there are different terms and conditions to IPSA contracts relative to the contracts that preceded IPSA's existence.

- **Chair:** We are now going to move on to operational efficiencies.

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- **Q5 Mr Rader:** May I just pick up the notion you referred to, Sir Ian, about the wider improvements that you see? You have mentioned that a report will be published, and I don't want to explore or pre-empt the detail of that report in any way, but given the historical dissatisfaction that there has been as a result of some of the surveys that you have done with Members and their staff, what specific steps are being taken to improve the service to Members?

- **Marcial Boo:** There are a number of steps that we are already taking. Over the last 18 months we have opened the phone lines from the afternoon to all day. We have also extended the use of the payment card, which MPs have very much welcomed, from just travel—that is what it was originally—to all purchases that are eligible under the scheme. We have also learned from the experience in the general election, where we had one-to-one support for new and departing MPs. In most cases, that was very successful as it meant that new Members, particularly, had an individual who they knew and could call and ask questions of whatever nature about the scheme and about what they were eligible to claim for. We have



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now introduced that for all MPs, so that for every single member we have two named contacts in IPSA who are there to support them in making eligible claims under the scheme. That is one of the improvements.

- As Sir Ian has mentioned, we are also subject to discussions with SCIPSA wanting to invest in a single IT system that will ensure that the quality of our data is much better and that the online interface with MPs is vastly improved. A consistent bit of feedback in all our surveys over the years has been that the off-the-shelf systems to which Sir Ian referred, which we necessarily implemented in our earliest days for reasons of speed, are none the less a little clunky and certainly are not as efficient in terms of their interface as the systems we are all now used to in our private lives from online providers of financial services and others. That is certainly something we would like to see improved. All those changes—an improved interface and better IT support—will mean that we will be able to provide not only a better service but a more efficient one, as well.
- **Professor Kennedy:** If I may, let me just translate what Marcial is talking about, and the improved interface. As I see it, in our everyday lives we can go online and find out what our bank account looks like and so on. MPs are not yet in that position. That is to be regretted and we are working hard to ensure that that happens as quickly as possible, hence the complete rejigging of how we address our IT.
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- **Q6 Mr Rader:** Notwithstanding the developments in IT you would like to see introduced and the regular surveys you undertake, what else do you do or do you have plans to do to engage with Members to take their thoughts and views?
- **Professor Kennedy:** While Marcial is thinking of the right answer, let me say that one of things—Sir Kevin might remember this—is that in the previous Parliament I asked for a liaison group, as we called it, between MPs and IPSA. It would be right to say that it was not the greatest success for a variety of reasons. We now see that if we decide that elements of the scheme need at least consideration, if not reconsideration, we intend to set up groups that would involve MPs’ staff and MPs themselves to see how this works for them. We already have quite good dealings with MPs’ staff through a group, and that provides very helpful feedback from which we are anxious to learn. That is one example.
- **Marcial Boo:** And also, I hope that in more informal ways we can be more active in engaging with Members. One-to-one is an obvious one, and we now have a drop-in centre in Portcullis House where every Wednesday afternoon anybody is able to come in and have a chat with colleagues of mine. We have also been invited to and have attended party groupings; I have spoken to the 1922 Committee, the parliamentary Labour party and, about a fortnight ago, a group of Conservative MPs that was gathered together by the Deputy Chief Whip. I have made the same offer to the leader of the Scottish National party in Parliament. We are always open to meeting Members in whatever forum is appropriate to hear their views.



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- **Q7 Mr Rader:** Notwithstanding, quite properly, the governance of your board, how confident are you that matters you pick up on in those networks can be acted on quickly?
- **Marcial Boo:** It depends on the issue. Some will potentially require a change to the scheme and in that case, obviously, we need to discuss them with the board and consult on them. Similarly, on publication issues. In some cases, such as on security, we can act much faster and we liaise with the House authorities and, in this case, with the police and others. As we have discussed already, we can take action more precipitously.
- **Chair:** Let us move on to consultations. As you are well aware, we are the statutory Committee that you have to consult with in relation to how we operate.
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- **Q8 Mr Jinman:** Good morning. I am a lay member and I am self-employed, and I know that constant changes are a problem to manage. I note that you annually review the scheme you have. Are we in expectation that there will be an annual revision and changes this year that MPs will have to cope with?
- **Professor Kennedy:** The statute actually does not require us to review the scheme annually; it requires us to review the scheme regularly, but the judicial member—he will not mind my saying this, because I have said it in public—read the word “regularly” to mean annually. That is what we did for a while, but we announced this year that we were not going to review the scheme at all for the very reason that we are going through a general election and people are finding their feet.
- As regards any review now, as I said, we have two new members of the board. They are bedding themselves in and have only had one meeting so far. At some point relatively soon, we will be considering whether any element of the scheme needs to be addressed, and if so, what. If we decide yes, we will consult, but that is some time away.
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- **Q9 Mr Jinman:** Given the peculiar nature of an MP’s employment—you may recall that I chaired a Committee looking at various aspects, and we looked at this particular one—I wonder what employment status you use as the basis when you are doing your evaluation and consideration. I appreciate that HMRC seems to have a separate set of guidelines for employment status, but do you see MPs as the equivalent of self-employed or the equivalent of employed, or are they such unique beasts that we have to consider them in a different context?
- **Professor Kennedy:** They are, if I may say so, unique in virtually every way, and undoubtedly in terms of their status because they are not employees. They have a special status of Officers of the Crown and so on¹. That being the case, we

¹ Professor Kennedy has since clarified that, during the discussion of the employment status of MPs, his



deal with them by reference to historical precedent through, for example, the work of the Senior Salaries Review Body and through Sir John Baker's work. It is that kind of historical understanding of the role that MPs play that guides us, rather than selecting comparators from this area or another. I have always taken the view that comparators tend to be somewhat teleological. You choose the comparator that coincides with the answer you wish. The Senior Salaries Review Body used a brigadier or a colonel to work out what the pay of an MP might be, but no one used a corporal's pay, for obvious reasons. There is that element of self-sustaining logic.

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- **Q10 Mr Jinman:** When you come to consider expenses, given that many MPs have other employment, how do you partition any expense you have to deal with, such as to ensure that the true cost of the work is being carried by the Member activity, rather than any private activity? For example, I am self-employed. I come down to London and I might have three meetings, and I have to partition my expenses accordingly because I am dealing with three different entities. How do you deal with that?
- **Marcial Boo:** The statute that set us up requires us to fund activity that is wholly or exclusively parliamentary, so that is what we do. Clearly, the line between what is parliamentary and what is political can be difficult sometimes and requires judgment. The distinction you are drawing is between what is in this case parliamentary and what is personal. Clearly, it is not right for IPSA to fund any personal activity, so we rely on MPs to submit claims that are for parliamentary activity, and from time to time we go back to MPs and ask for a little more information or clarification, just to assure ourselves that the claim is actually for parliamentary activity and not for something else. We rely on the judgment of MPs to ensure that, to the extent that they are funded from other sources, whether it is from the party or other organisations, they use those funds for activity that is appropriate for those funds and they use IPSA's public money for activity that is in support of their parliamentary activity or work in their constituency.
- **Q Mr Grieve:** I will pick that one up, if I may, because it is something I had noticed. Looking at the theory of this—I understand exactly the principles on which you are operating—it raises quite an interesting issue. Members of Parliament are often asked in their parliamentary capacity to attend meetings at which other people attending may be funded by the organisers of that meeting; nevertheless, the request is clearly coming to the MP in a parliamentary capacity—it is nothing to do with his work, nothing to do with his external activities. As I understand the rules at the moment, perhaps understandably, to minimise the impact on the public purse, the MP is supposed to look first to the organisation for funding before coming to IPSA, although that does raise an interesting question about an MP's parliamentary independence. Is that something to which you have paid any attention?

intention was to convey to the Committee that they are neither employees or Officers of the Crown.



- **Professor Kennedy:** The answer is that anyone who suggests that this is easy is misleading themselves. Obviously neither you nor Mr Jinman are saying that. From a planet other than Earth, the distinction between parliamentary and political is itself something of a nonsense, although the statute under which we operate makes that distinction, as does HMRC. In the light of that, what we have tried to do—if I may say so, it is a very helpful intervention, and very important—is not define what is parliamentary and what is political; rather, we have tried to suggest that which is fairly self-evidently in the political bit, such as campaigning and so on. Thereafter, we arrive back at that point I described earlier in the journey that IPSA is on from prescription to discretion.
- We invite MPs, in the knowledge that the claim will be published—this is, for Mr Jinman, a very important point: this is going to be in the public domain after two months—to make a judgment. It may be that the knowledge that it is going to be in the public domain has a chilling effect on the claim. That is a function of where we are in time the context; we may go beyond that. But between prescribing precisely and leaving it to discretion, I am much more in the second camp, in the knowledge that this is a very difficult line to draw. Many people say they know an elephant when they see one, but here there is no elephant to be seen. It is a very complex issue.
- **Q Tommy Sheppard:** Good morning. Moving on to a different aspect, will you let us into your current thinking on the Members' accommodation aspects of the scheme? Are you reviewing those options and do you have any plans for a consultation in this parliamentary Session?
- **Professor Kennedy:** As I said earlier, we are not yet in a position to advise you what we are going to consult on, because we have not decided ourselves. I know there was a story in the press that accommodation was a matter we were going to consider, but that was merely picked up from a minute of a meeting of the previous board some time ago that said that concerns had been expressed about what was personal benefit and what was parliamentary activity, and one such is accommodation. The board has in no way made up its mind what it wants to do, not least because two members of the board are new to it and need to hear more of the arguments before we go any further.
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- **Q11 Tommy Sheppard:** If I were to invite you to speculate on a timetable?
- **Professor Kennedy:** For decisions as to what we are likely to be consulting on, if any, and I stress if any, it will be towards the summer.
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- **Q12 Tommy Sheppard:** On a different point, did you anticipate the recent level of press interest and coverage on debt? How do you think that process could be managed in the future?
- **Marcial Boo:** On the question of debt? In the normal course of our operation, there are moneys owed both ways. IPSA is due to pay MPs money to reimburse



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their claims and MPs from time to time need to reimburse IPSA for the reconciliation of a payment card. At any one moment, if you take a snapshot, there will be moneys that are owed both ways, as it were. The word “debt” connotes something more serious, and I made reference earlier to the loans that we give MPs at the start of their parliamentary career to help them with cash flow. Those are not debts; they are moneys that will be repaid at the end of the loan period. The word “debt” is sometimes used to encompass all of the transactions that are moving backwards and forwards between us and MPs. Obviously, I can appreciate how sometimes the media can fix on the word “debt” and make more of a deal of it than actually exists, because, as I say, our business is to fund MPs, and we do that every day.

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- **Q13 Chair:** May I take you up on that, because the first occasion since I became the Chair of this Committee when I had to write to IPSA, with the agreement of the Committee, concerned what appeared in the media last September, when allegations were made against Members of Parliament of unpaid debt. Clearly, if allegations are made against Members, we have machinery in the House of Commons that deals with that, via the independent Parliamentary Commissioner, who can take action. It has been said to me that three of these allegations were wrong, and I don’t know whether that was the case. More to the point, there is a memorandum of understanding between yourselves, IPSA, or the compliance officer, and the Commissioner, who effectively oversees Members of Parliament and has a continuing workload. For example, sometimes Members of Parliament may have not paid a debt that they should have paid, and owe money to yourselves. Did you consider using the machinery in place, before the allegations appeared on the front page of newspapers? The machinery that we have to keep Members in control could have been used.

- **Marcial Boo:** Both I and the independent compliance officer are in regular contact with the Parliamentary Commissioner, and we keep her abreast of our activities. In respect of the publication in September, it was part of our publication schedule and we had consulted on the fact that we would be doing this. It is also clear that like every other public body, and private sector bodies, we have small amounts of money that it is not cost-effective for us to recover. In the case of the MPs who were mentioned in September, we had communicated with them repeatedly—some were existing Members and some had left the House—to recover those very small sums. We are obliged in September to publish all the expenditure of MPs from the previous financial year and therefore because we are transparent in what we do, we needed to publish those small sums that we had chosen to write off in line with our policy.

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- **Q14 Chair:** Was it true that some of those sums were not owed, and that they were an unpaid debt that was not really a debt?

- **Marcial Boo:** In two cases, yes, we made a mistake, and we apologised within 24 hours, within the day, to the Members, and we published letters of apology to



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them the following day. That was a very regrettable error, which, obviously, we hope not to make again.

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- **Q15 Chair:** This is not a matter for you, Marcial, as chief executive, but I should like to ask Peter about the memorandum. The memorandum of understanding, which is with the Commissioner, not with this Committee, says that if anyone has breached the code of conduct, you could, notwithstanding your powers in terms of paying money back and effectively fining people, send Members of Parliament who are doing wrong to the Parliamentary Commissioner for her to consider a possible breach of the code of conduct. That has never happened in five years, and we will not go into why, but do you understand the operation of the code of conduct? Do you look at such matters from time to time to decide whether it hits the mark to make such a referral, or not?
- **Peter Davis:** My reading of the memorandum of understanding and the information-sharing protocol is that decisions fall into three categories. In terms of anything of a criminal nature, the first people to be consulted on that via my MOU with the police would be the Metropolitan Police. Secondly, and it is stated in the MOU, if I have an active investigation, that would be concluded before a matter was referred to the Commissioner. During my tenure, no cases have fallen within the remit of the Commissioner, therefore requiring referral.
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- **Q16 Ms Darcy:** I would like to talk about procedures for investigation. Clearly, you have a commitment to transparency, and as a lay member of the Committee I think that is a very important principle. In your investigations, you have decided to withhold the names of those Members being investigated. It would be really helpful if you could help us to understand the process that led to that decision.
- **Professor Kennedy:** Before Peter answers, and so that he does not have to say it, if there is an investigation, the name is not withheld. Until there is an investigation, things are not in the public domain, but at the point that there is an investigation, it is in the public domain.
- **Peter Davis:** Absolutely. We came before the Committee last year when we were consulting on changes to my investigative procedures, which are prepared for me by IPSA. At that point, we decided that we would continue to publish brief details of any investigations at the point that an investigation was opened. That is still the case.
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- **Q17 Ms Darcy:** So once someone is under investigation, the name is not withheld from the public.
- **Peter Davis:** Absolutely not. At the point when an investigation is opened, and I did that yesterday, that information is placed in the public domain.



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- **Q18 Ms Darcy:** Up until that point, can you give us a sense of your decision making in terms of whether you decide to share a name or not?
- **Peter Davis:** At the heart of that decision is obviously the memorandum of understanding. Outside of the MOU, I do not think that there is any point at which I would wish to share sensitive personal data, because to do so could breach the Data Protection Act. If I were to do so, I would take legal advice beforehand.
- If we are talking about depersonalised data, information sharing at that point is a matter for consideration, but under the MOU I am required to share that information with the Commissioner when I open an investigation. If we are talking about the stage before an investigation, which has been referred to as an assessment, that falls into three categories. First, there are vexatious referrals. At local and general elections, and in the lead-up to them, I get quite a number of such complaints that are basically politically motivated. I receive a category of complaint that is no more than a rant, if I may describe it as that. I receive an email or some correspondence from a member of the public who wants to do something cathartic for their benefit, but absolutely no evidence is contained within that correspondence. That requires no further analysis. In most of the cases where there is an element of truth in what has been said, or the potential for truth, I will go to IPSA, obtain details of the claim, analyse it, and contact the MP either by correspondence or by asking for a meeting. That may be as far as it goes.
- I think there is a misconception abroad that I have been undertaking lengthy assessments prior to starting an investigation. That does not happen. The Scheme that IPSA has, to which we have already referred, is very effective. There is little scope in that Scheme for wrongdoing. After four years in this office, I have to say that there is even less desire as far as wrongdoing is concerned; there isn't the appetite in the House for wrongdoing. The number of cases that come to me is therefore extremely limited. Having looked this morning at the number of cases, I can say that so far in this financial year I have received 21 complaints and opened two investigations.
- **Q Ms Darcy:** Just for clarification, are you saying that the extent of the investigation that you undertake before making that decision is limited in terms both of scale and of the number of cases that fall into that category?
- **Peter Davis:** Absolutely. It is not an investigation. If a telephone call, meeting or item of correspondence is held to constitute an investigation, then that is what it is, but in my view that is not an investigation.
- **Q Chair:** May I ask you one question about that? It relates to the first category you mentioned. This Committee has, via the Parliamentary Commissioner for Standards, sent people for investigation by the Metropolitan police, and that has been publicly known. According to the press, three Members were sent by you for investigation. One went and came back without any charge—according to the press. I was just wondering: why don't people know that those individuals have been referred to the Metropolitan police on an issue that we must



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assume relates to the expenses of Members of Parliament? If they fell short of a charge by the Metropolitan police, would it necessarily mean that they fell short of a referral to the Commissioner on the basis of a breach of the code of conduct? If such a case was made public, it would be worth bearing in mind that one of the tests in the code of conduct is bringing Parliament into disrepute.

- I would like to hear your views on that, Peter, because I am intrigued about what is happening, when we do what I think is absolutely the right thing under these circumstances and it is publicly known. How does that relate to how you run the complaints side at IPSA?
- **Peter Davis:** I would say several things, Chair. First, in terms of sensitive personal data, I go back to the Data Protection Act. In this instance, where we are talking about potential criminality, such data are extremely sensitive, as I think you will agree. I would take legal advice on that information in every case, and it is highly unlikely that that information would be disclosed. On depersonalised data, I have to abide by the MOU between IPSA, the Commissioner and me. That says that disclosure of depersonalised information is confined to investigations. These are not investigations: I have not opened an investigation on any of these cases. I thought that the information that I received from IPSA exposed potential criminality; therefore, I referred the cases, in accordance with the MOU, immediately to the police.
- **Professor Kennedy:** May I add one thing which I hope will help? It may be thought that the MOU between IPSA and the Commissioner could benefit from some kind of refreshment or re-examination. It was only reviewed in—
- **Peter Davis:** January 2015.
- **Professor Kennedy:** Just over a year ago. If there is thought to be any benefit, we of course would be more than willing to do that. To be borne in mind is the fact that, if there is going to be a change in our processes, we, the board, set the procedure pursuant to which the compliance offer applies whatever his judgment is. If there is to be a change, the board has to do it and consult on it, and that is a lengthy process. But it may well be that the MOU can be addressed without going through that greater elaborate process. We would be open to that—just to looking at it. By no means are we closing the door to anything like that.
- **Chair:** We may reflect on that. We are going to move on.
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- **Q19 Mr Chope:** Do you think that the court of public opinion has yet come to terms with your decision on MPs' pay?
- **Professor Kennedy:** Well, I defer to MPs in their greater understanding of the court of public opinion. My sense is that I have to do the right thing, which means that I have to listen to the arguments and the reasons and then make a decision—my board and I. I happen to believe that our decision was right and if some people



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still find it wrong, I hope that over time they will come to terms with the fact that I think it is right.

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- **Q20 Mr Chope:** You consulted, I think, three times on that issue.
- **Professor Kennedy:** Yes indeed.
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- **Q21 Mr Chope:** On each occasion, the consultation was rather different to your conclusions. What is the role for consultation in this whole process?
- **Professor Kennedy:** That is a very important question. If we did right by numbers, lots of decisions would be made because lots of people thought they were the right decision, even if they perhaps were not, so we do not use a merely majoritarian approach in matters such as those we are charged with.
- How we do it, I repeat, is by looking at the evidence historically. We went all the way back to the early part of the 20th century. We looked at what had happened in the growth of the allowances system, against the background of pay. We looked at what the SSRB had recommended over time many times and at the arguments advanced. We looked at, as I mentioned earlier, Sir John Baker's seminal analysis. We did not look at comparators, because we found that they were not going to be particularly helpful. We arrived at a position that we thought was right.
- As regards listening, our initial view was that there should be a mechanism of indexation, because then for the whole life of a Parliament this matter should not have to be revisited, as it will not be. We initially proposed that the indexation should be movement of wages across the whole economy, because MPs represent all players in the economy. But then on representations, we thought we should perhaps move to an index that said it should reflect movement in the wages across the public sector, because of the circumstances in which public sector employees found themselves. That is the index we are using.
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- **Q22 Mr Chope:** So you will still carry out the same sort of consultation on similar occasions in the future.
- **Professor Kennedy:** No—well, we will not be consulting on the index or the salary until after the next Parliament.
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- **Q23 Mr Chope:** But when you do, you will use the same process of consultation.
- **Professor Kennedy:** I may not be alive then, Mr Chope, let alone responsible for the decision making. I can only say that you will be undoubtedly here and you may ask the next chairman.



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- **Q24 Mr Chope:** May I ask you one other question? I don't know whether you had a chance to look at the debate initiated by Charles Walker last month about the harassment that a number of MPs' relatives and children are suffering as a result of new EU regulations; the presumption seems to be that any money paid to a child whose parents are Members of Parliament is a corrupt payment and should be subject to money laundering regulations. Are you taking this issue seriously? There seems to be a lot of unfair harassment of children, just because one or more of their parents happen to be a Member of Parliament.
- **Professor Kennedy:** I have not heard anything of that, Mr Chope, but now that you have said it, we will look into the matter.
- **Marcial Boo:** We have a lot of contact with Mr Walker, and he is regularly in contact with us, as he answers questions on our behalf in the House. I am aware of the debate that he initiated. Following that debate, I looked into the issue and I have been advised that it is not relevant to the work we do, but I am certainly very happy to look into it again.
- **Professor Kennedy:** Marcial may be conflating—it may not be relevant, but that does not mean to say that it may not happen. That is perhaps your point. We will take away what you say and see whether there is any evidence of that. If there is, we will have to think about whether we have any power to do anything about it.
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- **Q25 Tommy Sheppard:** On MPs' pay, I noticed that you did not use comparators in arriving at the determination. In arriving at what you felt was the appropriate level, what assumptions did you make about the level of commitment that the job entails? Specifically, did you regard it as a full-time professional role or just as one of many interests in which MPs can engage?
- **Professor Kennedy:** As Mr Chope reminded you, in each of our three consultations, we talked in terms of MPs being professionals engaged in a demanding job. We cited the number of hours, on average, that MPs dedicated to their work, and we said that they should be appropriately remunerated for that full-time job. We were also asked whether we—IPSA—should take a view on whether MPs should have second jobs, to which I said, "That has nothing to do with IPSA." It's do with the House, if the House wishes to take a view. From our point of view, we regarded MPs as having a responsible and important job to which they dedicated themselves, and for which they should be appropriately remunerated.
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- **Q26 Mr Jinman:** In reading some background for today, I picked up a comment that I have not delved into further—it would appear that former MEPs have some sort of benefit. Is there any benefit for, and do you deal with any benefits for former Members?



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- **Marcial Boo:** Well, they are entitled to a pension, obviously, which we pay into. But, as is properly correct, that pension is administered by a pensions board including Members of this House. In respect of former Members, we have a winding-up period through which we support them to ensure that they wind up all their financial affairs appropriately. Following the end of that period, we have no further contact with them. Indeed, by statute, we are only allowed to give money to current Members of the House.
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- **Q27 Ms Darcy:** May I go back to the election arrangements and the meetings you had with Members? It is good to know that you had such a degree of participation. Is there anything more that we, as the Committee on Standards, could have done to help that induction process so that when new Members came into the House, they had a consistent and coherent view of the standards and the rules on expenses by which they needed to abide?
- **Professor Kennedy:** That is a very helpful and important question. I know very well that Marcial and the Commissioner meet routinely and regularly, but I would like IPSA's board and the Committee on Standards to be able to meet. I have no power to call you to my boardroom, but I would like to meet in a context where we sit around a table. That would be of great value. If there are areas of uncertainty, confusion or thoughts such as, "I wish it weren't that way", on either side, the better thing is to identify those areas and then get rid of them.
- **Marcial Boo:** Following the election, the Parliamentary Commissioner and I, and the Chair of the Committee on Standards in Public Life and the Electoral Commission, together gave presentations to three groups of new Members from the three main parties, which I hope very much helped Members to understand all aspects of the requirements on them, whether in financial terms in their standards of conduct, or in respect to the Electoral Commission.
- I am unsure how those sessions went. I hope that they were beneficial, but I hope that maybe this Committee can help advise me, with the Parliamentary Commissioner, on how that might be made even more successful following future elections.
- **Professor Kennedy:** Although it could, it should not be a one-off, if we can find a continuing mechanism. But it is fair to say that getting the attention of many MPs in matters to do with business costs and expenses or standards is not always the easiest task. That said, it should not be a task we turn away from.
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- **Q28 Chair:** Thanks very much for that. We will reflect on the comments that you have just made. I thank you all for coming along. I particularly thank Sir Ian. You will not be in front of this Committee again—you are about to retire—and I just want to thank you for all the work that IPSA has done. The last five or six years have been a pretty interesting journey in terms of the aftermath of 2008-2009 and the expenses scandal. Both bringing IPSA into statute and the changes that we have made and are continuing to make in this Committee make for a



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fascinating journey. You have obviously played a part in that over the last five years, Sir Ian, so I thank you for all the work that you have done.

- ***Professor Kennedy:*** Mr Chairman, thank you. In your previous incarnation in the Health Select Committee, you and I did a lot of work together, and I have very good memories of that as well.
- **Chair:** Thanks very much.